

*Vernon C. Schranz Distinguished Lecture in Public Relations  
Edward Block – 1979*

As you would know, it is an enormous honor to have been invited to inaugurate this series of lectures. I assure you the honor is in no way diminished by the fact that in inviting me here you intend to honor – not me – but a public relations legacy which I have the good fortune to be heir to.

In fact, with your sufferance, I intend to recall that legacy and explore the beliefs of two truly remarkable business executives whose ideas are so influential in the conception of what has come to be called public relations.

I speak of Theodore Newton Vail, the first chief executive of a fledgling enterprise called the American Telephone and Telegraph Company. Vail is the man who conceived and created the Bell Telephone System.

I also speak of Arthur Wilson Page, a vice president of AT&T. Page was the first officer of the company to be responsible for the combination of functions we now call public relations.

Vail set in motion his concepts before the turn of this century. His successful direction of the affairs of the early Bell System produced, as a byproduct, some remarkably advanced ideas about business and its constituencies.

Page, in the two decades beginning in 1926 and ending in 1946, elaborated the notions of Vail and codified many of the fundamental principles which are today embraced in the body of knowledge we call public relations.

#### Two Extraordinary Men

As a beginning point for this first Schranz lecture, it seems appropriate for me to recall the legacy of these two extraordinary men.

I say this for two reasons. In succeeding lectures in this series, your guests will explore many, many dimensions of public relations. Yet I cannot, in my own mind, anticipate any facet of the subject which will not find some linkage to the ideas of Vail and Page.

Secondly, in a world which seems increasingly complex and in which the pace of change and the evolution of new ideas and new knowledge begets confusion and uncertainty, it is all too easy to misplace fundamental truths which are timeless. This, to establish – at the outset – at least some linkage to theories already proven, may be a sensible way to begin a series of lectures which over time will explore new ideas and new concepts.

I begin this exercise in the hindsight by asserting that public relations is the most misunderstood of all the conventional functions of institutional management.

#### “PR Our Way Out of This”

As recently as only a few years ago, in the midst of a saga called Watergate, a handful of inept lawyers are said to have convened meetings for the purpose of laying plans to “PR our way out of this.” How sad.

And to this very day, legions of otherwise well-intentioned people, many actually engaged in the practice of public relations, tend to view the function in hopelessly one-dimensional term which considers only the employment of an array of media techniques called “communication.”

How shortsighted.

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For me at least, some appreciation of the concepts of Theodore Vail and Arthur Page has been useful in developing a coherent understanding of public relations.

Vail in his time was a chief executive in the classic sense. The ultimate authority. He established policy. Set goals. Pursued strategies.

Page in his time was a manager in charge of a public relations department, his authority delegated to him by a chief executive officer. He concerned himself with communications, of course, but his influence derived from a wise application of the communications arts in the formulation of policies and goals and in the effective execution of business strategies. He was what some authorities would call a counselor.

My point is that the integration, the interaction, of two functions – the chief executive's and the communications arts specialist – is what defines and explains this art we call public relations.

Let me further explain by telling you something more of Vail and Page.

Vail was hired by the American Bell Telephone Company, an enterprise created in hopes of transforming Alexander Graham Bell's invention into a commercial success.

He resigned as consequence of dispute with the owners. He was rehired years later – given free reign – and created the Bell System.

Many persons look on these early business leaders as robber barons, or buccaneers. For many, they created great family fortunes out of infant industries.

#### Radical Policies

It was in this setting that Vail established some radical policies and goals:

- Universal Service: One policy, one system – universal service
- Sought government regulation
- Careers, not jobs; Pensions, benefits, up from ranks promotion
- Communicated these goals so as to give meaning to employment in the telephone industry, a sense of mission to his employees
- Personally write annual report, accountability and history

What motivated Vail's thinking? He may have been enlightened but he was no saint. What motivated Vail was simply a clear understanding – by today's standards – of the preconditions for the success of an institution over the long pull. Let me give it to you in his own words.

#### Seek Answers

First, in a letter of instructions he sent the managers of Bell Telephone exchanges in 1883. He told his managers to immediately seek answers to the following questions:

- Is telephone service satisfactory to the public?
- Are our prices satisfactory to the public?
- Would it be advantageous to furnish the same service at a lower rate?
- What would be the most practicable way to provide services at a rate within reach of average families?

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- What has been the tendency of the relationship between the public and the company for the past year?
- Where there has been any conflict, what has been the cause?

