



Speech to the Institute of Life Insurance
December 1942

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Summary

The responsibilities of public relations and the need to facilitate beneficial relationships between big business and the public are discussed.

Page offers insight into the delicate relationship between large, powerful entities and the public they serve. The public looks at the power of corporations just as critically as it looks at the power of government. Unless a business can clearly prove that it is operating in the public interest then it is subject to fear and suspicion. Influencing public opinion requires open communication and the ability for companies to “tell the public what its policies are, what it is doing, and what it hopes to do.” If an organization has garnered public approval and confidence then it is most often left alone to govern itself and operate with relative freedom. Communicating with both internal and external publics is a vital part of business, but in the end it is what the organization does or what it has done that is more important than what it says. Public relations is responsible for establishing a good reputation for businesses.

Key topics

Reputation

Corporate Responsibility

Employee Relations

Corporate Power – fear/suspicion of big businesses

Public Opinion – gaining public approval, influencing public opinion

Internal Relations

Page Principles

Prove it with action

Listen to the customer

Conduct public relations as if the whole company depends on it

Remain calm, patient and good-humored

Some Remarks on Public Relations

A Message to the Membership of the Institute of Life Insurance
Fourth Annual Meeting
New York, NY
December 2, 1942

SOME REMARKS ON PUBLIC RELATIONS

The United States is a big country and big companies have grown up to serve its

needs. They are a natural result in a big country with a single currency, good transportation and communication and no trade barriers. The economies and efficiencies, which come with such a national market, have been achieved by industrial enterprises in large enough units to serve such a market.

In other words, the very fundamentals of our political structure seem adapted to the particular purpose of encouraging large-scale enterprise. This structure has, in fact, facilitated such enterprise, and the country has had the benefits.

Nevertheless, the public is not at any time altogether satisfied with big business, and from time to time is seriously dissatisfied with it. Sometimes it is dissatisfied with one aspect, sometimes with another. Sometimes the criticism is against individual companies, sometimes against large enterprise in general.

This is not surprising, for history is full of examples of organizations built up to serve mankind, and getting large enough and powerful enough to breed fear or envy in the individual. Through most of history, mankind has struggled to free itself from the too great power of government, and it has at times also feared the organization of business and of the church. It is just as natural for the public to look with a critical eye upon the power of business organizations as it “is to look critically at the power of government or any other agency that serves the individual.

We may as well accept the fact that the public will be fearful and suspicious of big business unless it clearly proves that it is operated in the public interest. The fear and suspicion vary in degree. It is not inevitable that there should be any. The Bank of England is a private institution with private stockholders, yet run so completely in the public interest as to arouse no suspicion or fear at all.

If a business has a large measure of public approval and the public has a large measure of confidence in it—confidence meaning that it is conducted in the public interest it will give the business considerable freedom. If the public lacks confidence, it will restrict the freedom of the business and maybe even destroy it. The pathetic thing is that in endeavoring to defend itself by restricting the freedom of the business, the public is inevitably reducing the degree of effective service by that business. By the time a business is so closely controlled by public agencies that it can't do anything bad, it is likewise so tied up it can't do much that is useful either. Real success, both for big business and for the public, lies in large enterprise conducting itself in the public interest and in such a way that the public will give it sufficient freedom to service effectively. I said sufficient freedom; I don't mean complete freedom. With human nature as it is and is likely to be, I doubt the wisdom of giving any great units of business—or little ones either for that matter—complete freedom. Some regulation, either by way of competition or regulatory law, is I think essential until we reach the millennium, which is a long way off. But I think that the public can, in its own interest, in judging the amount of control over business which it wishes to establish, remember that it will generally lessen the opportunity for effective service by about the same degree that it lessens the opportunity for abuse, and the greater degree of freedom it can safely grant, the greater degree of service it can reasonably expect.

What, then, should be the relationship between a large business enterprise and the public in the United States today? What are the responsibilities of big business? How can it best serve the public? 'What are its functions in a nation such as the United States? There are probably almost as many answers to these questions as there are big corporations, for history and circumstance give each corporation particular responsibilities of adjustment to the public.

