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“The Singular Character of Public Relations in a Global Economy”

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In today’s increasingly global world of business, there is a clear and, I believe, pressing agenda for public relations and corporate communications, and the consultancies with whom we are engaged. I believe our profession is uniquely positioned to help further the global business interests of multinational organizations, as well as the societies we seek to serve. In fact, the role of PR is crucial and singular in nature in this regard, and I’ll explain why and how.

The agenda is all about the critical components of reputation that have to do with values, and trust -- trustworthiness being the ultimate condition of public approval that we seek for our companies, our clients and our profession -- on a global scale and wherever in the world we operate.

I would submit that a straight line connects these two critical success factors – values and trust. If values and trust are tightly interconnected and viewed as seamless within and organization, they have the net effect of validating both the importance of what we do, and help to assure the sustainability of our profession well into the future.

But, I’m also going to suggest that the standing and reputation of our own profession could benefit from a coming together around a shared set of values that speak about what we believe our responsibilities are and what we hold as important about what we do. In so doing, I think we have the opportunity to set ourselves apart, clarify our roles and responsibilities and achieve a singular character for public relations that is both palpable and enduring.

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These are both exciting and challenging times for business. For all of the skills required of well-managed businesses under normal highly competitive market conditions, today we face numerous, varied and sometimes disruptive political and social agendas around the world that affect virtually every aspect of regulation, trade and commerce. The failure of trade negotiations, the imposition of cultural norms on product acceptability from country to country, price controls and rationing, particularly of health care products, are some examples.

Also, all of our companies deal daily with competitors in many markets who do not operate by commonly shared rules of business or ethical conduct which most of our businesses espouse.

Still, within this complex and demanding climate, our companies are pressing ahead with business agendas and performance targets to meet or exceed commitments to customers, fulfill our social responsibilities, build shareholder value, and invest in the long term to assure sustainable growth. And all the while, we work to build trust and enhance and sustain our reputations.

And the pace of globalization has picked up. Dr. Ben S. Bernanke, chairman of the U.S. Federal Reserve, recently observed that the pace is “faster and more sweeping now than at any other time in world history.”

Certainly, technology is a major factor in advancing the pace of globalization. Instant communication and real time monitoring of such processes as manufacturing, transportation, pricing and inventory control, worldwide, has made even the biggest and most complex industries much more agile and better able to capitalize on opportunities. The Internet has also reshaped how multinationals must communicate with stakeholders. Understanding how to deal with NGOs, and now the blogosphere and its bloggers, is a daunting and immediate challenge.

And, every day, everywhere in the world, there are people in all of our companies who are making tough decisions, trying to balance the demands of local market conditions with the requirements of their global enterprises -- and yet still win in the marketplace.

For example, how do you compete in the local skin care market when a global corporate directive demands one standard of water quality in manufacturing, but local competitors can achieve a comparable consumer benefit using a legally permissible lower quality of water at less cost? And how does this affect the reputation of a global brand and the organization that stands behind it? For example, will the lady from Spain who loves your body lotion be just as happy with the product she is delighted to find on the shelves when she travels to Sao Paulo, or Singapore, or Seoul?

Sam Palmisano, the chief executive of IBM, has written about the transformation and evolution of multinational organizations to “globally integrated enterprises” in which dispersed management systems will be needed to achieve the balance between global and local.

Against this scenario, which is already happening, Mr. Palmisano acknowledges that an important challenge in this transformation is “to figure out how to maintain trust in enterprises based on increasingly distributed business models.” He maintains that we “need new ways of establishing trust based on shared values that cross borders and formal organizations.”

For all multinationals, but especially U.S.-based companies contending with Sarbanes-Oxley, in the wake of the Enron, Worldcom and Global Crossings scandals, there is also the pressing public and political demand for detailed and explicit compliance with laws that enforce ever higher standards of governance and conduct. Hopefully, this will not prove to be too great a distraction or burden the wide global agenda that must be pursued.

