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"Public Relations/Public Affairs in the New Managerial Revolution: Ascendancy, Growth and Responsibility"

Andrew B. Gollner, Ph.D.
Associate Professor, Concordia University
Montreal, Quebec

It is a great pleasure to be with you today. The decision of your board of trustees to invite me to deliver the 23rd Foundation Lecture is deeply gratifying. I am particularly honored; since this is the first time in the history of this prestigious series that a non-U.S. citizen has been invited to speak from this platform.

Your decision to invite a Canadian citizen to address an American professional association strikes me as an excellent illustration of the theme of my talk today -- interdependence and its impact on the field of public relations/public affairs.

I see a profound transformation taking place in the focus, substance and position of public relations in our society. My objective today is to outline the causes of this transformation and to identify how our profession can be <u>energized</u> rather than <u>victimized</u> by the changes that surround us.

As I mentioned a moment ago, the theme of my talk today is <u>interdependence</u>. Interdependence, fortunately, is not one of those recently invented academic jaw-breakers that so often leave us bewildered and dumbfounded.

Nevertheless, to ensure that we start from a common position, let me refer you to the shorter Oxford English Dictionary. It defines <u>dependence</u> as the relation of having existence contingent on or conditioned by the existence of something else. <u>Interdependence</u> is defined as <u>mutual</u> dependence or to depend upon each other mutually.

To depend upon each other mutually...

If we examine carefully the recent evolution of our society and our world system we'll find that among the myriad of societal events, changes and trends, there is one that is particularly significant - namely, the growth of domestic and global interdependence.

Gone are the days when developments in one sector of our economy were immune from developments elsewhere. Gone are the days when the boundary line between private and public responsibility could be easily drawn. Gone indeed are the days when superpowers could pursue

domestic or international policy objectives without concern for the actions of small or middle powers.

The processes of industrialization and technology are relentlessly reducing the capacity of organizations and nations to remain islands unto themselves.

Whether it is a government trying to control inflation or to generate jobs, whether it is a corporation trying to increase its profits or enter new markets, external hands seem to weigh increasingly heavily upon the steering mechanisms of most of our major institutions. In this new environment, corporate or any other organizational decision making is more and more externally driven.

In the coming years, the crowding-in of external issues will exhibit particularly strong <u>international dimensions</u>. As illustrations of this we need only to cite the emergence of OPEC, the development of Japan into a global economic force, the increasing competitiveness of newly industrializing states or the growing impact of Third World indebtedness.

Whoever would have thought twenty years ago, for example, that Argentina's inability to balance its books could have a severe impact on American financial institutions? The level of wages in Southeast Asia 20 years ago was but a curiosity to a few, and was seen as a sad but distant reality. Today, those low wages pose a profound economic challenge to the industrial centers of Canada, the United States and Western Europe.

The most apocalyptic and tragic illustration of interdependence is that the very survival of our planet rests on a delicate balance of terror, based on the threat of mutual annihilation by the worlds two superpowers.

Interdependence is not only a horizontal phenomenon, bringing organizations or nations into closer interplay with each other. An important additional aspect of it is that economics, politics, social and technological forces themselves are more and more intertwined, and economic performance, or the pursuit of profit, is increasingly sensitive to the influence of socio-political issues or trends.

Interdependence from a threat to an opportunity

As we move through this decade and beyond, our political-economic welfare will be largely determined by how our leaders respond to the challenge of interdependence.

Should we see it as a threat or an opportunity? Should we see it as a force to guard against or a force to be harnessed? Should we allow interdependence to happen to us or should we make it happen for us?

I believe that these simple questions bring us to the very crossroads of our political-economic future. And the resolution of these questions will be of particularly great significance for the public relations/public affairs profession.

We in Canada, during the past 10 years or so have pursued a course that by and large and especially with respect to relations with your country, viewed interdependence as a threat. Many of our key policy choices were driven by a defensive posture - e.g. The National Energy Program, the Foreign Investment Review Agency, the conduct of federal/provincial relations and the establishment of a host of domestic or external regulatory agencies.

There is a growing recognition in our country today that this defensive approach produces a bitter harvest indeed.