Only a few years later – around the turn of the century – he explained the underlying assumption which drove his concern for the quality of service and fair treatment of his customers. He said it all in these three paragraphs:

“In all times, in all lands, public opinion has had control at the last word...

“It is based on information and belief. If it is wrong, it is wrong because of wrong information and consequent erroneous belief.

“It is not only the right but the obligation of all individuals, or aggregations of individuals, who come before the public, to see that the public have full and correction information.”

Father of Craft

It may well be that these words of Vail prompted the public relations historian Lou Golden to write: “If opinion pollsters are looking for a businessman who might be the father of their craft, it could be Vail. And if PR practitioners are looking for a pioneer in corporate concern with public attitudes, it may also be Vail.”

I go a step further than Mr. Golden and assert that Vail in his time actually conceived of public relations as it is defined in our time.

Let me point out some fundamental precepts of public relations which can be deducted from these brief quotations I just read you.

For example: In the series of questions he gives out to his managers, Vail told them to find out what the customers were thinking about their telephone service and about the company. He was encouraging communication alright – but he was more interested in what the customers wanted to tell the management.

He was also affirming another fundamental of sound public relations. He was making it clear that the managers as well as the employees who actually rendered telephone service at the local level were also responsible for the company’s local relations with the public at a local level.

Note, too, that his deceptively simple questions were sufficient to give him some actionable feedback with respect to whether or not his long-term business strategy was succeeding. But more important, his questions were intended to give local managers a basis for changing or modifying policies that were not in accord with the customer’s preferences.

In the Vail scheme of things, if you were in trouble with your customers, you couldn’t lay it off on your company policy from the home office. You were in charge. Timely knowledge of public opinion was essentially a component of your managerial responsibility as hiring and firing, profit and loss, wires and switchboards.

Finally, in expressing the view that public opinion always has the last word, Vail is expressing two cardinal principles of public relations – one obvious, the other not so obvious.

Affirmative Obligation

As was made explicit, he held that a corporation’s franchise carries with it an affirmative obligation to explain its policies and practices to the public. Further, he believed that the timely communication

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from management to the public provides the opportunity to build favorable public opinion. He believed that by going on record with accurate information – up front, as we would say – you could effectively minimize the risk of unfavorable public opinion so often is his product of misinformation, rumor or slander.

But what may not be so explicit is that Vail would never had allowed his managers to believe that bad policy – however carefully explained – could create favorable public opinion. Above all else, Vail would contend that a business can only succeed over the long pull by accommodating its policies and practices to the public's preference. Why? Because public opinion has always been the last word.

Finally, a personal observation intended for the ears of my public relations colleagues and for those of you who may be contemplating a career in our field. Do not fall into the trap of coming to the belief that top management is a Neanderthal state of mind that must continuously be prevented from committing atrocities on customers, employees and shareowners by timely intervention of wise counsel by a fearless, all-knowing, all-seeing public relations department.

I remind you, too, that a modern chief executive is a salaried, professional manager, schooled and experienced in the art of directing complex enterprises, accustomed to dealing with problems not easily solved. The public relations function is simply one among the many extensions of the office of the chief executive.

#### Need Gifted Chief Executive

We would all do well to remember that the effectiveness of a gifted chief executive is immeasurably enhanced by the component and resourceful public relations departments and counselors. But the latter are not only impotent without the former, they are in large measure and irrelevant.

And, thus, we come to an examination of the role of the executive in charge of the public relations department and to Arthur Page, the other half of the legacy I proudly witness tonight.

The Bell telephone System was a second career for Page. He had been a successful writer, journalist, editor and publisher. His father was a founding partner of a successful publishing company, Doubleday, Page. You know it today as simply Doubleday.

#### Broaden Practice of PR

With the concepts of Vail already firmly established, Page was able to further institutionalize – and broaden – the practice of public relations within the businesses. And because he was a specialist in the communications arts, he also created a body of literature to guide his subordinates and as it turns out – his successors as well. It should be acknowledged that among Page's associates were such distinguished public relations pioneers as Ivy Lee, Pendleton Dudley and John Hill – to name a few. So, it would be impossible to know whose ideas influenced whom. All we know is that to a large extent Page wrote the book and it hasn't been necessary to change many chapters since he retired 33 years ago.

Let me enumerate some of the ideas Page elaborated, some of the concepts he established as part of the day-to-day machinery of public relations.

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#### Need Public Approval

To begin with, one fundamental assumption underlies everything Page stood for. It is what I have come to view as Theodore Vail's first commandment and on many occasions Page expressed as follows: In a democratic society, no business can exist without public permission, nor long succeed without public approval.

