

Building a Business on Virtue: Actual, Image, Or Spin

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Public relations practitioners dubbing themselves the conscience of the corporation really nettle other executives and wryly amuse many publics. Yet, the best counselors practice and teach truth telling. They have built international, corporate and boutique businesses by espousing, internally and externally, the virtues of individual, product, company, or just doing the right thing. However, from the very beginning, tell 'em anything publicists split from and overshadowed the more analytic and strategic counselors. Following the conference's theme, the virtue of business, the positive side of public relations will be emphasized. General abuses are more widely known and admittedly still tarnish the business greatly.¹

Bloody Beginnings

Public relations was without name, form or even practitioners until the bitter 1913-14 Colorado labor strife known as Bloody Ludlow. Public animus centered on the Rockefeller family, who owned the State's major employer, Colorado Fuel and Coal Company. When President Woodrow Wilson ordered troops in, their indiscriminate fire killed eight strikers, eleven children and two mothers [Heckscher, 1991, pp. 330-31]. Former Senator George S. McGovern in his *The Great Coalfield War*, and a Bill Moyers interview² cites this as where adroit manipulation of corporate and personal images began.

Two major public relations pioneers—Ivy Lee and George Creel—were involved. Lee transformed the Rockefeller public persona from unfeeling malefactor of great wealth into the philanthropic, political family of today. Creel later headed the Committee on Public Information, also known as the Creel Committee, America's first propaganda ministry.

As a Princeton student, Lee was greatly influenced by his chief mentor, Professor Wilson, who encouraged mediation between corporate practices and

¹ A personal caveat. Attempting to distill not only the voluminous material about public relations, but more than 30 years of practicing, writing, thinking about and now teaching the subject to MBA candidates is akin to wrestling an elephant into a butterfly.

² Moyers, Bill, "The Image Makers: Interviews with Edward Bernays and Ivy Lee," (Video tape shown on educational channels).

public opinion [Hiebert, 1966, pp. 22-3].³ Ironic that a president so inept at wooing public opinion to his causes should birth both positive and bombastic aspects of the business.

From 1906, when Lee represented anthracite mining operations, he won recognition for his policy of “the public be informed.” Sometimes though he lapsed to whitewash his clients. Over the years they included the Pennsylvania Railroad, the Guggenheim interests, Armour and Company, the Bethlehem Steel Company, Chrysler, Portland Cement, and American-Cuban sugar interests. They demonstrated that business executives, if not yet politicians and military leaders, were increasingly aware of how public opinion could impact their operations [Bernays, 1952, p. 70].

At Ludlow, Lee entered an inflamed situation, not just current strife, but a milieu stirred up by powerful anti-business muckrakers and crusading journalist Ida Tarbell’s highly critical book on Standard Oil. Public criticism was already stirring, but Creel’s “febrile oratory” and the local press made sure Ludlow became an inflamed major issue.

To counter that, Lee not only arranged company-sponsored publications, some criticized for inaccuracies, but photo-ops of the younger Rockefeller visiting miners, dancing with their wives. Out of these efforts grew Lee’s major and lasting achievement, his humanizing Rockefeller Senior and trumpeting his major philanthropy.

Ivy Lee’s contribution to public relations—corporate counseling and image or reputation management—is often obscured by Edward Bernays’ razzle-dazzle publicity. Even so, a 1970 University of Michigan survey of experts ranked Lee first as father of public relations with 22 votes followed by John Hill, founder of Hill & Knowlton, Pendleton Dudley, a founder of D-A-Y, Carl Byoir, who established his own firm, now part of Hill & Knowlton, and in fifth place Bernays. “Bernays’ greatest achievement was living so long,” the survey concluded [Tye, 1998, p. 263].

Creel came from the radical left, from a journalism career so “disheveled” even some newspaper interests virtually ran him out-of-state. In attacking Rockefeller and money interests, Creel “exceeded in vituperation anything else heard during that emotional occasion and protest.” His bravura performance upstaged even Mother Jones [McGovern and Guttridge, 1972, pp. 254-55, 313]. But his prejudices were so blatant they diminished his credibility. Lee and the Rockefellers eventually won this P.R. chess game.

