Foundation for Public Relations Research and Education 22nd Annual Foundation Lecture 1983 PRSA National Conference New York, NY October 23, 1983

"Public Relations and the Very Human Art of Management"

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Thanks, Ned, for a very generous introduction. If Ned says it, it must be true. Now I wonder how I'm going to get it all on the tombstone.

Honors accumulate with the years, but it would be hard to imagine a more fitting climax to a career in public relations than to be invited to deliver the annual Foundation Lecture. When you've gone over the hill to the pension list, it's gratifying to be allowed to send one final carrier pigeon back to the base camp, bearing words of immortal wisdom. Thank you, Foundation.

We all have to retire sometime. I knew it was time to leave General Electric when they started sending up my desk calendar one day at a time. The secretaries were starting to look at me with deference instead of interest. My retired friends were telling me the good news of the golden years: sloth can be learned.

But most telling of all, my trusty typewriter was declared a technological antique, and they were moving in word processors with green screens.

Time to go. The electronic age has finally arrived.

The Long-Awaited Electronic Revolution

Funny thing. I got my first big break in public relations 28 years ago by writing testimony for GE's chief executive officer, Ralph Cordiner. His subject three decades ago: the impact of the electronic revolution. He was dealing with that new issue that Betsy Ann Plank told us about in last year's Foundation Lecture, persuading employees to accept computers and automation. So I owe my happy career of writing for GE chairmen to this frequently announced electronic revolution. And I must agree with Betsy that it does have farreaching social, economic and political implications, though they've been somewhat long in coming.

No other subject has so completely dominated the business and professional press in the past two or three years. Alvin Toffler has managed to milk another book out of it, and the "communications revolution" has replaced "social responsibility" as the leading topic for

symposiums and learned conferences. AT&T is all broken up about it, and the stocks of all the little would be competitors in telecommunications brought Wall Street to a feeding frenzy in the past year. The banks and the brokerage houses are engaged in an epic battle for the financial turf, brought on by computerized money.

We are warned that people stuck with pre-computer skills -- like PR people -- had better get with it... or else. School systems are going broke trying to buy computers for their kindergartens. The younger generation has mastered the joystick and is now moving out of video games and into computer hacking. Mom and Dad are buying home computers, hoping the instruction book will tell them what possible use they can get out of them; nobody wants to be caught computer-illiterate. And the old folks are settling down before their TV sets to choose the day's entertainment from a bewildering choice of 60 stations.

So the age of the computers is clearly upon us. But after all that fanfare, perhaps it would be worthwhile to try to put it in perspective. A little counterrevolution, you might say.

For one thing -- an important thing -- you just don't see our clients, the top executives of business, government, universities, or elsewhere, moving computers into their offices. Why is that?

Not a Numbers Game

They will all admit that the new electronic machinery is going to be necessary to their operations in one way or another -- stepping up the efficiency of the office, making new services possible, revolutionizing the business from one end to the other. But as far as they're concerned, that's staff work. Most chief executives seem to be resisting the idea that they, themselves, need a computer terminal to get their work done.

And the reason for that is quite simple: they don't. Management was, is, and always will be an intensely human activity, not a numbers game.

Many computer enthusiasts have suggested that management will now become a matter of developing and using what they call "management information systems" -- punching in the variables, taking readouts and making the fairly obvious choices. Chimpanzee work, once you get the hang of it.

We've had these dreams before. I remember, in the 1950s, when General Electric was indoctrinating its managers in the "universal principles of management," our Chairman, Ralph Cordiner, authorized what was called the Measurements Project. About six years were spent in developing numerical indices by which general managers were to be measured and motivated in the eight Key Result Areas: profitability, market position, productivity, product leadership, personnel development, employee attitudes, public responsibility and balance between short-range and long-range goals. Now, all these are essential aspects of balanced managerial performance, and in fact a fellow who was closely associated with this Measurements Project, Fred Borch, ultimately succeeded Ralph Cordiner as our CEO. But the effort to manage the company by means of numerical indices

was a dismal failure. Managers ducked and dodged around the system -- laughing all the way. Cordiner quietly dropped it and Fred Borch never tried to revive it when he became Chairman in the '60s. And the reason is that these men, experienced and intelligent executives, were obliged to acknowledge that while a good manager keeps his eyes on the key ratios, management cannot be reduced to numbers.

