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**“Public Relations and Business Schools: Are They Properly Training  
Tomorrow’s Business Executives?”**

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It's a pleasure to be here. Although Chicago's getting to be a dangerous city.

It used to be the only people who gave Cardinals a rough time here were the Cubs!

Well, we shouldn't be surprised if things change. This year I turned 64. It's a birthday that makes one reflect on changes.

You don't see change as you come to work each day. Your desk is the same. The people are the same. Sometimes even the newspaper headlines are the same.

But when you look back over many years, you see that things really have changed.

One such change has been the growth of the Public Relations Society of America. It's gratifying. Who would have predicted that in 1981 we would have 10,000 members? That today, PR practitioners influence corporate policy and the public debate on issues?

Things aren't perfect. Too often we still see public relations people pigeonholed. We see them looked on as practitioners of a narrow, sometimes mysterious specialty, like alchemy, incapable of moving into operations.

But in looking back, I feel a little like Martin Luther King, Jr., when he surveyed the Civil Rights movement. He said: "We're not where we want to be. We're not where we're going to be. But we're better off than we were!"

My new job description at Texaco is Assistant to the Chairman for Executive Development and External Affairs. Both are crucial areas. Someone said recently that the difference between heaven and hell isn't the temperature or the buildings. It's how they handle the administration.

In heaven, the British are the cops, the French are the chefs, the Swiss are the organizers, and the Italians are the lovers.

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In hell, the British are the chefs, the French are the cops, the Swiss are the lovers -- and the Italians are the organizers!

It is the same in a corporation. How many times have we seen a man or woman who is perfect in one role, become ineffective in another?

Sometimes it is not the job that changes -- it is the times. Thus, a CEO whose range of talents and knowledge was perfect for 1961, may find those same skills sadly lacking in 1981. In fact, I will make precisely that argument today.

I will argue that the 1980s will make dramatic, unprecedented demands for new capabilities, not only from CEO's but from those at many levels of corporate management.

I will argue that many of these skills will be in public relations/public affairs.

I will argue that the present generation of corporate managers is not being properly prepared to meet these demands.

And I will propose some solutions.

But first, a little background...

Corporations have had to struggle for a long time to overcome the stereotyped image portrayed by Victorian novels.

"Do other men for they would do you," Dickens wrote once. "That's the true business precept."

"Corporation," Ambrose Bierce defined: "An ingenious device for obtaining individual profit without individual responsibility."

Stereotypes always distort. But this one was partly justified: "The public be damned," Vanderbilt said.

There were robber barons in 19th century American business. Ida Tarbell didn't make them up. And there *were* meat packers who cared more for a side of beef than they did for the men working in their plants. Upton Sinclair made a point.

Today, although there are still some around, it is clear that the era of the buccaneering businessman has ended.

Recently, for example, The Business Roundtable issued a statement on corporate responsibility. "The long term viability of the business sector," it said, "is linked to its responsibility to the society of which it is a part."

Is this just lip service? Are businessmen simply putting a veneer on practices no more "responsible" than they were in the days of Charles Dickens?

I think not. The change is real.

I see it at Texaco. For years, Texaco's policy was one of low profile. Our theory was: It's the spouting whale that gets the harpoon. If a TV reporter called, asking for an interview, we just said no.

While we went to great pains to deal with the consumer, we almost ignored the organized consumer groups. We had a knee-jerk reaction. We felt they were all bad.

Now, we reach out to consumer groups and young people. We try to anticipate their thinking. We try to find a common ground for assistance and cooperation.

We also reach out to reporters. We hold press conferences and open houses. We train our executives to deal with the media. Such openness characterizes more and more of American business.

What happened? Did businessmen -- and we are still too often men -- suddenly develop a social conscience? Did hearts miraculously thaw after having remained frozen for hundreds of years?

No.

I suppose the enormous growth of business and government regulation played a role in this change. Events like Watergate brought a heightened awareness of the effects -- and dangers of an indifference to public standards. One major force has been the pernicious growth of television viewing by all segments of the public.

Two years ago, when I was in this city speaking to the Headline Club, I made that point.

"Today, about 60 million of us watch television every night. About a third of our adults average four or more hours a day. A pre-school child watches an average of 54 hours a week...It has produced a civilization in which Captain Kangaroo gets an honorary doctorate from one college and where... when asked how to spell 'relief' most children in one survey answered 'R-o-l-a-i-d-s.'