Back some twenty years ago, when I was editor of a current events magazine, one of the complaints against the big corporations was their secrecy. It was felt that they ought to give the public more information about their affairs. There was a good deal of discussion about enterprises "affected with the public interest," or "quasi-public" enterprises, and I think it fair to say that both the press and the public felt that the public should know about the affairs of large business. The argument that private business had the right to keep its affairs private was heard then, but it got so little support that it is much less heard now.

It seemed to me then, as it does now, that all business in a democratic country begins with public permission and exists by public approval. If that be true, it follows that business should be cheerfully willing to tell the public what its policies are, what it is doing, and what it hopes to do. This seems practically a duty. It is not an easy duty to perform, for people who make up the public are generally busy about their own affairs and are not particularly prone to take time off to hear about the telephone business or any other. On the other hand, I think it clear enough that the public would very much resent it if a business now took the attitude which many used to take, "We'll tell you nothing. It is none of your affair."

A Suggested Program

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.

Under this program, I set up as a basis for discussion, we 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.
5. A frankness in telling the public about the company's operations; its practices and policies in the public interest by advertising in magazines, newspapers, or the radio, by official company statements, speeches, and many other ways.

I—Statement of Policy

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."

The statements of policy, made publicly and reiterated, are hostages for performance. They are also assurance to all employees of the purpose of the management. Thus, they are important in helping to create and maintain a unity of purpose and understanding within the organization. The effort to state a matter sometimes even helps clarify the thinking on the subject.

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, etc. 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.

II—Informing Employees of Policy

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. Sales girls, 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.

III —Employee Attitudes

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 unflinching 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 and patient effort of supervision 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 not a gesture—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.

Character is an asset of a business. Reputation affects the customers, the stockholders, and the employees. The people who make up the Bell System are citizens of the United States with standing in their various communities. They have children and friends like other people, and their reputations mean something to them. They have, therefore, every reason for deep-seated personal resentment when anyone sets out to attack their characters.

IV—Public Attitudes Transmitted Through Employees

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 strategies to tell which way the wind of public opinion is likely to blow.

V—Informing the Public

In my opinion, the conduct of a big business in a democracy consists of 90 per cent of what is done and 10 per cent or thereabouts in explaining it, but I still think that 10 per cent is a vital part of the enterprise.

This means a 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.

The Bell System endeavors to tell the public about its affairs in a number of different ways.

The most important method is the issuance of statements from time to time by the officers of the different companies.

Any one who has read the last fifteen annual reports and the fifteen or twenty other public statements of the President of the American Telephone and Telegraph Company would have a very clear picture of the policies, objectives and accomplishments of the Bell System as a whole. The presidents of each operating company have made similar statements for their particular areas.

Next to these statements, perhaps the most important method of "telling the public" is advertising. In proportion to the size of its operations the Bell System has never been a large advertiser, but it has been at it a long time. Operating companies in the Bell System began newspaper advertising about the same time that they began to give service. The American Telephone and Telegraph Company began advertising for the Bell System in magazines of national circulation in 1908.

The general theme has been to ask for public approval and patronage on the basis that the business is run economically, efficiently and in the public interest. The theory is that the more the public knows about the conduct of the business, the more the public will understand it and use its services.

A similar national advertising program on the radio was begun April 29, 1940.

During the year 1940, various Bell System people, from local managers to company presidents (and the list includes a few people who do nothing but lecture), gave some 7,000 lectures or demonstrations before clubs, associations and various other groups including schools—all by request. There are more requests than the companies can take care of. Some of these talks are accompanied by movies of Bell System subjects, and there are many movie shows without talks.

Air these methods of telling the public about the conduct of business and asking for public approval and patronage cost something less than one cent for every dollar of income in conducting the business. It seems to me that the duty of informing the public and the value to the company and the public of such information would justify a far larger expenditure if that happened to be necessary to do the job. The adjustment of big

business to the public is of as much importance to the public as it is to business, and it cannot be done without frankness and understanding.

Although the process of “telling the public” is a very inexpensive part of the business, it is an important one. Perhaps it would be wiser to spend more and perhaps less. Here again, there is no mathematical formula that will give the answer. Like most matters of management, experience and observation have to be mixed with whatever help can be had from figures and decisions made based on judgment.

(The character of the Telephone Company’s advertising has naturally changed since the war. Today a vital part of our policy is to run the Bell System so that it does its maximum service in winning the war.