A Political Activity

In the words of Alex Pollock of Continental Illinois Bank, who has written good material on the subject, "Executive management is naturally a <u>political</u> activity, dealing with people who have strong capabilities, strong personalities and a strong will to power. These people are the managers within the organization, the managers of the competitors, the managers of the customers and the managers of the suppliers, not to mention politicians and regulators." Thus the manager is managing what Pollock calls "a network of power relationships."

Traditionally, business executives have focused most of their time and attention on internal matters. But in the past decade, they have found that they have to spend more time -- as much as 40 percent in the case of large corporations -- trying to influence people who represent the outside forces: the political, economic, and cultural institutions and interest groups that create the climate in which the enterprise is going to flourish or fade away.

They are out pitching presentations to security analysts. They're down in Washington testifying or buttering up their Congressmen. They're holding press conferences. They're lecturing to college students. They're pleading with regulatory agencies. They're trying to calm down environmentalists and religious activists. Or they're working with their staffs late at night to prepare for these occasions.

Is that going to change in the electronic age?

Eyeball-to-Eyeball

Well, some of these messages might be delivered by videoconferencing or by cassette, but believe me, remote hookups can never match the eyeball-to-eyeball effectiveness of personal persuasion. Something is lost in the translation.

Security analysts want to take the measure of the man or woman who is managing the company, and you can't do that by remote control. Do you really believe that the bourbon-and-branch-water meetings by which business is done in Washington will ever be replaced by electronic screens?

Computer terminals and videoconferencing machinery will probably find their way into the executive suite, much as television sets and wet bars have -- as status symbols to impress the lower orders. They will even be <u>used</u> as they become familiar pieces of furniture. But they will be peripheral to the essential work of management, which is to manage a network of power relationships that determine the success of the enterprise.

Creating the Message

After all, the new electronic machinery is designed to transmit and manipulate data. But data is not wisdom. Garbage in -- garbage out. The new media will carry the message faster and farther than ever. But the message -- whether it's delivered in person or through print or electronics -- must be arrived at through the process of human thought and experience. The message must be created, discussed, refined, articulated, and made persuasive if it's going to have any effect on human affairs. It can only be done by human minds working with the one social invention that distinguishes the human species from all others -- language.

And that is why I am convinced that the talents long associated with public relations people -- literary, political, intuitional -- are not going to become obsolete in a high-tech era. To the contrary, as the speed, range and intricacy of communications increases, top management in all fields is going to find it necessary to hire more public relations professionals to help in the management of complex external relationships.

Most of these PR people will probably be engaged in what have been the traditional services of our craft: media relations, investor relations, the writing of brochures, annual reports and company magazines. Many will specialize in the provision of services associated with the new electronic technology. But the heart of public relations work, and to me its highest aspiration, is to counsel and assist our chief executives in their work of managing the enterprise.

CEOs Wear Two Hats

It took me quite a few years of working with chief executives to realize that these people have at least two distinct functions, two hats to wear.

One function is to make the managerial decisions required to run a successful organization. They have plenty of help on this one. Executive committees. Boards of directors. Task forces. Computers. The whole hierarchy of management is structured to help chief executives make the necessary managerial decisions, and public relations officers today are part of that process, usually at the highest level.

But the other assignment -- and this is the one I want to dwell on -- is <u>personal leadership</u> of a very human enterprise. The chief executives must hold forth the vision and set the moral tone. They must manage the relationships and somehow turn a chaos of clashing wills into a unified, purposeful, achieving enterprise. They are personally responsible for whatever happens to the organization.

This is a very lonely and vulnerable position. And curiously, organizations are very seldom set up to help their leaders to lead.

Here, it seems to me, is where public relations people can be uniquely valuable. Usually the exercise of leadership involves spokesmanship -- speaking to or speaking for the

organization. And since chief executives are usually very busy people, they need someone to help them in the preparation of speeches, testimony, TV appearances, board reports, published pieces, press interviews -- all the instruments of leadership through spokesmanship.

These needs have multiplied in recent years, as CEOs have had to go public to cope with outside pressures. The market for speech writers has burst open and so has the ceiling on pay for this kind of work, because there never seem to be enough really good candidates to fill the demand.

Some Career Advice

These Foundation lectures are supposed to bear a few nuggets of accumulated wisdom, like flies in amber, so let me offer some career advice on writing speeches for top executives.