Television.

It has subjected all of us to something unparalleled in history.

And it is just beginning. The next 20 years will see the cable revolution. "The hardware," said *The Wall Street Journal* last month, "is far along; more than 21 percent of the nation's 80 million TV households are wired up, and the figure may reach 40 percent by the end of the decade, with perhaps 100 channels to choose from."

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Not everyone agrees on the effect this revolution will produce. There's a new AT&T book, *Information in Society*, in which Thomas Chase outlines the possibility that cable could fragment and paralyze the United States. He quotes Alvin Toffler: "There comes a time when choice, rather than freeing the individual, becomes so complex, difficult and costly, that it turns into its opposite."

My view is that the corporation of the 21st Century will find great opportunities for reaching its employee, shareholders, customers and the general public, through a proliferation of cable. That is why I argued before that the demand on the CEO of 1981 is "unprecedented." That is why I argue that many of these skills are found in our area -- the role of communicator.

There is some debate about exactly what to call this area of responsibility.

Public Relations? To some that smacks too much of glad-handing.

Public Affairs? That seems too narrowly governmental.

External Relations? That's too vague.

I was amused by the suggestion I heard at one recent discussion: "Let's," somebody said, "just call it 'this area!'"

Whatever we call it, it's clear that "this area" is increasing in importance -- and it's clear to more than just PRSA members.

Thus, Harvard Business School Professor Stephen Greyser pointed to a survey of senior market research executives. They listed "effective corporate communications" as one of the "four principal challenges confronting marketing people in the 1980s."

Thus, the Conference Board, in its new report, *Managerial Competence: The Public Affairs Aspect*, opines: "The increasingly intricate and sensitive connections between business and society occupy a major portion of the time and attention of corporate chief executive officers and ... an increasingly important aspect of the duties of other managers."

Thus, Joe Nolan of Monsanto writes in the April /May issue of *Public Opinion*: "The most formidable management challenge of the 1980s will be managing the new business environment. The decisive issues will be external rather than internal, social or political rather than economic."

I did a survey of my own as I prepared for this lecture.

"Increasingly," wrote Frank Murphy of United Technologies, "corporate chief executives find themselves spending their time, effort and energy communicating with their constituencies. Skill in public affairs/publications will be demanded more and more of corporate chiefs in the years ahead as the corporation fulfills a broader role in society."

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General Electric's Bob Fegley put it this way: "The world economy has become highly politicized. Cost is inflated, expenditures are mandated, inefficiencies are imposed, and markets are created and destroyed by decisions made in the presidiums and legislatures of world. If the business manager fails to learn how to anticipate and influence these public policy decisions, he is going to find his life full of unpleasant -- and unmanageable -- surprises."

One question I asked in my survey was concrete: "What percentage of the CEO's time will be devoted to public relations/public affairs?"

Here are some answers:

- "Various studies have indicated that 50 percent or more of the chief executive officer's time is devoted to external relations. That trend will continue..." (*Frank Lebart, John Hancock*)

- "One-third of the total." (*Joe Nolan*)

- "In our case -- more than 50 percent. Generally, 35 percent to 40 percent." (*Jim Bowling, Philip Morris*)

Let's say the range is from 20 to 50 percent. The need exists. But are the new managers -- the managers of the future -- being trained to deal with these challenges?

Not really.

One of the most perceptive people writing about "this area" has been Fran Steckmest of Shell Oil. He has outlined the barriers within corporations to creating what he calls the "public business executive."

There is the self-screening. If you have an articulate, extroverted young man or woman capable of the "rough and tumble of the public arena, he may become a trial lawyer, politician -- or standup comic."

There is also a barrier in the way corporations select managerial talent. Companies promote initially on the basis of how well an employee performs in the narrow specialty for which he was hired.

"Further barriers exist throughout the corporate executive career span," Fran writes. He mentions the emphasis on training in managerial skills -- not public policy skills.

Corporations tend to move their younger executives around. This makes it difficult for them to develop the community involvement which might provide such extracurricular training.

At Texaco, it is not unusual for a manager to move from White Plains, New York, to Houston, Texas, to Port Arthur, Texas, to Casper, Wyoming, all within a 10 to 15 year period.

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How likely is he or she to become active in United Way, or become a precinct captain for a local political party when the next year might produce a move clear across the country?