Ironically, Creel, little known today, and Woodrow Wilson, one of the least public savvy presidents, fostered the best and the worst of the business during World War I. The Creel Committee dramatically established the importance of information to motivate and mold public opinion. But it also fostered some

³ Ray Hiebert attributes to Wilson Lee’s concern about social ills and public welfare. While never adopting Wilson’s position completely—“That the state was a beneficent organ of society capable of harmonizing individual rights with public duties and social development”—Hiebert considers Wilson important to the development of Lee’s ideas on the utility and role of public relations. Lee sought—and played—an intermediary role between business and public.

of the worst stereotypes still plaguing public relations today—spin, cause pleading absent of veracity, publicists as hired guns. Its centralizing, censoring, and propagandizing weakened public trust in the veracity of government and its leaders.

The Creel Committee is not even remotely a virtue, except possibly in demonstrating the effectiveness of propaganda and developing some leaders in public relations. However, attention must be paid because early on it understood the changed nature of war.

Capitalizing On Change

Jay Luvass, who formerly taught at the Army War College, has convinced many military scholars—and rightly so—that European military and political leaders in 1914 tragically missed how technology, urbanization and industrialization dictated vital changes in strategy and tactics. Had they heeded the realities of our Civil War, the Boer and Russo-Japanese Wars rather than seeing only what fit their schemes of limited, controlled encounters among professionals, the carnage of stalemate, perhaps even a more tempered enthusiasm for conflict might have resulted [Luvass, 1988, p.253].⁴

Curiously, the very nascent discipline of propaganda and still unnamed public relations understood this was a total mass, modern war. Populations must be mobilized, “taught” to hate and fight the evil enemy, respond emotionally to atrocities. That would encourage enlistment and a greater war effort. All nations did it. News became a strategic commodity. Abuses, misleading hyperbole and worrisome control of information resulted. Credibility of leaders and governments was dangerously undermined.

Conversely, truthful, analytic communications, strategically used and studied, can be like the canaries of the trenches and corporations—first to sense dangers and opportunities. In one of his wittiest, most insightful essays for the *Manchester Guardian*, Alistair Cooke applies Vietnam Era reporting techniques to the Flanders campaign of June 3 to November 10, 1917. Horrors of the fruitless battle, remote leadership, awesome suffering were all “brought” into British living rooms through battlefield reporting. Cooke’s conclusions? Communications alone would prevent a battle like the Somme from ever being fought again.⁵ Today, the immediacy of communicating, quite simply obliterates any gap between battlefield and homefront, changing dramatically how politicians govern, generals fight and communicators work.

⁴ The author details how European observers missed lessons of the U.S. Civil War, particularly the stalemate of trenches around Petersburg, VA. The Boer War and Russo-Japanese Wars might have been instructive as well.

⁵ Cooke, Alistair. “Letters from America,” a personal choice on audio-tape by Mr. Cooke from a weekly BBC broadcast.

Engineering Mass Consent

World War I ushered in “engineering of consent on a mass scale,” or the “industrialization of lies.” “Ideas and their dissemination became weapons and words became bullets. Publicity became essential to the war effort [Bernays, 1952, p. 71]—a time of developing and testing new technologies of persuasion.

The Creel Committee, a massive effort, used every available means—print, broadcasting, film, scholars, particularly historians, a massive publications program, and special appeals to hyphenated Americans. Millions were spent to ultimately whip up destructive anti-Germanism against individuals, scholarship, and the culture, inducing an almost farcical spy hunt. All such propaganda driven hysteria produced little positive except in honing communications techniques and many leaders of the public relations business which boomed during the 1920’s and 1930’s.

The committee spawned some of today’s worst P.R. abuses: Spin—say anything to win for your client. Outrageous case-and cause-pleading at the expense of truth and plain-speaking. The “bludgeon technique” and personnel pressure. That P.R. people like lawyers are hired-guns. The CPI’s tone and graphics, humorous today, suited its times. Creel’s rabid oratory, however, would make modern P.R. persons blush — so florid it created more suspicion than conviction. Creel let cause and emotion drive his publicity. A wiser leader, the late John Hill, taught facts must drive P.R., not P.R. the facts.⁶ The charge was made against Hill and Knowlton that it sold the Gulf War like cereal. Creel sold World War I like cereal, Coke, Pepsi and any other aggressive advertising/P.R. campaign.