Ethics codes and compliance regimens have proliferated. And we've seen an almost over-indulgence on Corporate Social Responsibility, CSR. It's too bad that so many CEOs have been led to believe that CSR is somehow a "fix" for the loss of trust in their organizations.

The spirit and intent of CSR is a good thing and well understood, and I don't intend my comments to demean the importance of a business entity meeting its responsibilities to society. But, the rush to institutionalize CSR has not been a positive development, in my view. Institutional responses to the CSR agendas of others has blunted or marginalized the good intentions of many companies that have long histories in corporate philanthropy, left many hollow programs and created still another form of "compliance reporting" through the many surveys fielded to rate and measure CSR performance.

We also need to be careful about putting too many things into "the ethics basket." Ethics codes are everywhere, and many written in exhaustive detail. One result is that good old-fashioned lousy business decisions are now somehow ethical lapses. Ford's Edsel wasn't an ethical lapse; it was just a lousy car. Similarly, the decision to market a promising and important new pharmaceutical that later turns out to have rare side effects not seen in clinical trials isn't an ethical lapse. It's the way medical science works.

The popular tendency to label business problems as violations of ethics probably stems from the movement in our society that has taken us beyond "accountability" to "the culture of blame," especially in political circles where inflamed rhetoric fuels the media. Together with our penchant for less than civil public discourse, this is also a troubling development.

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It seems to me, today, more than ever that where we need to take our organizations in this increasingly global environment involves something more than codes, laudable programs and rigorous publicity efforts.

In my observations of well-managed companies, success rests on an organization's values: What it believes is important and what responsibilities management is going to assume in connection with running the business. Articulated values shape and define any organization's ethical or moral imperatives. Management and employees all over the world can then be guided. And then, stakeholders, including employees can then watch a company's behavior and decide whether its actions are consistent with stated beliefs and values.

It is then, and only then, that the public's judgment of behavior can lead to trustworthiness, or not. No amount of CSR can replace the absence of clearly stated and embraced organizational values.

It's also not just about running a tight ship and staying out of trouble. As the chief compliance officer for a major financial institution recently told me. Compliance with the law and the regulations that surround his industry just isn't enough. He has concluded that rules, regulations and tighter supervision are not going to get his organization to where it needs to be in order to even stay out of trouble, let alone restore public trust and confidence while continuing to build the business.

Rather, he has come to believe his organization needs to express and share its values, and empower and enable everyone in decision-making positions to consistently behave according to its principles and values.

I don't know exactly how this resolves the issue of water quality for our skin care business in a land far away, but I believe this is the foundation, or base, on which, over time, organizational behaviors can be aligned and a level of trust can be built, such that an organization's reputation can be sustained, even through occasional missteps in those far away places.

More than a decade ago, Jim Collins and Jerry Porras, in their book, "Built To Last," made the case for long-term commitments to core values as key to long-term, enduring success -- values and commitments that transcend generations of management groups. And they would probably agree that well-stated core values could cross borders and prevail throughout new forms of dispersed global management.

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And, therein lies the pressing agenda and great opportunity for public relations.

I believe public relations people need to see themselves as being connected to the core values of the organizations they represent -- and, by extension or inclusion, this is just as true for agencies and consultancies as it is for those who practice inside the companies.

In fact, I'm beginning to believe that public relations people ought to consider themselves as owners of organizational values -- "owners" in the sense of carrying the responsibility for the articulation of values, as well as for being the strong and persistent "voice" in the organization for behavior that is consistent with its values.

No other corporate staff function is better suited to this role. Finance, law, human resources and administrative functions all have focused agendas. Only the public relations function has, or should have, the position of independence and breadth of connections, as well as the span of influence through balancing the needs and wants of many and varied constituents, to carry this responsibility.

Certainly, CEOs set the “tone at the top” of their organizations and shoulder ultimate responsibility for organizational values and behavior, but CEO tenures aren’t as long as they used to be. They are getting shorter and shorter, and if we are to seek to sustain organizational values over time, it seems to me we need a place in which to house ownership of those values in order to assure continuity over time.

A new mission and mantra for public relations begins to emerge from this reality. It is: “Own the values and secure the trust.”

