

**Remarks**

**Jack Koten**

**ARTHUR W. PAGE SOCIETY  
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## Following Pole Stars Into The Future

I am delighted to have been selected for this honor. I can think of no greater achievement than to be honored by one's peers.

My first knowledge of Arthur Page came when I was asked in 1957 to work with the president of Illinois Bell to write the company's guiding principles. I was handed a slender hard cover book and told that all the background I would need was contained within it. Truer words were never spoken. The book, The Bell System, was written by Arthur Page. It eloquently and concisely set forth guidelines and expectations for corporate behavior. It made my job much easier. The resulting product was titled "Public Opinion: The Final Index of Management." Following extensive meetings with all employees, this effort helped establish a corporate culture that remained in place for over 25 years. Ever since, Page's book has never been more than an arm's length from my corporate desk.

During my 37-year career with the Bell System and its successor companies, I reported directly to nine different CEOs. All were honorable men, all were capable, all were knowledgeable about the business. Some were charismatic, others needed their title to lead. Though each was different, all wanted to succeed by the accepted measures of their time. I am sure your CEOs have similar characteristics.

I had great teachers. I looked forward to going to work each day.

As an officer of the company I was responsible for employee information, media relations, advertising, issues management, government relations, customer relations, community relations, closed circuit television, speech writing, contributions, financial information -- including the annual report. As such, I truly was at the intersection of corporate communications flowing -- inward and outward. At times I supervised a staff of some 300 people. The people I was privileged to work with were excellent and had high standards. "Nothing but the best" -- or a derivative -- was our motto. Morale was consistently high.

I was never asked to do anything dishonest - or to compromise my basic principles in any way.

There were many budget battles and I had an uneven record, winning some, losing some. However, I never lost a battle where I could clearly demonstrate that either revenues would be enhanced, expenses reduced, or attitudes favorably changed.

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I had some ideas shot down that eventually returned to be lauded for their brilliance, sometimes with others taking the bows.

I also has some great (so I thought) ideas bomb spectacularly. One I remember only too well. To celebrate the installation of the 6 millionth telephone and to promote farm communications systems, we picked for the occasion a farm perched high on a bluff overlooking the Illinois River near Peoria. On a cloudless day with television cameras rolling to mark the event, just as the president cut the ceremonial ribbon held by the proud family, for some still unknown reason, the brakes on the truck carrying the 60-foot microwave tower which linked us to the outside world -- released. All eyes turned from the ceremony on the porch to watch the truck -- with all its sophisticated gear -- gather speed as it rolled downhill and into the river. You know which image made the front pages and the 10 o'clock news.

One of the hardest adjustments I had to make occurred when I was promoted from vice president in one company to senior vice president in another. It involved leaving a staff of 120 to work with a staff of 26. (The benefits of "out-sourcing" immediately became apparent.)

The phenomena of "right-sizing" still seems to prevail in businesses, which is good for consulting firms and suppliers. If I had my choice, I would have the best in-house staff possible -- one that was secure in what it did and wasn't subject to divided loyalties. I would rely on others only for those things we couldn't do better ourselves.

The biggest cultural change I witnessed over the years (though some would deny it) was moving from one of providing service as measured by the customer's standards to one of placing shareowner expectations first. As a result, meeting short-term financial objectives became the norm.

It was understood that my job was to protect and/or to enhance the company's reputation. I knew -- and it was generally accepted -- that this was done by gaining the support and loyalty of our employees -- in other words by maintaining a strong positive corporate culture.

It's from that perspective that I stand on the bridge before you tonight peering into the future.

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Not surprising to any of you, I see the corporate world changing rapidly, just as I see our society and our government changing dramatically. Technology is driving much of the change. But so are other forces.

With management consultants pushing matrix management, the creation of strategic business units and individual profit centers, it is increasingly difficult to maintain a consistent corporate reputation. There are too many sub-groups under the overall corporate umbrella that make decisions which favor their bottom lines -- rather than the corporation's -- because their financial incentives depend on it.

It's my impression, in talking with employees from a variety of companies, that fear is rampant in many of them. Employees are so shell-shocked from continuous corporate change that they have become skeptical about what their companies tell them. Furthermore, instead of giving honest answers in the new culture, employees are saying what they think the boss wants to hear. The prevailing attitude is to be responsive to what the CEO wants -- because after all *he* was selected by the board of directors to run the company. It's hard to disagree with that line of thinking. The key to success for many individuals is learning what the CEO wants -- or expects. This method of discovering "truth" seems to tumble down through all levels.

With the advent of increased "portability" of benefits, employees should be freer to say what they believe to be true. If the chemistry isn't right with a boss, individuals can leave without the penalty they once faced.