Resisting rather than harnessing the forces of interdependence has hindered competitiveness and innovation. We are burdened today with a massive government deficit, with excessively high unemployment, and with a productivity record that is second to that of just about every industrialized nation in the world.

Canadians are not alone in recognizing that the Achilles' heel of their system is the incapacity to harness interdependence.

The news from up north is not all gloom and doom. Canadians are moving into a new era, as signaled by the recent change in our federal government, and I suggest that our country is worth keeping a keen eye on in the months and years to come.

In sharp contrast to the past, more and more voices suggest that we should not look upon interdependence as a threat but as the engine of our rejuvenation. This philosophy, not yet clearly articulated, and certain to falter on occasion, will significantly change the way that we manage our relations with our neighbors and with groups within our society.

Leadership in the new managerial revolution

Discarding the mistakes of the past will not automatically hand us the key to the future. Interdependence must be <u>made</u> to work if it is to work <u>for</u> us rather than <u>against</u> us. A new managerial revolution does not rise from the ashes of our past like some phoenix - it must be carefully designed, groomed, and nurtured.

To succeed in harnessing interdependence, we need to develop skills and understanding hitherto unknown to most of us. Harnessing interdependence, above all, will require a new type of leadership and new decision-making systems.

Since this is critical to my argument, a brief elaboration is in order here.

In some cases, discarding our mistaken ways has been followed not by the application of a new system of skills and knowledge, but by the resurrection of some ancient political economic relics. To use the colorful language of one of my country's great thinkers, Marshall McLuhan, some of our policy innovators today are driving into the future using a rear-view mirror.

To bring this down to the level of our own profession, it seems clear that during the past year or so, some organizations have cut back on their public relations/public affairs activities and have

resorted to a more traditional managerial mode. Such managerial conservatism may provide some short term financial gains - but inevitably this will also become the source of serious long term pain.

Harnessing interdependence is not the same thing as <u>laissez-faire</u>. It does not call for a diminishing concern with the sociopolitical dimensions of economic pursuit. Harnessing the forces of interdependence does <u>not</u> mean that we should abrogate leadership and tag along wherever external market forces may take us.

On the contrary, the forces of interdependence place a very high premium on leadership and on the active and responsible participation of managers in the shaping of their organizations' sociopolitical environment.

What is the essence of leadership?

Leadership, as James MacGregor Burns tells us is "...an aspect of power, but it is also a separate and vital process in itself". Power is exercised first and foremost to achieve the goals of powerful wielders. Leadership, on the other hand, is exercised to achieve the goals of both leaders and followers simultaneously. The ability to motivate and rally followers to achieve their own needs is a key element of leadership. And to succeed in this endeavor, two skills are particularly vital.

First, successful leadership requires the capacity to understand and communicate, as clearly as possible, the hidden hopes, aspirations and concerns of followers.

Secondly, successful leadership requires the capacity to transform those hopes and aspirations into concrete actions or policies.

But the mere knowledge of what the public wants is not a sufficiently strong platform for leadership. Trust is an additional and vital ingredient, and it must be present if followers are to believe in and act on the proposals of their leaders. In short, trust, credibility, and information are all vital to successful leadership.

Realizing the purposes of both leaders and followers is but another way of expressing the essence of interdependence. Clearly, leadership and interdependence are congruent categories. The successful management of the latter is a critical function of the former.

Modern organizations are increasingly buffeted by the decisional waves of others. External issues will continue to crowd in upon traditional management domains. Socio-political forces will continue to exercise a powerful but no doubt different influence on economic matters. For these reasons, the leaders of our major institutions will have no choice but to become much more knowledgeable about and trusted by those groups and organizations that bear significantly upon them. ²

Knowing in advance the game plans of our adversaries or competitors is not in itself a sufficient response to the challenge of interdependence. Subscribing to the best and most sophisticated environmental scanning systems will not by itself increase organizational effectiveness.

To reduce the levels of planning uncertainty, to reduce the chances of costly surprises, to make things happen for us rather than to us, requires that we actively <u>participate</u> in the policy-making processes of particularly those groups/organizations that have the largest potential impact upon our organization's bottom line.