How does a corporate manager gain the knowledge of public affairs he needs to meet the challenge of the Eighties? How can he learn to express his views on these matters? To incorporate such a concern for them into his daily planning? How can he learn that "this area" is not only one which involves the CEO but one which involves every regional manager, everyone involved in any way with the preparation of product -- in short, everyone with any corporate responsibility at all?

How does one learn these lessons? As Oscar Hammerstein put it once: "You've got to be carefully taught."

Now, let's not overstate the case.

It's not as if there is no teaching of public relations.

This year I've spent considerable time and energy on a project called the Foundation/Business Schools Project. We've met with university professors and with leaders in public relations. We're trying to identify the steps business schools could take to provide an overview of this newly critical area.

I've learned a lot. You don't sit down with Howard Chase or John Bell or Kal Druck or Alma Triner or Don Wright without learning something.

And, last month, as the group gathered again, we went over our findings.

The educators sat on one side of the table. The -- is practitioners the right word? -- sat on the other. Although we had our differences, we agreed far more than we disagreed.

There are educational and training programs that prepare corporate managers to do a better job in public relations/public affairs. Companies like IBM, GM, Coca Cola and Shell Oil have some that are in-house. The Public Affairs Council and the U.S. Chamber of Commerce provide seminars and workshops. Then there's Bob Lind of Washington Campus and Lee Preston of the University of Maryland -- two innovators on the Capitol scene. And issue management aspects of PR are beginning to appear in advance management courses in some of our colleges and universities.

"In making proposals for the business school syllabus," a number of our committee members insisted, "we must be careful not to reinvent the wheel."

That's true.

Rogene Buchholz, at The University of Texas at Dallas, has done a number of studies of the teaching of business environment and public policy in the business schools. Professor

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Buchholz's work shows that business schools are aware of the need to examine the relationships of business and society. In his survey of over 400 schools -- all members of the American Assembly of Collegiate Schools of Business -- over 80 percent reported separate courses dealing with "public policy."

But the study also revealed that not a single one had "public relations" or "public affairs" in a course title. And even descriptive summaries omitted these elusive words. The closest in nomenclature was "public policy."

But, public policy is not public relations.

It's one thing to study how the changing American interest in environmental matters affected Hooker Chemical at Love Canal.

It's another matter to learn the *techniques* -- which we in this audience have spent our lives perfecting -- to avoid the consequences of a Love Canal, or to deal openly with it should such an incident arise in our companies.

How do you assess public reaction to a policy decision? How do you do it ethically? How do you handle disclosure when there has been an ethical lapse? How do you handle a perfectly moral decision, but one with grave implications for your community -- a plant closing, for example?

To expect a student to be adept at these matters simply by studying public policy is like expecting your child to become a good pilot simply by studying aerodynamics.

If you want to be a pilot you've got to fly the plane!

Our Foundation/Business Schools Project asked Professor Don Wright of the University of Georgia to investigate the teaching of public relations in the business schools.

He studied 12 institutions. His finding: "Few, if any, business schools require public relations course work of their students."

Don looked at Berkeley, Chicago, Columbia, Cornell, Emory, Harvard, Michigan, N.Y.U., Penn (Wharton), U.S.C., Stanford, and U.C.L.A.

"Public relations is not being taught at these schools -- at least not in the sense of having any course that stands alone," he reported to us last month.

Moreover, he pointed out that, of these major universities studied, only U.S.C. offered an Accrediting Council on Education in Journalism and Mass Communications (ACEJMC) accredited public relations sequence in a journalism/communications school.

Finally, Don reported, "Most institutions had never considered having such a course." There were many obstacles listed when interviewers "discussed the prospect of developing a course in public relations/public policy."

What obstacles?

"Well," some said, "does public relations have academic content? Is there a textbook that could meet business school standards?"

"If we added a required public relations course what would we omit? Would students enroll if it was an elective?" Others asked: "How do we find qualified teachers?"

U.S.C. wondered whether such a course would only "replicate" courses taught in the journalism school.

And there are other obstacles which emerged only by implication. As Don put it: "Despite successful development at a few major universities, public relations education today still lacks the respect accorded other professional training programs."

He says diplomatically what Bob McCuen of DuPont put more bluntly in his answer to my survey: "My impression is that business school professors think PR is *infra dig*."

