



Speech to the Seventh International Management Congress, Washington D.C.
September 1938

Page, A. W. (1938, September 20). Fundamentals of a Public Relations Program for Business. Presented at the Seventh International Management Congress, Washington DC.

Summary

Page outlines the essentials of a corporate public relations program and offers advice on the best way to put one together.

Four key elements need for an effective public relations program are outlined: top management's continual assessment of its overall relations with the public, a means of communicating with employees on the company's policies and practices, a system for giving contact employees the knowledge and incentive they need to provide polite service, and a feedback mechanism that allows management to better understand the public's sentiments regarding the business. Both employees and the media play a role in telling the public about the company's operations.

Key topics

Reputation

Public Relations – effective public relations

Corporate Power – fear/suspicion of big businesses

Regulations – Industry/Government

Public Opinion – operating in the public's interest, public opinion

Propaganda

Monopoly – suspicion of monopolies

Page Principles

Prove it with action

Listen to the customer

Remain calm, patient and good-humored

Realize a company's true character is expressed by its people

Fundamentals of a Public Relations Program for Business

Seventh International Management Congress
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FUNDAMENTALS OF A PUBLIC RELATIONS PROGRAM FOR BUSINESS

The main emphasis of this program is a manner of conducting a business. Along with this goes frankness in telling the public about the company's operations. Much of this will be done by the contact employees, but much of it must be done in other ways – by advertising in newspapers, magazines, on the radio, by official company statements, speeches and many other ways.

In this discussion I am assuming that public relations are designed to give a business a good reputation with the public, establish it in the public mind as an institution of character and an institution which functions in the public interest. I am not including a discussion of publicity, advertising or other activities that have a purely sales purpose.

Anybody who does business with the public is in a public business and subject to regulation by the public in many ways—by a great variety of laws, from those to do with incorporation or partnerships to fair trade practices and blue sky legislation; by various forms of public supervision; by the public's giving or withholding patronage; and by praise or blame from political leaders, radio commentators and the press. The public lays down the rules for its service, partially in laws and partially in public opinion, which at any time may be made into law. The task which business has, and which it has always had, of fitting itself to the pattern of public desires has lately come to be called public relations.

There are obviously a great number of ways of handling the problem. I am going to suggest one method, not because I think it is better than many others, but so as to have a concrete outline before you.

The first thing in this program is to have the management of the business write out a statement of policy. This is equivalent to saying to the public: "We should like to serve you and we offer you the following contract which we think would be fair to all concerned and mutually profitable."

No one can write out such a document without thinking over the company's responsibilities to the public, as a purveyor of goods or services, as an employer, as a taxpayer, perhaps as a trustee of the public's investments, and so forth. It might occur, also, that a document of this kind, which the management would be proud to sign, when literally applied to the business, might not fit in all particulars. This immediately brings up the question whether the business or the policy was wrong and which should be changed. In other words this writing out of a policy is a device for making the management take the time to study seriously and carefully the relation between the public and the business, to see whether the business has public approbation and whether it ought to have it—to see itself as nearly as is possible as the public sees it.

The second part of the program I suggest is that a policy having been established, some machinery be set up to see that two things happen—(1) that the business does not deviate from the policy by inattention or neglect, and (2) that the details of the policy be changed to fit the changing public desires. The machinery to do this is ordinarily called the Public Relations Department.

A company can, of course, work out a policy and set up machinery to keep it revised, without a public relations department as such. But keeping attuned to the public wishes may be so vitally important that it seems but a matter of insurance to detail some one to spend all his time on that job. As knowing the public is not an exact science, the gentleman detailed to the job cannot answer questions with the precision of an engineer, or even within the latitude taken by legal counsel. But by constant attention, study and

experience he can learn some things and he can see that the problems concerning the public get the attention they deserve from the rest of the management.