The first question to be faced is whether you want to get into it at all. It does represent a different career path from the administrative path that most commonly leads to top management. Somebody aiming for the top of the hierarchy should get into management early and develop momentum. But for those who prefer writing to administration or selling, speech writing can get you close to the top -- financially and otherwise -- as a counselor and assistant to the chief. You may not be riding around in a split-level Mercedes with stained glass windows, but you can afford your own Corvette.

Certain talents are necessary, of course: creative writing talent, the ability to take on virtually any subject in the world, and the flexibility to collaborate with another person -- he being in the driver's seat.

Perhaps the most important, quite frankly, is to face up to your own ego needs. Some people like to be up front, and some prefer to work behind the scenes. Some want to be kings and others want to be kingmakers. This job imposes some more-or-less built-in conditions. Writing is a lonely business that requires quiet and isolation, and speech writers tend to be loners. You can't let yourself get excited by the game of company politics, or feel hurt if others achieve more fancy titles and overt symbols of power. Believe me, the person working with the chief executive has his hands on the levers of power. He can quietly but unmistakably leave his imprint on the world.

Assuming you want to get into it, you quickly find that speechwriting is only part of the job. The old term "ghost-writing" is closer to it, because in addition to speech-writing -- writing for the ear in a colloquial, informal manner -- you'll be writing for the eye, anywhere from ghost-written books to op-ed columns, signed articles, book reviews and testimony for the record. And if your chief is naturally eloquent, he won't always work from finished manuscripts. Reg Jones often improvised from well-researched notes we called "thought starters".

Even more valuable than the writing skills, according to Reg, is the intellectual work of taking the ideas of a wide variety of staff experts and outside sources, and synthesizing them

into a clear and coherent presentation. The chief economist has one approach to the issue. The financial officer has another. The Washington Office has its own highly political perspective. And of course the CEO sees the issue in the light of his strategic objectives. Somebody has to make sense out of the discussion and put it all together in a persuasive presentation. That's the function of the writer. Sometimes it's more like negotiating a cease-fire than creating a work of art, but if you've won the confidence of the CEO, you can put aside the politics of the situation and concentrate on developing the strongest possible presentation.

From Writer to Counselor

Winning the confidence of the CEO: that's the key to success in this kind of work. It doesn't happen all at once. But over time, if the chemistry is right, the interplay between the two minds becomes almost as close as a good marriage -- each one anticipating or understanding the other without a word spoken.

This is how good speech-writers become, in time, counselors to their clients. Chief executives today need more than a wordsmith. They need someone to orchestrate their appearances, develop and articulate their themes, build their media connections, research their chosen issues, develop their positions and help them to express themselves persuasively. They need counsel on trends and problems among their various constituencies. They need someone to share their doubts and dreams while policy is being formed. This is much like the services that politicians expect from their political advisors. Today, with outside pressures building up to gale force on all institutions, that kind of service is required by chief executives everywhere, in business, public agencies, universities, hospitals, not-for-profit organizations, whatever.

PR in the Electronic Era

Circling back to the opening theme, we must recognize that the electronic age is at hand. My successors in this kind of work will be using word processors instead of typewriters. They'll have a terminal in the office and another at home so that more of their research can be done by tapping directly into data bases. They'll stay one step ahead of the boss in understanding the new communications media. Public relations people can't afford to fall behind in a generation that learns to interact with computers in grade school.

But the advent of this new machinery does not change the intensely personal art of management. The chief executive's most pressing task, tomorrow as today, will be to manage an ever-shifting network of internal and external relationships.

This kind of work cannot be reduced to numbers. It is political, social, psychological, intricately involved with the nuances of language. And to help them get it done, management will be turning to the PR people -- those eclectic, hard-to-categorize, intellectually adventurous lovers of language who choose to be engaged in a profession that may never be satisfactorily defined.

The reason for that, I think, is that each of us defines it for himself, through the exercise of his individual talents. And we hope that, in the process, we can build something that will outlast us.

In the construction practices of ancient Rome, when the scaffolding was taken down from a completed arch of stone, beneath it stood the Roman engineer. If, as a result of his incompetence, the arch did not hold -- he was the first to know. It is no wonder that so many Roman arches have survived for two thousand years.

To my colleagues and successors in public relations, I can only urge that whatever you build with your talents, build it so that you can stand beneath it with pride and confidence.