

Vernon C. Schranz Distinguished Lecture in Public Relations
Dorothy Gregg – 1981

I'm delighted to be here tonight. I consider this a very important occasion.

It's a pleasure to be with you tonight and to see the commitment and enthusiasm for communications and the public relations profession here in the Midwest the economic heartland of our country – but in communications you are also becoming the center. And thank heavens for that... because we need all the strength and the constructive communications we can get, here in the Midwest and throughout the land.

Especially in communications about corporate public responsibility. As much as anything, that subject starts right at home, wherever home may be in every working environment, every plant community.

Home for many Celanese people, of course, is in the Carolinas, Kentucky and California, as well as Texas. Or it could be in any of the 17 countries outside the United States. So while our corporate headquarters is in New York and our business is worldwide, many of our 47,000 employees live and work elsewhere and contribute to over \$3 billion dollars worth of sales.

I said a moment ago that communications on the subject of public responsibility starts at home, at the plant community level. And I say that because public responsibility is all about people – their expectations, their chances of advancement, how well they are doing day by day in their working environment, and whether their contributions, whatever they might be, to the community are recognized. The on-the-job reality the conversation the interaction the encouragement that takes place between workers and their immediate supervisors on the local level.

The policy decisions and the expressions of the corporation's commitment to public responsibility must obviously come from the top down. The chief executive officer, the board of directors, the top corporate management, they are the ones who set the standards and provide the forward impetus. But we in public relations can contribute substantially, both in helping to set that policy and in implementing the communications aspects of it.

We have a dual responsibility, because public relations, as you know, is a two-way road. We tell the outside world that our organization is doing, what it stands for, why it's important, and in turn, we feed back to our management the reactions of our various audiences. If we have done a good job as communicators, we are able to bring new perspectives to our audiences. But even more often – if we listen with enough sensitivity and care, we are led to rethink policies and our strategies and to arrive at exciting, new directions. It is a creative, ongoing interchange of ideas resulting in actions.

PUBLIC RESPONSIBILITY AT CELANESE

Chances are that your program committee invited me to discuss public responsibility because Celanese Corporation has committed itself vigorously to making our public responsibility philosophy work and to making our position well known both throughout our communications inside the corporation – and outside as well.

I want to emphasize at the outset that pursuing the common welfare through individual and corporate good citizenship is a Celanese objective that is made possible by carrying out our first and

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most fundamental mandate – to earn a reasonable profit or a fair return on stockholders' investments by manufacturing and selling quality products at a fair price. Without a profit, we couldn't exist – nor could those 47,000 jobs.

Let me tell you something about our public responsibility history at Celanese, and along the way I hope to offer you some helpful guidelines in dealing with the public relations aspects of public responsibility in your own present studies and in your future jobs.

Celanese has tried to be a responsible and responsive corporate citizen. There is a strong commitment at the top. That same commitment is reinforced in communications from the heads of the corporate staff, the Chemical Company, the Fibers Operations, and Celanese Plastics and Specialties Company. The internal mechanism for action is very strong. But so is our mechanism for accountability. And to that I attribute much of the success of the programs.

Dr. Jerome Wiesner, president emeritus and institute professor of the Massachusetts Institute of Technology, heads our Public Responsibility Committee of the Celanese Board of Directors. The committee was organized in 1972, one of the first of its kind in American business. It is a distinguished committee, comprised entirely of outside directors, which includes not only Dr. Wiesner, but Vernon E. Jordan, president, National Urban League, Robert D. Lilley, former president, American Telephone and Telegraph Company; and Ida Larkin Clement, director of the Corpus Christi Bank and Trust.

The Public Responsibility Committee's charge is to monitor our corporation's practices and advise the board of directors and top management on how to keep in close harmony with current concepts of corporate responsibility. And it's interesting to hear some of the discussions that go on on this score.

