

Vernon C. Schranz Distinguished Lecture in Public Relations
Robert Dilenschneider – 1991

It's been a tough day for the authorities in Sherwood Forest:

"Cancel the kitchen scraps for widows and orphans!" booms the outraged Sheriff of Nottingham in Kevin Costner's recent film, "Robin Hood – Prince of Thieves."

It's a funny line. And it gets plenty of laughs.

Though, of course, it's not a funny idea. But, then, how about a "prince of thieves" as a role model? ...Not a Madame Curie or a Ralph Bunche, is he? ...And, Robin Hood is celebrated in not just one, but two movies this summer.

The Robin Hood revival is just one symptom of an increasingly complex and important problem for communicators, the problem of values.

In relation to this problem, allow me to share three things with you:

- First, the media backdrop and the general direction of public attitudes which form a context of today's discussion of values.
- Second, to identify seven broad "values issues" which I believe are looming concerns in the public mind today. (I will try to focus on those important themes which are also easily overlooked.)
- Thirdly, I have four brief principles to offer which communicators can use to manage values. First, the context.

Communications speaks to values and through values, and we are passing through yet another values watershed. The framework for the discussion of values today is quite different than when business ethics first appeared as a hot topic 4-5 years ago. Revolutions in values are happening as rapidly as revolutions in technology or management philosophy.

Some trend analysis would lead you to believe that there is a uniform move toward a new set of values. I don't buy that.

Rather than "isms" moving in and out, what we have is a constantly shifting stage of individual values which are hitting the nerve of public attention. Sometimes, these values are wildly contradictory: family values are hot and so is Madonna. Clean government is in...but can you recall such a smorgasbord of political scandals all being investigated at the same time?

What I'm seeing instead of a single behavioral trend – is that America is becoming both more restrained or more indulgent – favoring bigger government spending as well as less government. What we have in our society is an array of separate values. In short, we're beginning to live in a new world of "value issues" – where no overriding dogma contains the total outlook of an individual. And certainly no single dogma houses the diverse attitudes of the general public.

Everyone anticipated that we were in for a long stretch of virtue after the much disparaged eighties. Michael Milken and Manuel Noriega are behind bars. Saddam Hussein is back in his cage. Just a few months back, warm and positive reports dominated the headlines. When Stuart Udall retired from Congress this spring, journalists and colleagues showered him with praise for his uncommon

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decency. The Gulf War gave us formidable new heroes such as Norman Schwarzkopf and Colin Powell.

Then, the B.C.C.I. scandal erupted. The squalor surrounding what Time calls “The World’s Sleaziest Band” threatens to taint a host of seemingly respectable people.

A recent Benetton advertisement sports a traditionally clad nun and priest in a suggestive kiss, while a famous children’s program host is arrested and charged with indecent exposure.

Scandal rocks the Japanese securities market, again.

The White House chief of staff (who – remembering Don Regan and Sherman Adams – is often the lightning rod of public malaise) finds his travel habits targeted...while we get revelations of a governor (now senator) practicing close encounters with a beauty queen. People have babies to create transplants for others...as the poor nations like India are selling their own eyeballs and kidneys. (The Third World may well turn into a human spare parts center for the advanced nations.) Clarence Thomas and Ollie North have added to the confusion.

If there is a hot new trend toward virtue, I fail to read it. There is a definite and very forceful trend toward moralizing, and I’m not just talking about the Supreme Court’s view on go-go girls in South Bend.

The British newsweekly, The Economist, has written some strongly worded articles on resurgent Puritanism in the United States over the past months. Their most recent piece points out that “social engineering is out of fashion in Eastern Europe.”

It seems, however, to be coming into vogue in our society. “To ban ‘inappropriately directed laughter’, as the University of Connecticut did, is no way to change the attitude of the laughter,” they write. Increasingly...Americans are being permissive about themselves and puritanical about others. Worse, they are ever more ready to believe that the answer to a problem is to pass a law.”