In short, rather than turning inwards, rather than going back to the old basics, rather than minding one's own business, the forces of interdependence will relentlessly pull us in the opposite direction. Active participation in the shaping of the critical external decisions that make up our organization's life-support system is not a <u>moral</u> imperative. Such participation and leadership will become, in fact, an indispensable ingredient of successful management in the 80s and beyond.

In short, anticipating, monitoring and controlling the consequences of interdependence -- this is the stuff of modern leadership and management responsibility, and this places a special onus upon the public relations/public affairs profession.

The ascent and future growth of public relations/public affairs

The forces we've outlined above have provided our field with both a unique opportunity and an awesome responsibility.

For what is the explicit mandate of our profession (and you will note I use the singular of profession)? The recent task force report of the PRSA. indentifies the all-encompassing function of public relations as that of helping "...an organization and its publics adapt mutually." ³

Well now, to use President Reagan's celebrated phrase - here we go again.

In its examination of the stature and role of public relations, the PRSA task force isolated three specific emphases or strands that make up the field of public relations. These are, in abbreviated forms:

- 1. To master the publics of an organization
- 2. To block and parry external events and initiatives
- 3. To achieve mutual adaptations, to develop relationships of mutual benefit to all parties involved.

Of these three public relations approaches the PRSA task force has identified the third as being the most appropriate emphasis for the world of the 1980s. To enshrine this emphasis at the core of the profession, the task force recommended that it should be formally established that the role of public relations is to achieve, "Adaptation between the organization and its publics for their mutual benefit." They suggest that this should be the basic, "Premise of educational and

informational activity by all organizations in the field and by individual practitioners. Specialized functions and skills can be identified as specialties within that framework".

I wholeheartedly endorse this approach, for clearly, it is the one that is most compatible with the realities of interdependence, and with the leadership style that I highlighted earlier.

But what of public affairs? Doesn't it differ from public relations? Is it simply a less offensive, more publicly palatable term than public relations? Or is it an entirely different, perhaps more sophisticated beast?

In my own survey of Canada's top 500 firms, 93 percent of the respondents agreed that public affairs involves a <u>two-way</u> exchange of signals between an organization and its environment based on <u>mutual benefit</u>. ⁵ Dr. James Post of Boston University, a well known U.S. authority in the field of public affairs, emphasizes that "public affairs is a boundary-spanning function, with one foot firmly planted in the organization, the other in the social and political environment". ⁶ These conceptualizations of public affairs do not differ from the directions outlined by the PRSA's 1981 Task Force report, or from the PRSA's Long Range Planning report of 1978.

The question of how to distinguish public affairs from public relations, in spite of the above commonalities, is a frequent topic of discussion at professional gatherings. I personally find these questions increasingly tedious and irrelevant. In 1979, for example, an extensive study of the public relations field concluded that nomenclature will be the No. 1 problem of the field in the '80s.⁷ If this is so then our field is indeed in dire straights. I submit that of the many challenges facing us today, the one involving nomenclature should be put far down on the list so that we can get on with our work.

In short, the direction or emphasis established for public relations by the previously mentioned PRSA task force report (a report, which I may add was endorsed by the Canadian Public Relations Society) is indistinguishable from the mandate of public affairs. If there are competing or contrasting approaches these are, and should be, at the margins. The fundamental mission of each is identical and is central to the new managerial revolution.

Some concluding comments on the future growth of our profession

As the 1970s unfolded, we have witnessed in Canada as well as in the U.S.A., a sharp increase in the formal utilization of public relations/public affairs mechanisms by public and private organizations alike. In both of our countries, for example, more than half of currently existing public affairs units are less than 10 years old. As surveys show the existence of these new units and their growing sophistication is largely the product of expanding interdependence. Since the growth of interdependence is to be enduring, the broad prospects for our profession are very positive indeed.

From a generally marginal, informal, individualistic and non-institutionalized type of activity, public relations/public affairs is fast becoming a formalized, mainstream element of organizational decision-making. Our ascendance is not part of a fad but is, rather, a long term phenomenon.

In spite of this positive environment for our professional growth, important challenges remain. I would like to conclude my remarks to you by pointing to six areas that are, from my vantage point, particularly significant.