From time to time the committee retains independent and informed professional consultants to determine the effectiveness of Celanese programs. The committee, for example, retained the noted public opinion pollsters Yankelovich, Skelly and White to survey employee attitudes on job satisfaction and career development, and it has studied objectively our compliance with corporate EEO goals. For example, Cliff Alexander was one of the Committee's outside EEO consultants when he was in private law practice before President Carter appointed him the first black Secretary of the Army in our history. The committee also requested an outside evaluation by a qualified consulting firm of the effectiveness of certain aspects of Celanese environmental management. The study, commissioned by Celanese, was undertaken by Arthur D. Little, the well-known consulting firm, so the committee would have assurance that our program was indeed effective. The consulting firm said, in part, that Celanese management "performance is dedicated, thorough, prudent, sophisticated, timely and successful."

THE EMPLOYEE PUBLICATION

But how do we communicate beyond the boardroom? Well, in several ways. First, we have a public responsibility section in our annual report that gives facts and figures – it was unique in its time. And

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there are important articles included in our quarterly financial reports. We have a special publication that really makes Celanese employees proud. It is the quarterly employee publication, *Celanese World*, which is also sent to retirees, officers of our international affiliates, major suppliers and customers, and special lists of media, financial analysts, congressional aides and college placement directors. Since it is sent to the homes of our employees, it also reaches their families and friends. It deals with the Corporation's economic, social and public concerns, giving careful attention to "equal employment opportunity, protecting the environment, concern for the health and safety of employees and customers, efficient use and conservation of energy, leadership in community health care, support of the arts, aid to education at all levels, and principles of ethical business conduct."

It is to some extent a "people" report – abundantly and handsomely illustrated with photos of some of our people's hometown involvements. There's Robert Schroeder, president of Celanese Fibers Operations, with the Rock Hill Educational TV Network (ETN) station manager, discussing the Celanese and Fiber Industries, Inc., recent sponsorship of a "Masterpiece Theater" Anniversary Gala on South Carolina Educational Television, one of the best educational TV stations in the country. With the help of the Celanese corporate telecommunications department, the National Urban League's (NUL) telephone system was replaced by a more cost-effective, computer-based system that is expected to save NUL over \$80 thousand annually. And then, there are the smiling faces of a dozen young people who are the proud winners of the 1981 Celanese-Dreyfus scholarship competition. The awards are scholarship to children of Celanese employees given each year, with scholarship grants ranging from \$1,000 to \$2,000 per year depending on family income and tuition costs.

And closer to home, there are plant and operating company publications reporting at greater length more stories about Celanese and its people in their hometowns. Perhaps most persuasive of all, there are face-to-face speeches by management to employees about the importance of living good corporate citizenship.

Then some of the stories are so inherently interesting and colorful that they are picked up from our press releases or publications by local and national print and electronic media, thus reaching a far larger audience than *Celanese* and its people.

You probably are asking yourselves right now some of these questions: How many members of minority groups and women do we hire? Do we keep the air and water clean around our plants? How can we be sure employees and customers are safe from the toxic substances we produce? What are we doing to save energy? How are our profits making the world a better place in which to live?

ENVIRONMENTAL PROTECTION

Let's start with the environment, since it's a topic for which the chemical industry is frequently called to account.

We at Celanese remain fully committed to minimizing environmental hazards and to ensure compliance with all environmental regulations. Environmental quality and protection has always been

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one of our most important public responsibilities. Our employees are human beings who care deeply not only about their own health and safety, but that of their fellow workers, their families and neighbors in the communities where they work and live.

When new equipment or processes are needed to reduce pollution, Celanese installs them. We even invent them if they're needed but not commercially available. The Chemical Company's Celrobic wastewater treatment system is a case in point. Now operating in three plants and ready for licensing to other firms, the system has many advantages. It saves energy while producing its own boiler fuel. It produces far less sludge than other systems and takes up less space. But also, it is a system that allows companies to make a profit while being environmental good citizens. And it puts the wastewater burden where it should be, on the shoulders of industry, not hard-pressed community water treatment systems.