In the light of that suspicion, we would be making a great mistake to do what might occur to us first: "Package" a public relations course and try to sell it intact to the faculty and curriculum committees at major business schools. Such an effort would provoke resentment, some of it justified.

Still, at the opening of my remarks I promised some solutions to the problem of training future generations of business leaders. I believe that we must assist in the preparation of materials that business schools might find useful. They cannot or will not do it themselves -- at least not soon. Of the various approaches suggested by our Foundation/Business Schools task force, I favor four.

1. We should prepare what some educators call "modules" -- overview units which can be worked into existing public policy courses, or other appropriate parts of the curriculum.
2. For those business schools located at universities with American Association for Education in Journalism accredited public relations sequences, we should encourage an overview course in the journalism school.
3. We should prepare and distribute more complete bibliographies which demonstrate the existence of a scholarly body of knowledge within public relations.
4. We should identify those business schools willing to use case studies of public relations problems and cooperate with them in preparing such studies.

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It should be plain that I believe educators in our business schools look at public policy too narrowly. They look at it primarily as legislation, regulation and enforcement. Thus, for the newly minted MBA, dealing with public policy is a job for the lobbyist or government relations strategist.

But public policy does not begin in Washington -- or Albany, Sacramento or Springfield. It begins in communities, towns and cities all over America. Business must be sensitive to changes in public opinion everywhere. It must pick up these changes early. Very big organizations must have a scanner going all the time.

Once these scanners pick up change, the company must be prepared to take action.

Thus, public policy -- and public relations -- should not be the province of a narrowly specialized group. It must be broad enough to review constantly those issues that can impact the company concerning its operations, its products, its reputation and its profits.

For that reason, public relations in the broadest sense -- even if we have to find another name for it -- must become part of the business executive's understanding.

He or she must know that just as there is a place for the marketing manager, the research head, and the financial and legal departments, there is also a public relations/public affairs group that deal with issue detection and issue management.

Furthermore, that group must have CEO-delegated authority to act on its findings.

I believe recognition of these opinions is growing. Certainly if I were 35 or 40, teaching in a business school and looking for an area in which to build a career -- I'd seize on this one.

I believe that if we cooperate constructively with the many willing and dedicated business school educators, these schools will work to fill the vacuum which now exists.

And when they do, imagine the qualities which will emerge in tomorrow's CEO:

- Picture a man or woman whose use of the English language is graceful. Who is comfortable with reporters and knows to look at the little red light when he's in front of a TV camera.
- Picture a CEO whose understanding of "this area" goes deeper than appearances.
- Picture a CEO who looks for trends before they are obvious -- and knows how to respond and influence them.

Sound like a CEO who came out of PR? Precisely.

If institutions that train our future corporate leaders wish to maintain their roles as shapers of American society, they must provide as a minimum an overview of public relations/public affairs.

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As Ned Gerrity, of I.T.T., put it: "MBA graduates need not necessarily take a public relations course, but they should be adequately prepared to communicate, both within and outside a business organization."

In my own view, the need is clear. The question is: Who will satisfy it? Traditionally, the business schools have done an excellent job in preparing graduates for traditional business functions. They now have a new challenge: To meet the needs of a new business era. I hope they will seize upon it -- and, with the success such a program will engender, our entire society will be enabled to work more closely, more smoothly and more effectively toward the achievement of our mutual and universal needs.

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Mr. James Bowling, Senior Vice President, Philip Morris, Inc.

Mr. Harold Burson, Chairman, Burson-Marsteller.

Mr. Howard Chase, President, Howard Chase Enterprises, Inc.

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Mr. Robert Fegley, Staff Executive, Chief Executive Officer Communications, General Electric Co.

Mr. Edward Gerrity, Jr., Senior Vice President, International Telephone & Telegraph Corp.

Mr. Frank Le Bart, Second Vice President, John Hancock Mutual Life Insurance Co.

Mr. Marshall Lewis, Director, Corporate Communications, Union Carbide Co.

Mr. Richard Mau, Vice President, Corporate and Government Relations, Sperry Corp.

Mr. Robert McCuen, Director, Public Affairs Department, E.I. DuPont DeNemours & Co.

Mr. Francis Murphy, Vice President for Public Relations and Communications, United Technologies Corp.

Mr. Joseph Nolan, Vice President, Public Affairs, Monsanto Co.

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