Overshadowing both Lee and Creel by virtue of a long flamboyant life and egregious self-promotion was Edward Bernays, who worked for the Committee in the U.S. and in Paris. Bernays viewed this as an opportunity for publicity men “to apply their techniques in the national interest,” and made the United States government the prime factor in public relations. One can justifiably argue the pros and cons of that development [Tye, 1998, p. 99]. J.P. Morgan’s “the public be damned” had become “the public be manipulated.”

Bernays deems the experience in “broad public relations . . . a turning point in the lives” of Committee members, himself included. Previously, he had been a press agent mostly for theatrical firms and performers. “Until the last two decades, most P.R. people still came out of publicity or print journalism. The Committee had no precedents to go by, so tried new methods to conscript opinion” [Bernays, 1952, pp. 73-4]. Chilling in its frankness? A portent? Predictably, after the war there was widespread disillusion with and reaction against propaganda. The American people resented their own wartime gullibility” [Bernays, 1952, p. 75]. Not that they were manipulated!

War time P.R. never attained its full potential, according to Bernays because of too much “improvisation,” and coordination and integration was lacking in

⁶ Private conversation in 1972 when the author was a Hill and Knowlton officer.

every country [Bernays, 1952, p. 75]. However, “Pre-war reformers and muck-rakers had compelled business to adopt a new policy toward public opinion” [Bernays, 1952, p. 78]. Now governments were forced to enter the field on a grand scale—a great opportunity which Bernays seized for fame and fortune.

The Creel Committee was very troubling overkill, unnecessary except to counter the propaganda efforts of Germans and to some extent the British. The Zimmermann Telegram, sent by Germans to Mexico encouraging reconquest of the U.S Southwest, had already solidified public opinion. Had effectively silenced anti-war groups. The U.S. would fight. But the blatant centralization, control and censorship of information piled dangerous baggage onto the business. Critical as one is of Wilson he was, however, the only world leader trying to talk not fight.

Super Hype And Abuses

So much has been written by and about Bernays, Larry Tye’s *Father of Spin* is merely the most recent, that greater attention will be devoted to public relations people of a far different ilk. Briefly, Bernays, descended through both parents from Sigmund Freud, not only attempted to apply his uncle’s insights to engineering social consent, but also developed a counseling practice. In the 1920’s, he promoted “torches in freedom” (cigarettes) to women for the American Tobacco Company and the miracle of light for General Electric. His “big think” was part P.T. Barnum, part J.P.Morgan, but effective usually short-term. Bernays was renowned for client churn.

Conversely, my own association with communications officers and my mentors, John Hill, Milton Fairman and Chester Burger, taught scholarly analysis of public problems, objectivity and truth telling. Lest positive comments on these men and others skewer credibility, let me acknowledge there are too many spin-meisters, image artists, and prose-splitters aiming to cloak and deceive. Just consider the spinning, sliming and obfuscation in Washington the last year.

Many of those critical of public relations even today, overevaluate, perhaps even envy the power of P.R. That’s exactly what Jeff and Marie Blyskal do in their largely negative *PR, How the Public Relations Industry Writes the News*. They score the Communications Elite, including the media and particularly government spokespeople, who they claim “must operate in the shadows” and P.R. practitioners as powerful “hidden persuaders.” Actually, reality, money, advertising and lawyers play that role more effectively. False images discredit P.R. people with “always lying.” The Blyskal’s credit media with “always seeing through the lies” [Blyskal, 1985, p.12]. That takes lots of hard work. Such false images are laughable were they not too frequently believed. The authors see P.R.’s ultimate goal to promote tangible products as well as intangible corporate images and social ideas. In sum, the narcissistic business of trying to make their clients look good [Blyskal, 1985, p.67].

But P.R. people and the very corporations for which they work suffer a double standard. Media seems unwilling to accept what is good for the goose

is good for the gander. When journalism professor John C. Behrens began contacting well-known reporters for interviews, he found paranoia common. Some never answered his calls at all. Others only after repeated calls. One shunted Behrens to his lawyer. Most questioned him closely about the reasons for his interest. Although eager to ask others about income, journalists don't entertain questions about their own and its sources from speaking, newsletters, and syndicated columns.⁷ Just imagine any public relations person attempting that, but Cokie Roberts did.