Capital expenditures for environmental maintenance have always been a very significant item in the Celanese budget. In addition, our Department of Environmental, Health and Safety Affairs is responsible for ensuring that the company uses appropriate standards of control of all potential hazards are physical or chemical and whether the effect is on the workforce, the customer or the community.

In line with this, we've developed – and continue to refine – a crisis communications system that keeps the community, its leaders and the media informed whenever spills or other hazards occur.

We also join with a number of industry and professional groups to monitor the latest environmental control techniques and foster reasonable regulations. In the continuing controversy over the safety of formaldehyde, for example, we've consistently supported the Formaldehyde Institute, and industry group headed by our own James Ramey. The Institute does not use gimmickry or press agency to present a favorable image of formaldehyde. Rather, it is mounting a major scientific research and information drive to reach a definitive safety assessment of a basic building block chemical.

We also get involved in community environmental projects. For several years now, Celanese Fibers Company has planted several thousand seedlings at the Celco Plant in Narrows, Virginia with the help of state and federal conservation agencies. Near our Clear Lake, Texas chemical plant, Celanese has contributed both funds and employee volunteers toward maintenance of a beautiful 2,000-acre nature preserve.

Health and safety concerns are also part of our nature. We recognize that people are our most important asset. Thus, Celanese has extensive programs for accident and fire prevention, and maintenance of a safe working environment. Our safety programs are among the best in the chemical industry and our safety record is far better than most other chemical companies, not to mention industry as a whole.

We have our own fire training center at the Celcr's Celriver plant in Rock Hill, South Carolina. Not only is the facility used to train Celanese personnel in firefighting and emergency rescue techniques,

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it is made available for the training of rescue workers and firefighters from other companies and community fire departments up and down the east coast.

The Chemical Company has an extensive health surveillance program in place that is being adapted to the needs of the other operating companies. Designed as a preventative health program, it is one of the most advanced in industry.

EQUAL OPPORTUNITY

We also recognize the value of our human resources through equal employment opportunity programs. Celanese is a leader in the chemical industry in the employment of women and minorities. As John Macomber, our chairman and chief executive officer has said, "It is mandatory that we focus attention on our EEO objectives. More than moral and ethical considerations are involved. The effective utilization of all talented human resources is a sound business objective. We can't afford to lose out in the competition for human resources so important to the future and well-being of Celanese."

It goes without saying that Celanese adheres to the principles of fair employment in hiring, training, promoting and compensating without regard to race, color, sex, age, religion, national origin or handicap. To ensure this commitment, however, every supervisory and managerial employee is made aware of the need for direct, individual support for EEO programs at corporate, company and plant levels. We have special programs to attract minority and female students into engineering and chemistry.

Still, much more needs to be done, but these programs have shown dramatic results. The number of minority employees has nearly doubled as a percentage of the Celanese workforce since 1970. There are nearly six times as many minority managers and supervisors, nearly three times as many professionals, almost four times as many skilled crafts people.

The same picture holds true for women. Already a substantial part of the Celanese workforce, the number of women managers and supervisors increased fivefold over the last nine years. The number of female professionals tripled and skilled crafts people nearly quadrupled during the decade. As with so many other areas at Celanese, our EEO programs will be expected to produce far greater results in the coming years.

CELANESE CONTRIBUTIONS

Just as we provide equal opportunity in our hiring, we also provide other opportunities to those who live and work in Celanese communities. Our corporate contributions effort is designed to support programs that are in the interests of our stockholders, employees, communities and the general public. We contribute over \$3 million a year to support education, health and welfare, environmental protection, culture and the arts, civic and public activities and equal opportunity not to mention what our operating companies do.

Celanese makes contributions to organizations and institutions that have proven their effectiveness in producing results and which have broad-based support. We aid organizations that strengthen the

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communities in which Celanese employees live and work in order to improve the environment in which the company does business. We encourage Celanese employees to be active citizens and to become involved in their communities so that the corporation is contributing human resources as well as dollars.