Censorship of all sorts is enjoying a heyday. Network executive Reuven Frank gave a passionate speech about censorship of the media in the Gulf War at Princeton in June. “We saw no people. We saw no fighting. We saw ‘smart bombs’ taking out targets with great efficiency,” Frank declares. “Now, several months later, we learn that no more than one-fifteenth of the bombs dropped on the Iraqis can be classified as ‘smart’ bombs, that the most effective planes were not the high-technology, high-priced Stealth fighters but the clumsy, lowly A-10 attack planes from another generation.” Frank points to a hero general, “saying over and over, ‘I will not have you (the media) on my battlefield.’ ‘My battlefield.’ It’s a challenging thought.”

There is also an alarming rise of self-imposed censorship. In the Wall Street Journal last week, Irving Kristol wrote a provocative – actually daring – article titled “America’s Multiculturalism Tragedy.” He reports:

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Recently, a journalist telephoned five leading professors of Egyptology, asking them what they thought about the claim of a black Egyptian provenance for Western civilization (the contention that Western European civilization is really the product of Africa). They all said it is nonsense. At the same time, they all withheld permission for their names to be attached to this risky, 'politically incorrect' position.

I'm no expert on the origins of Western civilization, and Egypt could, indeed, be the wellspring of our Western world; but, I find the anonymity of the five professors to be both frightening and real. Worst of all, in today's climate – had I counseled any of the five – I'm not sure I would have given them different advice.

Make no mistake: We have entered an era where values are hot. Sadly, it's less a case of having values or hot having them. If, however, you take the wrong public position on which value you are supposed to have...watch out.

Two years ago, the rekindled interest in value had a very positive cast to it. It was the backbone of America's rediscovery of quality and discipline in the work place. And, I see that trend to a large extent abiding. Also, more and more serious-minded executives are out there actually changing things for the better...and in spheres beyond the business world. Take, for example, retired Xerox CEO David Kearns and his crusade to reform the American educational system.

But, a more intrusive and negative aspect of the demand for values is gaining steam. We are ever more disposed to peek through people's curtains. The Palm Beach rape trial is evidence of this fact.

We are experiencing a tremendous onslaught of "tabloid values." Once confined to the grocery-store checkouts, the tabloid mentality has saturated television and not just in the bounds of programs like Current Affair and Hard Copy. It is having a strong effect on the style of mainstream network and local news reporting.

Tabloid values also affect the way we think about each other. In November of last year, two thoughtful articles appeared on the topic of gossip. One was in The New Republic. The other was in Mirabella. Gossip is making a big comeback – but it has a new face. Nicholas Lemman, in the The New Republic piece contends:

Walter Winchell, king of the old order (of gossip who – by the way – carried two loaded pistols with him everywhere he went) was a creature of structured, pyramidal society with a universal code of conduct, in which most people thought of themselves as just folks but admired those who weren't. Today's gossips reflect a fragmented, individualistic society in which everybody is, in his or her own self-image, simultaneously a victim and a star.

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There are a number of controversial values commanding public attention, and today's style of journalism ensures that values issues will be covered quickly and often mercilessly. The new cable television channel COURT – which will focus on trial coverage is another part of the trend.

The information revolution is also fueling the trend. The ready availability of vast stores of details about personal lives is helping to etch the character lines of potential “victims.”

And, people are waking up to this. Earlier this year, Lotus Development wanted to package buying habits of households for smaller, sharply defined geographic samples and sell these packages to small business people in communities. According to *The Economist*, Lotus got no fewer than 30,000 objections that this constituted an invasion of privacy, presumably because it would put data within such easy reach of so many on a local level. Lotus dumped the idea.

The information revolution and a hard-ball media style are affecting businesses as much as individuals. Because business news is today a much larger portion of total news coverages; businesses are going to end up on the middle of these value debates, and they will end up there with astonishing speed.

I can think of two recent examples: Heilemann's high-alcohol “Power Master” brew never even made it to the market. And, in June, Macy's in California wanted to launch a court challenge to Proposition 13, and “a threatened consumer boycott” spearheaded by taxpayer special interests forced Macy's to abandon the campaign in 100 hours according to *The Economist*. Heilemann should have learned from the “Uptown” fiasco that targeting poorer black consumers is a very delicate matter. Macy's should have seen that knocking Proposition 13 would pit them against a population with strong views on taxation.

So that is the tone and framework in which values are increasingly being presented and discussed. What is a communicator supposed to do about all of this?