Enterprising Founders

Founders of the two largest international public relations firm—the late John W. Hill and the still very active Harold Burson—shared an intelligent vision for the public relations business, as well as restless drive and insatiable curiosity. However, Burson early on associated with William A. Marsteller, who headed an industrial advertising agency. Only much later, in the 1980's did Hill and Knowlton join with J. Walter Thompson.

The Great Depression boosted public relations. Responding to widespread criticism of capitalism, business realized it could no longer merely sell its goods and services. It had to explain its broader contribution to society. Hill, in a book written in 1957 expanded this mandate, setting the stage for a widening and professionalizing of communications.⁸ To Hill, public relations had no mystical powers to work miracles, sway public opinion, or create lasting value where none existed. Rather, communications was a broad management function rooted in integrity, soundness of policies, decision making, and actions able to be viewed in the light of public interest.

Hill's counsel succeeded because it suited the times. As labor and management struggled, he told management that employees were its nearest and most important audience. Lukewarm communications with them or any other public was worse than none. Nor could smart publicity ever replace sound management policies and good financial results in building a lasting foundation of good will. People must know what a company is doing to approve of its actions. If management refuses to tell its own story, someone else will, either incorrectly or to their detriment. Too many managements bestir themselves to tackle a problem only at its flash point, Hill continued. Then, confounded by slow-moving public attitudes and seemingly intractable problems, they grow frustrated and bored, leaving the field open to the unrelenting efforts of detrac-

⁷ A complete discussion of Behrens' difficulties in getting information can be found in John C. Behrens, *The Typewriter Guerrillas: Closeups of 20 Top Investigative Reporters* (Chicago, 1997).

⁸ John W. Hill wrote two books. The first, *Corporate Public Relations, Arm of Modern Management* (New York, 1958), details the concept—more valid today than when Hill wrote—that communications must be in the matrix of its times, meeting needs. The second work is somewhat autobiographical; *The Making of a Public Relations Man* (New York, 1963). In the interest of disclosure: The author was an officer of Hill and Knowlton from 1970 to 1978 and had numerous conversations with Hill.

tors. Hill espoused a different approach: once companies are sure policies are right and decent, that their house is clean of possible embarrassments, then they should tell the story forthrightly and repeatedly. As George Cabot Lodge wrote later, private enterprise can exist only under the franchise of public opinion.

In his prologue to a 1975 anthology of Hill & Knowlton executives, Hill looked back over his 48 years in the business, but more importantly ahead. His counsel is valuable still. "Nothing escapes questioning. Nothing is sacrosanct," even though "sound criticism sometimes explodes into hysteria." "Business needs to close [its] credibility gap," not "by double-talk" or concealing facts the public has a right to know. Only "candor and straightforward talk" will achieve credibility.

The greatest achievement I have seen in my lifetime is the growing recognition that you can't demolish or kill an idea with a gun or a bomb—that public opinion is the final, all controlling force in human society. But public opinion that is misinformed, misled or lied to can be a destructive force. Business needs to show, by policies and acts in the public interest and by speaking out clearly and convincingly to people, that it is worthy of their support and confidence. In my opinion, the survival of enterprise will depend on how well this job is done [Hill, 1975, pp. V-VI].

Hill expanded on this theme in a *Critical Issues* chapter. Repeatedly he cautioned public relations cannot be a cosmetic used to conceal the truth. Nor can its practitioners succeed without "aggressiveness and guts . . . to make their points stick with corporate management." "Business [has] talked too much to and about itself and its needs; too little about what this means to people." "It is imperative [in public relations] we keep a perspective of history—where we are, how we got there and where we are going" [Hill, 1975, pp. 13-24].