In the words of Collins and Porras: “...core ideology provides the glue that holds an organization together through time.”

And, it is around this core that public relations people ought to anchor their professional practices. The importance of the role of communications counsel in this regard cannot be overstated.

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As I have thought about all of this, and as I have met and talked with students of public relations at a number of colleges and universities over that past year and a half, the question that emerges is: What about our own profession? Have we, as a profession, defined what is important at the core of what we do, and have we articulated the responsibilities we accept for the constituents we serve? If we are to assume responsibility or ownership of organizational values, which is a huge responsibility, do we have the credibility and standing to do so?

It seems to me that our profession could make a significant advance if public relations professionals were to come together to identify, articulate and observe a set of shared values and responsibilities.

Maybe this takes the form of a creed or statement of beliefs about what we value and the responsibilities we believe we own. And, I see this as something very different than a code of ethics.

The IPRA Code of Athens and the ethical codes of other national PR membership societies, such as PRSA, do a pretty good job of describing what good behavior ought to encompass with lists of dos and don’ts. The Arthur Page Society promulgates the Page Principles, which, again, describe the manner in which we ought to practice in the executive management mix, or C-Suite – telling the truth, proving it with action, listening to the customer, managing for tomorrow, etc. -- all very sound principles born of the experiences and visionary philosophy of an early pioneer.

But the point is, whether it’s an ethics code, or a statement of principles and practices, these are obligations to which we subscribe. But they do not represent an over-arching declaration of what we fundamentally believe and value ... and the responsibilities we are prepared to assume.

This is not to suggest that we need to replace anything. But maybe we need something that supersedes the codes and principles of practices... something that represents the core values of our profession and defines us ... something that is sustainable ... over time and well into the future.

So the question becomes: What are the core values and responsibilities of public relations/corporate communications people? There are probably many views about what could constitute the critical core.

As I've thought about this, four what we might call "value" or "responsibility platforms" come to mind – each related to a broad constituent group.

One has to do with the publics or audiences with whom we communicate, seeking awareness, understanding, support and, sometimes, action. By "public" I'm referring to internal as well as external audiences. Stakeholder is another term. And the question is: What is our responsibility to our publics? Maybe we need to say that we value publics or audiences that are well informed about our organizations or clients, and not just partly informed. Transparency is a good value to own.

A second core value platform has to do with the clients we serve. How do we see our responsibilities to our clients? We're accused of using "spin," of always putting our clients first and the best face on events. In reality, what we strive to be are honest advocates for the positions taken by our companies or clients and the objectives they seek to pursue. "Honest advocacy," I believe, requires that we maintain the highest personal integrity and a position of independence and objectivity within our own organizations – the level of independence that allows us to freely counsel on the formation of organizational policy and then insist on behavior that is consistent with the public positions we have taken. We need to say this is what we value and that we're taking on this responsibility.

A third value platform or belief, it seems to me, has to be the media – the news media – traditional media and new media. After all, in the classic sense of public relations, we see the media as gatekeepers – the third party -- through which we seek to achieve credibility for the messages we direct at our audiences. What are our responsibilities to the news media? Certainly we value and respect high journalistic standards such as fairness and balance. Maybe we should say so...

But maybe we also need to say that we believe in freedom of expression and especially freedom of the press as the foundation of society.

And, a fourth value platform is our own profession. Clearly, we have a responsibility to advance understanding of the legitimacy of our function, what we value, the principles that guide our practice and the ethical standards we embrace. As well, and here is where this gets very personal, we need to exhibit a commitment to the highest standards of individual character and integrity -- standards that we expect from each other and anyone who seeks to take up this practice.

Now, you may be wondering if I'm suggesting an order of priorities, and the answer is: Yes, I am.

Let me just say that I think we need to have a conversation about this. What I'm suggesting is clearly aspirational. But I would hope that through our professional organizations and in academic settings we might take up this issue.

Some will ask, for example: how can we put our responsibilities to our clients and organizations second? But, as we discuss this, I would ask: If the ultimate test of our effectiveness is our personal credibility around the truth, how could we not put our publics first? And, isn't this, in fact, a prerequisite for achieving the best interests of our clients?