For starters, I would actually begin to monitor the leading values issues on the screen of public opinion and see how your company stands on these issues. Does an emerging concern about a particular values issue put your company at risk...or does it present a communications opportunity?

There is no denying that there are a large number of values topics out there – from apartheid to abortion, from education to ecology. How do you get your hands around the concept in a practical way? In addition to looking at the specific values issues that are obvious for your company, your organization, or your clients; I suggest focusing on some generic values that are coming to be very important. I have a list of seven such “values issues.”

They are:

Identity, Work,
Accountability, Permanence,
Simplicity, Confrontation,

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and Arrogance.

Let's start with identity:

IDENTITY has become a very hot topic. What group do people relate to? All over the industrialized world, the strength of the nuclear family continues to waver. There are some signs of this changing. The divorce rate appears to have bottomed out in the United States, although the number of "rotational" families with a changing cast of characters now exceeds the number of nuclear families. When the newspaper *The European* recently conducted a survey of what values were important in different Western European countries, the family was most important in nearly every case.

Many parts of the world – especially Eastern Europe – are exploding with nationalistic strife: Croatia, Slovenia, Lithuania, the Kurds. It's a very long list. In these countries, national identity seems more important than family identity.

Some trends about national identity are puzzling, such as the views on European unification and 1992: The survey in *The European* found that Germany – surprisingly – "is the only Western European country where more people are strongly attached to Europe...than their own nation." And, who are the most nationalistic Western Europeans? The Danish. "The Danes are the least enthusiastic Europeans. They are against almost all the proposed measures to integrate Europe. They feel very nationalistic and this is not changing very fast. They are downright pessimistic about the Single Market and fear the worst."

How would a communicator use information about the "identity value" I have just described? Well, I would be very skeptical about introducing a pan-European marketing program in Denmark right now...Across the Atlantic, I would be looking for opportunity in the upscale family market in the United States. A recent *Business Week* piece said that children's book sales went from \$284 million in 1982 to \$992 million in 1990. In the United States, I would be sure that my company was thinking about a policy on eldercare, because we are going to find the families of the future defined as much in terms of grandparents and great-grandparents as in terms of children...and, the media will want to know the thinking of the business world on this subject.

If my company's workforce had a number of immigrants, I would be thinking about immigration policy for families of workers who are abroad. (I guarantee that your workers are thinking about this.) WORK is the second value issue that I see ballooning on the values screen. This is an issue that is poised to hit a great many companies, because companies are going to face a growing number of accusations that they are not managing work properly.

There was a very inclusive article in *The Wall Street Journal* not long ago reporting on a study done by Wyatt Co. that "downsizing firms may not bring profitability." Several weeks after the article appeared, the finance industry was stunned by two huge bank mergers...and all of us know what layoffs are likely to come in the wake of those combinations.

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There are plenty of disenfranchised white-collar workers out of jobs these days...and I expect that you will see more militant efforts toward job entitlement and job protection legislation – closer to what we see in Europe today – arise in the United States.

As the Wyatt spokesperson points out in the Journal article, most companies tackle the problem of reductions in the wrong order. Rather than eliminate “low-value work” first, they cut jobs instead. They never really get at the inefficiencies. I predict that companies will be made accountable to do so in the future. Those that don’t will find themselves in deep trouble with public opinion, with the financial community, and maybe even with the regulators.

ACCOUNTABILITY is the third value. In this value area, I begin to see some relaxation on the horizon, despite the earlier mentioned comments about legalism and pluralism.

A book called *The Litigation Explosion* by Walter K. Olson has clearly shaken up America’s thinking about litigation and challenged abuses of contingency fee arrangements, nearly random pre-trial discovery, and the “sue-for-profit” industry. He attacks the view that “the more lawsuits there are...the closer to perfect the world will become.”

Olson’s book – and the movement to bring litigation into a more realistic framework – are a refreshing countertrend, but it will be years before we see a clear result.

In truth, Americans are ambivalent about accountability. When the gruesome Milwaukee mass murders were discovered, look how quickly and forcefully the public and press demanded that blame be assessed and several police officers were suspended from duty.

In other ways, folks just don’t take accountability seriously. One of the cleverest television ads of recent months has been Milli Vanilli lip-synching Rossini for Care*Free gum. After the humiliation of giving back a Grammy because they didn’t actually sing their award-winning recording, these guys once again become national heroes: This time for making fun about faking it. As far as accountability goes, there may indeed be a little bit of Robin Hood in us all.