Outsiders often tussle with or question positive aspects of public relations. A recent study of Hill and Knowlton begins with a description of Hill's day at 72. Walking 5 miles daily. Working at least 8 hours and sometimes longer. Not idling his time in the sun as many do at that age, but managing "one of the busiest and most successful enterprises in the nation. The agency exaggerated" [Miller, 1999, p. 2]. No, it did not. Until just three months before his death at 86, Hill was still walking, managing and exploring new business opportunities.⁹

Hill's greatest competitor was Burson-Marsteller. Its founder Harold Burson explains in an informal history that from the firm's founding in 1953 he sought to distinguish it by specializing in counseling mainly to industrial companies. Hence, the strategic alliance with Marsteller. Capitalizing on flukes spurred innovation. One example: Knowing newspapers used year-enders or industry roundup stories, Burson interviewed Clark Equipment Company executives on expectations for the material handling business. The interview in full appeared on the first business page of

⁹ At his death, Hill was exploring new business opportunities in Brazil with the author.

the *New York Herald Tribune*. Responses convinced the client of the positive power of public relations.

Some 30 years before integrated marketing communications became a buzz-word, Burson-Marsteller established total communications services—advertising, marketing research, promotion materials and public relations. That also fueled expansion beyond the industry sector into consumer products. Burson developed additional strategies for expansion: acquire marketing capabilities; expand geographically, first domestically, then overseas, add a Washington public affairs office, strengthen investor relations capabilities, more aggressively promote and market the firm, and strengthen personnel through evaluation and aggressive training/recruiting. As Burson-Marsteller expanded first to Geneva, then throughout Europe and to Japan, it sparked evolution from Pan-European to country marketing management. In January 1988, Burson became chairman after serving as CEO just two months shy of 35 years. He had managed growth from a staff of five to the world's largest public relations firm.

In 1998, Burson-Marsteller reported fees of 258.4 million despite flat results in Europe and reflecting problems in the Asia-Pacific region. The current CEO, Chris Komisarjevsky explained, "We help our clients manage perceptions, build informed opinions and deliver results" [O'Dwyer, 3 March 1999, p. 1].

Still active today, Burson voices concerns as the client/agency relationship diminishes from agency of record, where clients used one agency almost exclusively for all its communication needs, to multiple firms competing continuously for individual projects from large corporations. Burson is far from alone in lamenting that as a result "the trusted counselor/advisor decelerated to low cost vendor/supplier." To counter this, Burson emphasized strategic content. Clients may balk at paying what they perceive as high rates for tactics and basic implementation, but they will perceive greater value in strategic counsel and pay for it [Burson, *History*, pp. 1-45].¹⁰

Burson's continuing drive for new solutions and value-added public relations can be illustrated by his recent counsel for his alma mater—Ole Miss. The problem? A lagging public perception of campus racial relations. President Robert C. Khayat was resolved to close this gap. But Burson still asked, "Do you realize the likely emotional intensity of the opposition?" Burson's team included a lawyer with southern roots and a Ukrainian immigrant with his own personal experience in minority rights issues. First, they did extensive fact gathering, including research among key Ole Miss audiences to determine attitudes driving college choice among high school graduates, coaches and parents.

Rumors began circulating that symbols sacred to the Old South—playing "Dixie," the Colonel Rebel mascot, display of Confederate flags at football games, the Rebel nickname for athletic teams, even the name Ole Miss itself—were at risk.

¹⁰ This section is distilled from an informal history of the firm drafted by Harold Burson and generously shared with the author.

Burson assessed the “heat level” accurately and quelled rumors. The President was bombarded with hate letters, e-mail, and threatening telephone calls all warning “Ole Miss’ symbols are sacrosanct; change them at your own peril.” The counter-message was equally strong. This is not about symbols, but making Ole Miss a better educational institution and getting credit for it. Research disclosed only one symbol—Confederate flags—rankled or determined college choice among both white and minority students and their parents. How to solve this? The popular then head football coach, Tom Tuberville publicly talked about the adverse effect on recruiting, thus on both academic and athletic programs. In essence, do you want the flag or winning teams?

Burson concludes: “This is one of the few times in my career when a public relations response so quickly brought about a change in behavior. To me, that’s what public relations is all about—affecting behavior—nothing more, nothing less” [Khayat, ****, pp. 1-3]. In short, the best of public relations virtue.