However, to do this effectively he will have to be part of the policy-making councils of the company, for it is of the essence of the daily conduct of affairs. It cannot be an isolated function. Even though a company has set up a positive program and has a realistic philosophy about its relations with the public, it must still be prepared to meet new aspects of public opinion, which arise at any minute. It may be questioned by one group for having too much debt, and another for not having enough; by one group for having too many college graduates, and another for not having enough; at one time in our history the public would have censured a company for building ahead in a depression, at another for not doing so; sometimes there is criticism of lack of salesmanship, and sometimes of overselling. In other words, the public is a somewhat whimsical master. To keep in tune with it means eternal vigilance in watching its moods.

Not long ago I saw a review of a book about Governor Hutchinson, British governor of Massachusetts just before the Revolution. The review stated that the people of Massachusetts had convicted Governor Hutchinson of treason against the state which they anticipated forming. That process of reform, so strikingly stated in the review, has been exactly the process of reform that the American people have continued to practice on both individuals and business ever since. When the public gets an idea that certain business practices should be changed, it picks out a victim, tries him and convicts him under the law it intends to pass. The job of business is to guess what practices the public is really going to want to change, and change them before the public gets around to the trial for treason.

So much for the policy side of the public relations program I want to present to you.

There is another side. Most of the day-by-day relations of business with the public are not conducted by management but by the other employees, Salesgirls, salesmen, receptionists, repairmen, telephone operators—these are the people who largely represent business to the public. A company may have the best overall public policy in the world in the minds of management, but if the spirit of it is not translated into acts by those who represent the company in contact with the public, it will be largely discounted. To make any policy effective it would seem to me that the contact employees must be given an understanding of it so that they can be reasonable and polite. In order to be reasonable a person must know the reasons for what he does. If a customer objects to something and is told that it is a rule of the company and nothing more—well, that seems pretty arbitrary. And yet, if the employee does not know the reason for the rule, he can't explain it. Generally speaking, I am sure that public relations are improved pretty much in proportion, as the employees in contact with the public understand the reasons behind company policy and practices. And, likewise, the process of getting an understanding of these things is likely to develop better personnel.

And along with this kind of reasonableness and an integral part of it, is politeness. I mean by this, as near unfailing courtesy as human nature allows, plus a genuine desire to make the company a friendly and helpful institution. This means giving employees some latitude and encouraging initiative. No routines and instructions can fit all cases. Employees who know what the objectives of the routines are can safely depart from them in exceptional cases to the great benefit of public relations.

It takes time and money to inform all contact employees of the reasons behind routines and about the fundamental policies of the company, and about anything else, which they are likely to be asked by the public. Yet without adequate knowledge to answer, they cannot make the company appear reasonable and it is more difficult for them to be polite and helpful. To have such knowledge spread down through the ranks of an organization means that from the foreman up to the top management, all supervisors must look upon the process as one vital to the success of the business. Being reasonable and polite to the public must be done by the company as a whole and cannot be done for the company by a special department. It is a way of life.

Perfection, of course, is impossible in anything, but a rather considerable degree of reasonableness and politeness ought to be easily achieved because these qualities are natural to most people, if not diminished by the pressure of routines, techniques and ratings on other aspects of the job. But if it is clear that politeness and reasonableness are also rated high by the management, they ought to come back to their proper place. Moreover, the employee himself has a better life if his contacts with the public are pleasant and he is justified in having a better opinion of his job and a greater satisfaction in it if all who mention the enterprise of which he is a part—and an understanding part—speak well of it.

In discussing politeness and reasonableness, I do not mean something employees can be trained to put on like a cloak. I am not talking about stage management. I am talking about character—running a business so that the more the employees know about it the better they feel about it, and running it with people who know what they are doing, have a pride in their profession and want that profession held in high esteem by other people because it deserves to be.

A business that recognizes a broad responsibility to the public and takes its employees into its confidence will probably maintain a fairly analytical state of mind at the top, for there will be many questions coming from the employees and from the public through the employees. And these will be most useful straws to tell which way the wind of public opinion is likely to blow.

Under this program I have set up as a basis for your discussion, you have –

1. A top management that has analyzed its overall relation to the public it serves and is constantly on watch for changes in the public desires.
2. A system for informing all employees concerning the general policies and practices of the company.
3. A system of giving contact employees the knowledge they need to be reasonable and polite and the incentive of knowing that those qualities count in pay and promotion.
4. A system of getting employee and public questions and criticisms back up through the organization so that management may know what the public thinks of the business.