But, if you’re a business, I’d expect that accountability will be tightly monitored and quickly expected if you experience a crisis. However, if our firm has an interest in moving the needle on the liability question, now is the time to do so...because public attitudes are receptive to change.

PERMANENCE is the fourth value issue that I think firms better be looking at, because the problem is just the opposite of permanence: The public’s span of attention and recollection continues to erode at a remarkable rate. The Gannett Foundation has done a comprehensive study of media coverage following the Gulf War. It found that by mid-March, people were following the homecoming of troops but that interest in other aspects of the conflict had fallen off decidedly.

The Iraqi conflict was the biggest mobilization of national attention since Viet Nam, and look how quickly it subsided. For all the triumph, George Bush found himself muddled in domestic issues within weeks.

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To me, this has great bearing for firms. When we talk about information clutter, we usually have thought about clutter in perceiving information – the problems in getting a message to register. I think that we are now beginning to recognize a clutter problem in recalling messages. There is just too much competition for storage space. If George Bush had trouble leaning on his war laurels within weeks of victory, imagine how hard it is for the average firm to say: Remember the good things we did back in 1989 and 1990.

With your key audiences, you have to be out there communicating positive results day-after-day if you want to secure a favorable impression.

SIMPLICITY is the fifth value that is a high priority for public consciousness. In April, Time did a cover story on “The Simple Life.” It contends that Americans are “tired of trendiness and materialism...” That they are becoming thriftier and more basic in their values.

“...(R)estaurants are adding such moderately priced classics as fried chicken, meat loaf and bread pudding. Restaurateurs have coined a phrase for it: ‘casualization.’ ...The buzz word among marketers is ‘value’ products (such as \$1.39 Swanson budget dinners).” Sales of BMW’s, reports Janice Castro – the article’s author – were off 28 percent last year.

The article acknowledges that necessity is creating part of this drive. A Wall Street Journal piece from the same month describes Americans as “reformed spenders” who have abandoned the “shop-till-you-drop” ethic and are saving more “in a tough economy.”

Firms that showcase the simplicity of what they are doing are appealing to a strong public appetite. People really do want to be simpler. However, marketers should be wary about extrapolating the simplification of food and clothing to all consumer purchasing.

In his recent book, *In the Era of Human Capital*, Richard Crawford points out “In a knowledge economy the demand for services grows at a much faster rate than the demand for goods...(M)arkets for mature consumer goods (such as autos and furniture) become glutted and consumer discretionary income is directed toward services...you begin to focus on psychological needs (which services satisfy).”

So, simplicity...yes, certainly. But, you must first ask the question: Simplification of what? People are not buying simpler computer programs for home use. Their tastes are becoming more sophisticated.

Substituting a diaper service for a box of Pampers may sound more “wholesome” – but it is also substituting a pick-up and delivery service for a store-bought product.

Number six on my list of values issues is CONFRONTATION. Confrontation is definitely back in and not just on the borders of Croatia or in alleys of Ulster. Having attended the United States/Japan Business Council for six straight years, I can tell you that the dialogue there has moved from defensive to deferential to argumentative to accusatory. I just read the results of a survey the

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Keidanren conducted of its members. The responses they got back left no doubt about who's at fault:

96 percent felt that United States measures in Japanese-American relations have not been adequate.

99.5 percent said that American efforts on savings, investment, and the budget deficit have not been adequate

For two years, experts in Europe predicted that the situation in Yugoslavia would come unhinged, and it finally did. Likewise, I think we have never been closer to a significant trade spot with the Japanese since World War II, and that has implications for everyone in international business (and communications) today.

This renewed interest in confrontation – in mixing it up – isn't just aimed across borders. In July, Business Week did a piece on the resurrection of "hop-to-it," bad-news memos which more executives are sending when they "feel a need to reach out and shake somebody...Most often, the message is grim. Business is bad, and it's your fault."

So, if your CEO seems a tougher and more expressive task-master today, that's in line with the trend. But, caution her or him that the press now has a keen interest in confrontational communication, and that "in-house" memo may end up liberally quoted in a major business publication.