And then he took that idea a next logical step. He reasoned that because literally millions of people use the phone every day, some several times a day. Their opinions of telephone service and the company that provides it can be influenced only by their personal, everyday experiences with the service. He therefore concluded that the public relations program of the telephone company is telephone service. He insisted that no amount of persuasive advertising, no reliance on press releases, any audio visual presentations or expressions of company policy – however skillfully packaged – could possibly influence people to form their own experience. He argued that the techniques of mass communication can and should be employed to reinforce positive customers, but also he warned that these techniques would inevitably do more harm than good if a company's claim runs counter to customer experience.

#### 90/10 Theory

He summed up the entire matter in a single sentence: "Public relations is 90 percent doing and 10 percent talking about it." Thus, it was that even as the Bell System companies' public relations departments grew in influence and resourcefulness under his direction, Page continued to insist that relations with the public are the responsibility of every employee from the highest to the lowest, and not the responsibility of a public relations staff.

What then would Page have a public relations staff do then to earn its keep? First and foremost, keep in touch with public moods and trends in public opinion. Be the eyes and ears of management so that at all times the policies, practices and objectives of the enterprise will be in accord with public expectations.

Secondly, perform the staff work necessary to equip all employees to represent the company effectively to its publics. The functional definition of the mission of a public relations staff led Page in many new directions.

#### Two-way Communication

He was singularly influential in establishing the practice of two-way communication between supervisors and employees in all departments.

He championed a unique kind of institutional advertising which he referred to as hostage to performance. He reasoned that if management committed itself to improvement in the service and strict adherence to policies that are in the public interest – and published these commitments in the mass media over the company's logo – they would not likely go unfulfilled. He established a nationwide as well as localized public opinion on a regular basis and published the results.

He built on the Vail tradition by seeing to it – often personally – that executive speeches were a policy of authoritative expressions of company policy and he accustomed employees to look to these speeches as gospel.

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He successfully urged the creation public relations staff departments – headed by a vice president – in every Bell Telephone Company. He expanded the recruitment of public relations specialists and helped facilitate logical career paths by which means these specialists could gain the breadth of experience necessary to move upward to the policy making and counseling positions. As you would conclude from even this partial enumeration of fundamental principles described to Arthur Page, he was in his was no less remarkable a trailblazer than Theodore Vail.

**Anticipate Public's Expectations**

Taken together, their theories – stripped to the essentials – postulate that the basis of success in business is public acceptance. And the only basis for public acceptance is the degree to which a business correctly anticipates the public's expectations and conforms its behavior to the public interest.

Once you understand this simple truth, you understand what public relations is all about. You can be clear in your mind that public relations is not image making, not a staff department, not a thing apart from the character of the institution itself. I have thus far imposed upon this celebration of a legacy which has influenced so many public relations practitioners, not merely to recall two heroes among my corporate ancestors, but to come to a troublesome question which out to be asked of me and my contemporaries.

**Fundamental Blunders**

The question is this: if the essence of good public relations has long been so adequately described and sufficiently demonstrated – and it turns out that chief among the guiding principles is nothing more than the applications of old fashioned common sense – why is it that so many corporations, my own included, continue to commit so many fundamental blunders? Often lately, I have begun to particularize that question. Were we to more diligently apply some truths already discovered...

...Would business today so often stand accused of misleading advertising, deceptive packaging, and unsafe products?

...Would so many American-made products have come to be regarded as second-rate in the world's markets?

...Would a burgeoning body of law compel the agencies of government to intervene so vigorously in the affairs of business?

...Would there be a consumer movement?

...Would shareowners have come to regard their equalities as paper to be traded rather than investments to be nurtured?

...Would so many social scientists now be investigating a phenomenon called the disaffection of the American worker?

...Would Harris Polls be reporting so great a decline in public confidence in the leadership of these institutions, especially business? Perhaps some future lecturer in this series will provide you a comprehensive examination of these questions, those issues.

**The Question Stands**

For my own part tonight, I shall merely let the questions stand as compelling evidence that opportunity awaits those of you who are preparing for careers in public relations.

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As I have sought to indicate to you, there are some truths yet to be employed to the fullest. But taking account of the scope and complexity of the problems we now confront, there is an obvious need for fresh ideas yet to be conceived. Above all, there is room at the top for conscientious, disciplined, creative men and women who are prepared to apprentice themselves now for the opportunity to make new policy and make things happen.

Plainly, a new generation of public relations leadership is required.

To those of you who want to compete, I say welcome. You will find reward. You will enjoy fulfillment.

Thank you.