In education, we give priority to colleges and universities that are leaders in scientific research, supply or staffing needs or represent national centers of learning. The corporation supports about 200 schools and educational institutions in 40 states and funds a number of special scholarships and other educational programs for minorities and women.

That's not to say that a large corporation like Celanese is above educational support on a much smaller scale. Our chemical company, for example, has "adopted" an elementary school in Dallas as part of a program sponsored by the city's Chamber of Commerce. And other funds are channeled to schools in predominantly minority or low-income areas of the city and are matched by federal grants.

Regional health care facilities also receive valuable support from Celanese operating companies and employees. In a large number of communities, the Celanese logo means that a first-rate hospital is probably available for employees and others in the area. Celanese Fibers Company, for example, donated the land and has been involved with Giles Memorial Hospital in Pearisburg, Virginia for more than 30 years. One gift from the company made possible the development of the hospital's first special-care unit.

By contributing to the arts and culture, we help in another way to improve the quality of life in Celanese communities. In Dallas, our Chemical Company sponsored the presentation of three new plays in the "Second Stage Festival." In Louisville, our Plastics and Specialties Company supports the local symphony. On a national scale, we've contributed to such institutions as Lincoln Center, the Museum of Modern Art, the National Dance Institute, the Cooper-Hewitt Museum and the New York City Ballet.

While we're expending this kind of energy in the community, we're also being good citizens in another way by saving energy in our plants. As Americans began to turn down their thermostats and drove more fuel-efficient cars, we knew that energy conservation was a matter of good citizenship as well as good business.

Since we began to keep tabs on energy consumption in 1972, we've made significant reductions in the amount of fuel we use. Last year, we used 36 percent less energy to produce a pound of product than we did in 1972. And we're looking to achieve a 40 percent reduction by 1985. We've conducted energy audits at our plants, have installed monitoring systems and the latest technology, and have focused on cogeneration and coal conversion, areas we lead the chemical industry. Recently, our Chemical Company and Big Three Industries announced that they are studying the feasibility of a coal-fired steam and electric power cogeneration plant in the Bayport Industrial

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complex southeast of Houston. If the study is positive and the plant is built, it could free up to 40 billion cubic feet of natural gas a year for residential use.

PUBLIC POLICY

We are also increasingly involved in public policy and government affairs. We have long believed that we should be involved in the political processes that affect our personal and corporate lives. This concept is nothing new. It's as old as Aristotle.

I've been talking about corporate commitments, apparently successful programs to implement them. Where, you may ask, did and does the public relations come into it? How do the public relations people contribute?

Translating that into specifics, we can organize a public relations agenda – or a checklist, if you will – applicable to our own organization as well as to others. We can identify the basic elements.

First, start with top management: The CEO, the board of directors, the operating heads of the companies.

Their policies must be formulated and stated for the record, clearly and understandably. Not once, but often. Not in one document, but repeated frequently, in special brochures for middle managers. In communications to employees, such as our own Celanese World, in communications to the corporation's key audiences and the public in general.

The policy should be stated and repeated in all appropriate corporate communications.

Second, to implement top management's policy, an internal structure has to be established and its goals and purposes must be communicated. Here again, public relations input is invaluable. Our efforts must be coordinated at the corporate level with those of the operating companies. Every company and plant management is charged with the responsibility to develop strategies and specific programs to reach public responsibility goals. The corporate policy is communicated in writing, with public relations staff assistance, to supervisors, managers and to the employees. We have to communicate by words as well as deeds.

Well, we've talked about the public relations aspects of formulating public responsibility policies at the top management level. We've also talked about the public relations input in the internal structures and about communicating both policy and implementation procedures down through the middle management and supervisory levels.

Third, we come to the employees as a vital part of the public responsibility equation. They have to be encouraged and motivated to move ahead. At Celanese, we have elected to add a pro-active dimension to our public responsibility mix. We set creative objectives geared toward improving the climate and attitudes within plants and work groups. We need awareness – but we need more than

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that. We also need support programs. So we have urged our operating companies and plant facilities to adopt a variety of development activities to achieve public responsibility goals. Not only is the Public Relations Department a part of the planning of the program, it is also a vital part of its communication. From definitive pieces addressed to corporate staff management from top management stem both the in-person and the in-print communications I have mentioned.