Growing The Business

Public relations is too large and varied an industry to discuss each firm. Instead those indicative of change or trends—privately held, boutiques and unique niches—will be mentioned. Daniel J. Edelman founded Edelman Public Relations Worldwide, currently the largest independent firm headquartered in Chicago rather than New York.¹¹ In 1998, Edelman reported fees of \$157.8 million and 1,636 employees [O’Dwyer, 17 March 1999, p. 1]. Edelman became the acknowledged leader in consumer products and created the media tour. (A company spokesperson visits key markets, performs store openings, does media interviews and participates in talk shows on local television [Morley, 1998, p. 146].)

Other important firms developed to service specific markets such as Anne Klein and Associates for Philadelphia, or to lobby, Powell/Tate in Washington, D.C., or specific needs such as graphic design, crisis communications or financial consulting. Many others spun off from major firms such as The Dilenschneider Group, headed by former Hill and Knowlton CEO Robert Dilenschneider.

Perhaps the most unique niche was established by Chester Burger, counselor to the counselors. Through his firm he not only counseled AT&T CEOs and senior management, but advised on the merging and founding of public relations firms. Still very active in advising all who contact him, Burger speaks frequently on ethnic conundrums of the business.

Internationally public relations grew through such firms as France’s Jacques Coup de Frejac, which played a major role in encouraging US and UK clients to understand the French market and European movements [Morley, 1998, p. 146]. In Brazil the first important public relations breakthrough came through industrial and literacy needs. As the Middle South—Minas Gerais, São

¹¹ Although New York City still dominates both public relations and advertising, large firms such as Edelman, and smaller boutique shops are flourishing in other markets

Paulo and Rio de Janeiro—industrialized and modernized demand for labor rose dramatically. Many migrated south along the trail of tears from the poverty-stricken Northeast. Early public relations efforts helped these workers with problems of literacy and new work demands mainly by preparing very effective materials.¹²

In addition to global spread new types of firms, such as Shandwick, entered the business. Shandwick, founded in Britain, was publicly held. (The big two American multinationals were privately held until Burson-Marsteller was bought by Young & Rubicam and Hill & Knowlton by J. Walter Thompson.) From a strong UK base, Shandwick built autonomous units practicing financial and investor relations, public affairs and consumer PR. As a public company Shandwick could finance a major buying spree of 35 agencies in the USA, Europe, and the Far East.

In the Asia-Pacific region, its vision and growth was aided by Taiji Kohara, who was to Japanese PR what Hill, Burson and Edelman were to the US. From his initial office in Tokyo in 1968, Kohara established International Public Relations (IPR), a network of offices in 43 countries from Japan to Australia, which Shandwick acquired in 1988 [Morley, 1998, p. 147].

As consulting firms, large and small, evolved, they also demonstrated the efficacy of corporate departments. Ivy Lee had blazed the way with his counsel to the Rockefellers and other clients. Corporate public relations became an ego-enhancer for the CEO; a signal that the company was modern and cared about its various publics. Milton Fairman, a Chicago journalist, established one of the first wide-ranging departments at the Borden Company. He combined press relations, a taste kitchen to not only test Borden products, but to develop recipes using them. A large publicity section promoted food, chemical and other products. Fairman also sensed early the government's role. Staff members with scientific skill testified before governmental committees on the regulation, labeling and safety of food. An extensive award program honored scientists in the field. Associations were established with advertising and public relations firms overseas important to company operations such as the Brazilian chemical company.¹³

Evolving Leaders And Liabilities

Public relations in the last decade has changed drastically. Its power diminished as communications technologies proliferated. As media coverage extended around the globe, around the clock and competed furiously. Former standards of veracity and taste declined as market share ruled. All transformed the practice, standing and leaders of the business. Lawyers cut deeply into lobby-

¹² The author's observations and research in 1973 while doing doctoral studies in economic history and analyzing public relations opportunities for Hill and Knowlton.

¹³ Materials gathered from the author's experience as a Borden product publicist from 1964-69, and from frequent conversations with Fairman as well as the official Public Relations Society of America taped series of interviews with PR pioneers.

ing and advocacy functions. Senior corporate officers and counselors less often came from traditional paths of journalism, but from law, scientific or governmental specialties.