The main emphasis of this program is a manner of conducting a business. Along with this goes frankness in telling the public about the company's operations. Much of this will be done by the contact employees, but much of it must be done in other ways—by advertising in newspapers, magazines, on the radio, by official company statements,

speeches and many other ways. I shall not discuss the techniques of advertising and publicity except to state that their function in public relations is to tell the public as much as it will listen to of the policies and practices of the company, which make up the contract under which it wishes to serve the public.

This very question of publicity is an interesting example of the changing viewpoint of the public. Twenty-five years ago the complaint against big business was that it was secretive. No one knew what were its policies and practices or what it was doing. There were demands that various aspects of business be made public. This tendency has continued, but of late, if business has not only made the facts available, but by advertising and otherwise got public attention to them, there has been a disposition to object to this as propaganda. There is, of course, a question of propriety and wisdom in the kind, degree and methods of publicity and on this the public's verdict is as final as on any other subject.

Publicity is an important part of public relations, but in business as in most human affairs, what you do is more important than what you say. It is always possible to make a good statement on a good set of facts, but no more in business than in politics can you fool all the people all the time, and if you expect to stay in business long, an attempt to fool even some of the people some of the time will end in disaster.

The final set-up of the program then is a management alive to its public responsibility, an informed, reasonable and polite personnel, and procedures for informing the public—in other words, an organization made up of many people, which, wherever it touches the public, acts like a wise and considerate individual.

I think you all will agree that the public is a whimsical master. It seems as if all of it never thinks alike at anyone time and it never seems to think alike twice. And yet there are certain currents of thought that appear to be more or less constant.

Most people dislike arrogance and are afraid of too much power in others. They, therefore, fear size and monopoly, for big things are often powerful and monopoly is often arrogant. Moreover, they suspect things they do not understand. The consequence is, that practically speaking, business is confronted by the public with a “show cause” order why it should be big. In order to justify size it must be prepared to demonstrate that size is in the public interest in service, economy or some other way. It must be able to demonstrate that big size can be as reasonable and polite as little size. If business wants to be big, it must be able to show that its size is justified in public service. And this brings me back to the point where I began—that every business, big and little, should be able to explain the contract under which it expects to serve the public.

Business is the means of producing the things men live by—the necessities of food, clothes and housing, our entertainment, our luxuries. It is the essence of life and the most useful profession of mankind. The men who do it are the players of the game. The lawyers, the doctors—men of the so-called professions—interpret rules and tend the players. Yet these professions have worked out a relationship to the public, a code of conduct for themselves, and a basis for high morale. They have made their contract with the public. Businesses, not I think en masse, but each one separately, have the same thing to do. Public relations, in this country, is the art of adapting big business to a

democracy so that the people have confidence that they are being well served and at the same time the business has freedom to serve them well.

The less confidence the public has in big business, the less freedom the public will give big business. And as you restrict its freedom, you restrict its ability to serve.

It is, therefore, to the interests of both that there be established a state of confidence concerning the relations between big business and the public. Can there be established such a state of confidence? How effective can our public relations be? I have a belief that they can be very much higher than we have yet attained or than most people believe is attainable. You hear a great deal of discussion about the relations of large corporations with the public in which the phrase occurs—"Oh, well, they are attaching this corporation and that, or this or that utility, for political reasons." That is offered very often as an excuse. But it is not a valid excuse. The actual fact is that big business has to meet the political test. The political test comes down to this. If the reputation of big business is good enough with the public, no one representing the public—whether in press, politics or any other capacity—will be hostile to it. Because of the ordinary human suspicions of size, big business will always be closely scrutinized. It will have to be a better citizen than if it were smaller. It will have to be good enough to have public confidence. Many people feel that there isn't a possibility of getting to such a state. But certainly there is no reason to believe that good public relations are impossible until business, by and large, has put the same thought and effort on the subject that it has put on research, production and selling.