Fourth, the public relations aspects of public responsibility include the community and “people” publicity that makes everyone feel good. Personal successes and achievements, corporate support for hometown ventures and causes, the individual commitment to worthwhile extracurricular activities, all kinds of success stories.

Everyone can enjoy being part of Celanese, for example, when they read about a local project on wire services across the country like the Shelby, North Carolina school program. There, six women – five engineers and a financial analyst – fanned out from our local Fiber Industries, Inc. (FII) plant through elementary schools and the systems central sixth grade, at the request of the city’s director of instruction, to begin a concentrated effort to break down the misconception that girls should not concern themselves with math and science. It is such lingering misconceptions that limit the career opportunities of women. At each of the schools, the FII women helped in influencing the girls they met to excel in math and science as they continue through school.

Another local project is the Louisville Institute of Physical Medicine and Rehabilitation. Celanese Plastics and Specialties Company has contributed to the building fund and has also helped the Institute’s director conduct clinics for firemen, policemen and emergency technicians to improve the handling of persons with spinal injuries.

For our companies and plants, having one of their hometown projects selected for inclusion in the annual report or Celanese World or a local newspaper or national wire service is an added incentive, as you can imagine.

Finally, since time is short, I am going to lump together the other public relations aspects of public responsibility. These are the publics you all deal with constantly in other areas, and they are important from the public responsibility standpoint as well. There is government, including elected officials and government agencies at all levels. There is the group of organization of activists who monitor corporate attitudes and actions in the field of their respective interests. And there is the public in general. With all of those audiences, a constructive, well-communicated public responsibility program is another way to build your organizations reputation as a responsible and a responsive corporate citizen.

So, there you have five crucial areas of public relations contributions concerning public responsibility: 1. Top management policy making and communication; 2. Policy implementation and its communication throughout the organization; 3. Employee involvement and support; 4. Communication of community and “people” activities; and 5. “all others” – that great big world government, public interest groups, and the American citizenry in general.

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Altogether, it can keep you pretty busy, but I guarantee it's a worthwhile public relations involvement. The public responsibility programs of Celanese cross all corporate and operating company boundaries, weave their way through all departments and permeate all levels of employees.

The Celanese philosophy of public responsibility boils down to just one simple word. COMMITMENT. We are all committed to each other as employees, to the corporation and most important, we are committed to each institution and individual we touch. Ultimately, this philosophy hold out the hope of effective utilization of all talented human resources on a fair and objective basis to improve the quality of life for everyone.

In the age of "ME-ISM" this kind of commitment demands extra motivation- and it may well be our best, and our only, chance against rising competition at home and abroad. Of we are going to survive and grow in the '80's, we will have to excel at gauging the business impact of social trends we can identify and change our business strategies swiftly enough. Forecasting social trends and preparing for them has a bottom-line impact- as the chemical industry has learned very well. And that is what the new corporate public responsibility is all about. Each of us must become a skilled futurist, considering the implication of such trends as decentralization of economic and political power; corporate bigness or the "merger mania"; water purity and potential water shortages; "de-massification"; changing public attitudes toward the value of an individual human life; "the graying of America"; the divisive impact of intensified competition for a limited number of jobs and promotions during an economic downswing among population groups, such as racial minorities, women, the elderly, veterans, and the handicapped; a rising militancy and the greater use of the courts in support of such demands as consumer rights, equal employment, and enhanced employee participation in corporate decision-making; the growing demand that business fill in the gap left by the deep cuts in government support for many philanthropic causes, etc.

I look forward with great eagerness to your multiple solutions to these harsh challenges. What an exciting future- because the '80s will belong to those who seize these challenges as great opportunities.

Good luck! And thanks for inviting me.