1. The central mandate of our profession must be continuously reinforced and re-emphasized. To achieve mutual adaptations, to help organizations and their publics to adapt to each other, this is our mission in life. This is what public relations/public affairs is all about, and we should not hesitate to wear our heart on our sleeves.

Of course, we have often run into people who hotly contest the wisdom of formulating an allencompassing definition of our role. I have personally faced not inconsiderable opposition from some of my academic colleagues on this point. Some of them have argued with all the fury that academic politics can muster that we must curb the tendency to define the central principle of public affairs because, as they put it, this simply affirms the status quo and narrows the possibilities of application.

Well, my own response to this should be fairly obvious by now. Curbing the tendency to conceptualize the essence of our profession is simply a mask aimed at covering up our subjective and frequently cavalier approach to the field. Curbing the tendency towards conceptualization has all of the hallmarks of voodoo scholarship, and it stands as one of the most serious barriers to the advance of our field.

Without a clearly articulated and accepted central mission, our profession will flounder in the wind, unable to establish for itself a solid theoretical base or a commonly accepted educational support system. The credibility of our claim to be useful and responsible players in the new managerial revolution will be severely curtailed.

- 2. A second challenge is to improve our abilities to tap and to channel relevant external information back into our organizations. In the past, our efforts have been mainly directed at producing information and getting our messages out. In the future, we'll have to be better listeners and perhaps speak a little bit less.
- 3. In placing greater emphasis on the <u>information</u> in side of our profession, we must be particularly mindful of our role as <u>translators</u>. If incoming messages do not reach relevant internal targets within our organization, if they are incomprehensible to their recipients or not fully diffused into the mainstream of organizational decision-making, the contribution of public relation/public affairs to organizational effectiveness will be sub-optimal.
- 4. Related to the above point, is the need to increase the functional multilingualism of our members. Our clout, contribution and status as a profession will grow only as we learn to master the operational languages of finance, marketing, human resources, and so on. The ability to convey to operating managers messages in their own language, and a more intimate knowledge of the diverse operating cultures within our organization, will greatly contribute to the ascendance of our profession.

- 5. If public relations/public affairs is to live up to its billing as the leading edge of interdependence management, its practitioners must have a much closer and systematic grip on the pulse beat of social change. Knowledge of public issues, and of issues management processes is therefore, an increasingly significant tributary of the overall. Public relations approach.
- 6. And finally, if public relations/public affairs is to grow up to assume its rightful place in the new managerial revolution, it must become a full partner in strategic decision-making processes.

In the age of interdependence, our profession plays much the same role for an organization as does the central nervous system in the human body. In both cases, if the linkages with the central decision-making unit are weak, operations are going to be impaired. In short public relations/public affairs considerations cannot be kept at arms length from bottom-line management.

These six axes of growth and ascendance for public relations/public affairs are by no means the only dynamic or expanding frontiers of our field. They are singled out from an otherwise complex and multilayered discipline as key instruments that may, if properly utilized, significantly enhance our effectiveness in the pursuit of our basic mission.

The ascendance of public relations/public affairs in the new managerial revolution will be ensured if, and only if, we can demonstrate with concrete actions our capacity to help organizations and their publics to adapt to each other.

Footnotes

- 1. James MacGregor Burns, <u>Leadership</u>, Harper and Row, New York, New York, 1978, p. 18.
- 2. For a more detailed analysis of these forces see A.B. Gollner, <u>Social Change and Corporate Strategy</u>, Issue Action Publications, Stamford, Connecticut, 1983.
- 3. Task Force on the Stature and Role of Public Relations, "Report and Recommendations," <u>Public Relations Journal</u>, March, 1981, p. 30.
- 4. Ibid., p. 36.
- 5. See, A.B. Gollner, <u>Public Affairs in Canada: A Survey, School of Community and Public Affairs</u>, Concordia University, Montreal, 1984.
- 6. James Post, "Public Affairs: Its Role," in J.S. Nagelschmidt (ed.), <u>The Public Affairs Handbook</u>, Amacom, Washington, D.C., 1982, p. 23.
- 7. The Gallagher Report, October 8, 1979.