Another reason to caution your CEO for seeming overbearing is the seventh values issue – ARROGANCE. This spring Business Week did a cover story on "CEO DISEASE" – that is, egotism. In it, figures such as F. Ross Johnson, Walter J. Connolly of Bank of New England, and Robert A. Schoellhorn of Abbott Laboratories are lambasted for "losing touch with their companies." CEO arrogance is a major cause for rifts between CEOs and more demanding outside directors. And, the rift can be terminal.

In the Wall Street Journal, former Avon CEO Hicks Waldron, who is a member of four boards, describes the reality of many board-CEO partings: "No one is happy to say, 'We fired the bastard.' It doesn't do that company any good...Yet, 'there are a lot of (former chief executives) 'pursuing personal interests' who are pursuing them on an involuntary basis."

In the Business Week article, Merck's Dr. Roy Vagelos and AMR's Bob Crandall are given high marks for avoiding "the pitfalls of power."

I especially admire the philosophy embraced by real estate magnate Trammell Crowe who wants to see as many of his employees become millionaires as possible so that they won't be afraid to stand up to him and speak their minds.

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In an interview with Wane Calloway, CEO of PepsiCo in Industry Week, Calloway explains that arrogance was the leading reason why some fast-track executives at PepsiCo didn't achieve up to their potential. He calls arrogance "the illegitimate child of confidence."

No executive trait comes across faster in communication than arrogance. It is probably the single most important values flaw that a communications advisor can help protect against.

Identity, Work, Accountability, Permanence, Simplicity, Confrontation, and Arrogance: Those are the seven values issues I would be watching closely as communicators...in addition to those which are particular to those of your firm or industry.

When we talked about communicating to groups and individuals in the seventies, we used to talk about communicating into "systems of values." I frankly don't think they exist any more. Rather, there are – as I have tried to show – individual values that become very topical and those which recede in importance.

Smart communicators will know how to emerge when their values are "hot" and when to recede when they are not. NOTE: I don't recommend switching your values with the changing current. That would be CHICANERY.

I do recommend adjusting your positioning in the light of rapidly shifting "values issues." As I said: Be wary of a high profile when public bias seems strongly against certain values which your firm or your client may hold. Seek out attention when your values are likely to be seen favorably.

Finally, I have found four principles to be especially helpful in managing values as a communicator. In closing, I want to share them with you.

First, issues drive values. If you train your thinking, you can actually pinpoint specific values which are coming – rising about the surface – as part of an impending issue or event.

What are the hot values issues in the new product you are about to market...or the new store which you are about to open...or the new incineration plant you want to build?

There's a simple way to develop a knack for this: The next time you hear about a major business event in the news, make a list of the major values issues you expect to surface in the continuing coverage of that event. Then, monitor the press for the next several weeks and see which ones actually emerge. After you do this several times, you should develop a practical and generally reliable eye for the issues.

Second, values have an emotional foundation. The electronic media in particular will try to communicate any values issue as graphically and as emotionally as they can.

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If you are on the negative side on an emotional issue like a human blood product infected as a result of careless cost-cutting in screening, you can bet reporters such as Maury Povich will take their viewers to the children's wards to empathize with the innocent victims.

Similarly, if your company has done a remarkable job of empowering its people and shunning management arrogance, what techniques can you use to communicate that visually...and emotionally?

Third, values deserve investment. An organization must think about its values in a thoughtful, systematic way. If communications deserve investment and values will be a bigger part of the story in the future, the values themselves deserve investment. Even more importantly, the values deserve investment in their own right.

Look at what's coming on your agenda: Are you about to build a plant with incredible robotics? What focused investment in human values will you make to go along with that capital expense?

In any business, what two or three values do you want to be known for that will make you a model in your industry five years from now?

Fourth, values must be communicated. You can't just have values without communicating them. A company that is not aggressive about communicating its values – especially inside – is likely to lose them.

Companies will be covered by the press and understood by employees, given their ability to fit into the context of events outside the company. Increasingly, the world around us is being covered in this context of a values agenda.

As I see it, public relations professionals have as much claim to steering that agenda as anyone. In fact, it is your job. It's up to you if your client or your boss will be seen as a proud trailblazer for positive values...or if his next uplink will have them cancelling the kitchen scraps for widows and orphans.