Others will question whether we have any responsibilities whatsoever to the news media – especially given the decline we have all witnessed in journalistic standards – such as “not letting the facts get in the way of a good story.” Besides, some say “traditional media” is dead.

I don't believe traditional media is dead, and the fact is that responsible journalists and news organizations are working to reconstitute and reassert the standards that apply to their profession -- and we should respect this effort, encourage it, and be responsive to its further development.

But, we need to talk about these issues and seek to define the character of PR around agreed values and responsibilities. If we don't do this, others will continue to define PR for us, miscast what we do and encroach on our space. We give this kind of counsel to our clients, why don't we do this for ourselves?

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If we were to accept and agree that these beliefs and commitments about our publics, our clients, the media and our profession are important and valued, how might such a statement of the core values of public relations be articulated?

I have come to believe that the most effective personal and professional commitments are those that are framed not as rights or obligations, but as responsibilities. It seems to me that looking at our work in terms of responsibilities can be transformative. This changes the shape of everything. If one accepts and acknowledges a responsibility, that is the act of accepting personal ownership, and the value that is then established is strongly linked to one's character and integrity.

For me, assuming a responsibility becomes a very powerful personal motivator to remain true to my commitments, because they are part of who I am.

Could we achieve such a bond or covenant for public relations? And, if we could, wouldn't we be seen differently? I believe we would, but of course we would have

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established a high level of expectation, and our behaviors would have to remain true to what we have promised. But, isn't this the basis on which truly trusting relationships are formed?

What follows is an attempt to do this. It's called, simply,

“A Statement of Values and Responsibilities For Public Relations”

As public relations practitioners we place the highest value on the relationships we build and maintain and the communications we initiate with our publics, constituents and audiences, and the general public. Everything we do and say, speak and write, promote and publicize, in whatever form, must be truthful, substantiated and unimpeachable, always reflecting what we know and believe to be true based upon our own investigation of the facts. We must assure that whatever form of expression we use is honest, clear and candid in order to be transparent and fully and completely understood. This is our first responsibility.

We are also responsible to the organizations and individuals we represent. We must provide informed counsel on policy formation and decision-making. We must vigorously and honestly advocate the positions, points of view and the objectives our clients pursue while maintaining our objectivity and the highest personal integrity at all times. We are also responsible for advocating behavior that is consistent with the highest standards and values of those we represent.

We believe freedom of expression and especially freedom of the press is the foundation of all societies. We have a responsibility to those individuals and organizations that exercise the right to inquire and to report about matters deemed to be of interest to the public. We must be responsive and timely to legitimate inquiries about the individuals and organizations we represent. We believe our responsibility to the media includes being respectful of the highest journalistic standards.

We are responsible to our profession. We must honor and be held accountable for the principles and the ethical standards that underlie what we do and the manner in which we practice. We have a responsibility to maintain the highest standards of personal character and integrity. These are the standards we expect from each other.

Finally, we believe that as we meet our responsibilities to our publics, clients and the media, understanding and respect for our role will be enhanced and our profession will continue to thrive. We believe that owning and upholding these values and responsibilities will enable us to secure and sustain the trust of those we seek to serve.

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I believe that public relations embodies a singular character in any well-managed organization. For people of character and unimpeachable personal integrity who take up this awesome practice and responsibility, it represents something of a calling.

We need to recognize and accept the fact that we have specialized skills and a uniquely broad vantage point from which to provide counsel and advice that is critical to the success of our organizations, especially in the context of globalization. We need to take the initiative in these difficult and challenging times for business, assume our responsibilities and lead our organizations in the establishment of values-based cultures that can build long term, sustainable trust.

My simple challenge to us all today is to earn that trust, for our companies and clients, our profession and ourselves, through a clear and unambiguous declaration of values and responsibilities under which we will all operate.

As public relations practitioners, we are uniquely positioned and qualified to own the values and secure the trust. That's what can give public relations its singular character.