Areas of growth existed, but were shied away from or dismissed as too mundane. Two examples: helping transnational companies flourish in many different countries, and communicating with increasingly multi-cultural and alienated, highly mobile work forces. Mainstream practitioners have missed both boats. Limited by myopia or xenophobia, they still prattle on about doing business with manana nations, an egregious putdown particularly to hustling, ever bustling Paulistas. Years ago, employee communications was kissed off as too mundane to pursue, mostly in a vain, grand strategy of counseling the CEO alone.

Counter trends and counselors do exist, however. Let Regis McKenna illustrate that. By melding marketing and public relations to distinguish a new company he was eminently successful for Apple and Steven Jobs. McKenna by choice of name, logo, colors and publicity made personal computers user friendly. Customers no longer needed to be teckies. He positioned Jobs as cerebral with interviews in *Scientific American*, Apple as an optimistic entrepreneurial story to contrast with worrisome Japanese success. McKenna built market share not by taking someone else's piece of the pie, but expanding the whole pie.

By the 1990's, McKenna had helped launch the first microprocessor for Intel Corporation, the first recombinant DNA genetically engineered product for Genentech Inc. and the first retail computer store, The Byte Shop. Typical of Silicon Valley, he linked efforts with Stanford Graduate School of Business and developed strategies for interactive relationships vital to the age of the never satisfied customer.¹⁴

McKenna's ideas have evolved from *Who's Afraid of Big Blue* through *The Regis Touch* to his current *Real Time*. More marketing than communications generally, the nostrums apply. Old-mindsets and stasis defeat. Technology has compressed to nearly zero the time it takes to acquire and use information, learn, make decisions, initiate action, deploy resources and innovate. "Continuous discontinuous change." "Constant radical upheavals." That's real time management.

McKenna explains technology has embedded itself in everything. Speed is the differentiator. Information must be clothed as interactive entertainment. Many would lament that idea has invaded the news. Throughout, however, McKenna is optimistic that technology will capture the whirlwind of speed, change and uncertainty.¹⁵ It also inverts power. No more monologues cascading down to customers and employees. Even more conventional communicators must cope with the pancaking of corporate structures as middle managers were thinned out and information flowed horizontally.

¹⁴ —Regis McKenna, 1998 <http://www.cybergold.com/company/bio_mckenna.html>.

¹⁵ A review of *Real Time* by Regis McKenna. September, 1997 <<http://www.mcgraw-hill.co.uk/business/features/realtime.html>>.

To McKenna, old monologues have been supplanted by access—a constant two-way flow of information, collaboration, and co-creation. In short, “being in touch all the time.” A new pull of customer/specific solutions have replaced the old push of mass products into a mass marketplace. “This profoundly alters the relationship between society and its powerful institutions,” he concludes.¹⁶ A relentless, continuous offensive.

Bad Images: Good Images

Some individuals, either alone or with largely covert counsel, by design or by just doing the right or wrong things create public personas. At opposite ends of that spectrum stand Donald Trump, who bragged about and plastered his name on everything. Also, Leona Helmsley, who was transformed, but only temporarily, from the Queen of Mean to the ever-vigilant hostess dedicated to every hotel guest and his comfort. Trump and Helmsley demonstrate the trap of too much personal hype and dominant association of one individual’s name with the corporation.

In stark contrast is Adam Feuerstein, who when his Malden Mills burned did the right, but surprising thing. He kept workers employed until the mills were rebuilt. He seemed embarrassed, almost surprised, by all the public adulation—and some sarcastic criticism. Today, new customers are returning such virtue by favoring garments made from his fabrics.

In December 1995, when flames destroyed three of ten buildings of his Malden Mills in Lawrence, Massachusetts, Feuerstein immediately told 1,000 of his employees he would pay their salaries for at least thirty days. Not only was this action important to employees and community, but consistent with Feuerstein’s past actions. He consistently refused to follow the textile trend and move his mills to a cheap labor location, saying the laborers’ technical skills outweighed the benefits.¹⁷ He also promised the tragedy would not derail Malden Mills’ leadership in the local community or the world textile market.

In an era of downsizing, mergers, relocations and closing, most doubted initially the old mill would be rejuvenated. “How could Feuerstein at age 71 be expected to rebuild? What executive would not seize the opportunity to retire, relocate or simply close down?” But the sole owner desired otherwise, explaining: “Whether I deserve it or not, I became a symbol of what the average worker would like corporate America to be in a time when the American dream has been pretty badly injured.”¹⁸ In a dollar driven age, some, soon silenced, however, wondered if this were the most profitable use of funds.