Over the telephone wires go the signals of all other teams that are getting things done, and the way must be cleared for these vital messages. Consequently we are asking public support and cooperation in advertisements such as the following:)

We are the Unseen
He’s Firing Telephone Wire at a Zero



WE ARE THE UNSEEN

*We are the unseen, ever watchful, never sleeping,
 Binding the atoms together,
 Not ours the glory nor applause,
 We wear no uniform and yet we part of our land's destiny,
 Guarding her secrets well,
 We are the unseen, loyal, true to an ideal,
 Our God, our country, our flag;
 We want no praise, knowing, not there,
 Men have shed their blood that we might live
 With others none to follow them,
 Our reward shall be, one day, with the touch of magic
 of our finger-tips
 To send across the quivering wires
 Our hot long cry — "Ours is the Victory!"*

ELIZABETH DAYTON JERRY
 Long Distance Operator, Washington D.C.

BELL TELEPHONE SYSTEM LONG DISTANCE HELPS UNITE THE NATION



**He's firing telephone wire
 at a Zero!**

This fighter plane, with its six wing guns spinning fast, uses up enough copper every minute to make several miles of telephone line.

That's the right one for copper now — and it's the reason why we can't continue to expand our facilities to take care of the expanding Long Distance telephonic traffic.

Right now, our lines are flooded with Long Distance calls. Most of them have to do with the war — they must have the right of way.

Will you help us keep the wires clear for war calls — industrial calls that would plant down the assembly line — military calls that send it into the air against the enemy?

You can do it by keeping your own calls as few and as brief as possible. And you'll be bringing Victory that much nearer.

Bell Telephone System



Make way, War's on the Wires
 If I were twice as Big

**Make way
 War's on the wires**

Army, Navy and war industry must have quick communication.

It takes a lot of telephone calls to move a million men or make munitions — 72,000 calls for example, to make a bomber.

As the war effort speeds up, the load on telephone wires grows. We can't build new lines to carry it because copper, nickel and rubber are shooting, not talking, material right now.

But what we can do is make the most of what we have. You can help if you will not make any Long Distance calls unless they are really necessary. Even on these please be as brief as you can.

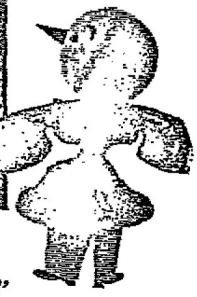
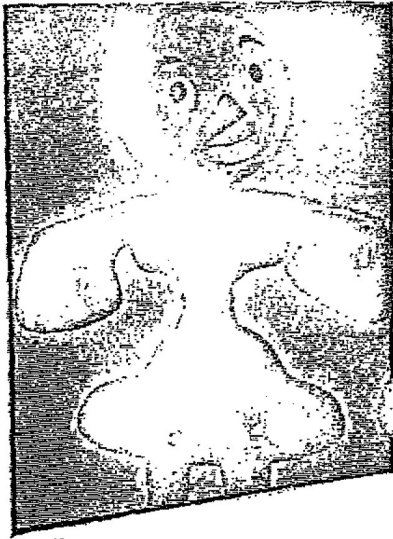
The call you save today may speed a plane or tank to the fighting front.



WAR CALLS
 COME FIRST



BELL TELEPHONE SYSTEM



"If I were twice as big"

"Don't I could give the public all the service it wants and take care of the war on top of that."

"But I can't get bigger now because materials are needed for shooting. So I'm asking your help to make the most of what we have."

"Please don't make Long Distance calls to matters of war activity unless they are vital. Leave the wires clear for war traffic."

BELL TELEPHONE SYSTEM 

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.

Public relations, therefore, is not publicity only, not management only; it is what everybody in the business from top to bottom says and does when in contact with the public. The problem is completely interwoven from the top to bottom of any industry but particularly in service industries, and it cannot be allocated either to a public relations department alone, or any part of supervision alone, or the rank and file. It is an overall job in which everybody participates whether he knows it or not, either for or against the profession in which he makes his living. There is no way of escaping this responsibility. Every day he is either building up or tearing down his job with the public.

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.

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.

Management and Public Relations

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 gentlemen 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 a part of the policy-making councils, 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 for 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.

Why Public Relations

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.

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 attacking this corporation and that, 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.