Three positives arose from the ashes. Personal accolades for Feuerstein. Also, many consumers looked much more favorably at garments made from

¹⁶ *Consumers rule service in real-time marketplace*. October 27, 1997 <<http://www.amcity.com/consultants/columns/books39.html>>.

¹⁷ Aaron Feuerstein. Adapted from a press release. December 12, 1995, p.2 <<http://studentweb.tulane.edu/~dmui/mill.html>>.

¹⁸ *Ibid.*

the Mills' high quality Polartec and Polarfleece. Finally, the tragedy produced a better workplace. As Mrs. Feuerstein explained: "Factories built today are very miserable looking. No windows. Metal siding. Whatever is cheapest." The new building will be more efficient and accommodate expansion. Compliment surrounding structures.¹⁹

Franklin Pierce College honored him thus: "Mr. Feuerstein pledged to put the well-being of friends, colleagues and employees over his own personal well-being. The re-building of the Malden Mills plant, its grand re-opening last October, and the outpouring of general affection, admiration and appreciation from . . . employees and surrounding communities illustrate the positive impact of Mr. Feuerstein's efforts."²⁰

Gazing Ahead

Thoughtful, senior practitioners see the major problems clearly. William Oliver, AT&T's vice president of public relations, speaking on the "Practitioners Dilemma" [Edison, 1992] noted "In a survey of 225 of the top U.S. business journalists, about 47 percent of respondents believe P.R. people are more of a nuisance than a help." That they lie. Why? "One reason," Oliver cited, "may be that journalists think that P.R. people simply get in their way of the pursuit of the truth." Journalists appear to have more faith in the truthfulness of the corporate executives to whom PR people report. Only 34 percent disagreed with the statement "Corporate executives are truthful most of the time." Talking as high as possible may not, however, be solely a factor of truthfulness, but journalistic ego as well.

Several other trends were outlined in 1992 by Thomas Eidson, then Hill & Knowlton's CEO, now senior vice president of Fidelity.²¹ Citing Edward Bernays, he explained public relations "perhaps more than any other activity, continuously reinvents itself to reflect and serve our ever changing society@. For example, competition means one company no longer is pitted merely against another, but against regional, even global economic interests. To manage such global and competitive changes, practitioners must be client-driven and their results measured.

Paralleling McKenna's ideas, Eidson noted public relations has arrived full blown as a major marketing player that unaided by advertising or any other communications device can move product at a greatly reduced cost. Corporate image or reputation management also is re-emerging as critical. In the 1940s, '50s and '60s, building corporate image was vital. Companies not only sold products, they sold themselves. That strategy changed. "Double

¹⁹ Ibid.

²⁰ Franklin Pierce College Press Release. <<http://www.fpc.edu/news/11-04-97.html>> September 5, 1997.

²¹ "Six Trends That are Changing Public Relations" remarks by Thomas E. Eidson, President and Chief Executive, Hill & Knowlton, Inc., *Public Relations Counselors Academy*, San Diego, April 28, 1992, p.10.

digit inflation made consumers extremely price conscious. Old-line corporations merged, were acquired, or went out of business. Technological advances meant products became outdated before they wore out. And many manufacturers decided that in a throw-away society, corporate image meant little to them. They were very, very wrong," according to Eidson [Pinsdorf, 1998, pp.39-41].

Some image building has been sullied by ego tripping CEOs — all public presence was in his persona or puffed his woolly ideas. Skeptics not only questioned the cost, but whether image was a smoke screen. Many of the nasty proxy and merger fights further darkened reputations. Now corporate image, also called reputations management, is being used to promote professional services such as lawyers, and distinguish products amid a proliferation of choices.

Communications and public relations are not only businesses in themselves, but increasingly impact, even determine the success or failure of corporations and individual executives. One only need think of the Clinton Administration, of Tylenol, Bhopal, Pan Am 103, Dow-Corning breast implants, Swissair 111 and the case is essentially made. Public relations properly utilized can be the canaries of the corporation—sensing dangers and opportunities, making a virtue of its own business and its clients.

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