As a result of these changes, I see our profession running to keep pace. Corporate public relations jobs are being eliminated by the car load -- mainly in the middle ranks. Invariably new people are hired at lower salary ranges. In Silicon Valley this is called "flexible re-cycling." The creation of "portfolio" workers, those who go from work assignment to work assignment, should help many to earn a reasonable -- if uncertain -- living. Concern about the future seems to be on everyone's mind.

Even though there are signs of a renaissance, in some quarters there still are those who believe that our profession is being diminished in the current business climate and that we are losing ground. How can this be?

In this room are the brightest minds in the profession. People with the ability and resources to make a difference; to raise the standards, to secure a permanent place at the corporate decision-making table. In Arthur Page we have a perfect pole star to follow.

Page, we need to keep reminding ourselves, had a different approach to public relations than others. Ivy Lee, for example, believed the role of the public relations practitioner was to advise companies on how to obtain good will -- mainly by informing the public through the media.

Edward Bernays was a master of stunts such as the one that caused startled New Yorkers in the late '20s to look up beyond the skyscrapers and see spirals of white smoke spelling out "Smoke Lucky Strikes" -- thus launching the art of skywriting. Many regarded stunts then, and now, as "public relations" triumphs.

Ben Sonnenberg, whose clients included Texaco, Philip Morris and Lever Brothers had a different approach. Once when asked what he did, he replied, "I supply the Listerine to the commercial dandruff on the shoulders of corporations."

The imaginative Carl Byoir perfected the art of advocacy advertising with this unforgettable headline, "A pig can cross the United States without changing (railroad) cars, but you can't."

Each of these pioneers still have their followers.

Page's concept of public relations is larger than operations, marketing, human resources, legal, advertising or financial -- although each of these disciplines have a role in it. As Page described it, "public relations is what everybody in the business from top to bottom says and does. It cannot be allocated to a department. It is an overall job in which everybody participates whether (they) know it or not...." In other words, it rests on the values and character of the company as manifested through the behavior of its employees.

As members of the Arthur W. Page Society we are involved one way or another with *corporate* communications or *corporate* public relations -- not government, trade association, educational, hospital or other groups -- but *corporate*.

We occupy an influential and essential role in society. One that goes beyond publicity, 5  
beyond selling, beyond crisis management. It rests with our ability to recognize right  
from wrong, to anticipate problems, to spot trends, to communicate.

We are builders of bridges to the mind. No one plants kernels of corn and expects a  
few days later to dig up ears ready to eat. Likewise we know that ideas transmitted to  
the mind take time to root and they need to be regularly fertilized and watered before  
they can be harvested.

Standing next to the CEO, we assist in being keepers of the corporate conscience. We  
help keep our companies on the high road and point out when they are in danger of  
doing something that will injure their reputation. This is not a role solely for the  
lawyers. When it comes to ethics and values we are in the front rank. Our ability to  
see that the company's values are communicated to all employees effectively is  
*essential*. As Cicero said over 1900 years ago, "The aim of writing is not simply to be  
understood, but to make it impossible to be misunderstood."

Time Warner recently made front page news over the Warner Music Group's  
involvement with "gangsta rap" which among other things extolls sexual violence  
against women. Philadelphia crusader C. Delores Tucker declared, "they're pimping  
pornography to children for the almighty dollar. Corporations need to understand:  
What does it profit a corporation to gain the world but lose it's soul? That's the real  
bottom line."

Former Secretary of Education and author of "The Book of Virtues" William Bennett  
said, "Time Warner should stop its involvement with and support of gross, violent,  
offensive and misogynistic lyrics. Anything short of that is .... an abdication of  
corporate responsibility."

Michael Fuchs, president of Warner Music Group responded, "Art is hard to interpret."  
Bennett exclaimed, "You guys are the bottom of the heap." Time Warner filed suit  
against Tucker for defamation of character. How do you think Time Warner  
employees feel about the values of their company? Is it possible there might be some  
misunderstanding within the ranks?

Voltaire once said, "common sense is not so common."

In a Nexus search on "public relations," scanning only *business* publications plus The New York Times for the period from January 1 to June 30 of this year, I found 654 references. The adjectives most frequently used with the term public relations were: war, bonanza, savvy, battle, attack, circus, blitz, fiasco, problem, nightmare, coup, threat, blunder, opportunity, challenge. In almost every case the use of the term "public relations" or "PR" was done pejoratively.

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The big stories were Enola Gay, Oklahoma City bombing, Waco, Intel, baseball strike, Japanese subway bombing, Contract with America, Chechnya, and, of course, the O.J. Simpson trial. Note that only one reference in the *business* publications was to a business - Intel.

Intel, you will recall, was found to have a defect in its Pentium chip at the time of its introduction. The company was accused of arrogance, poor judgment and bad customer relations. The problem, a spokesperson said, "is likely to happen only once every 27,000 years....if we think it needs to be replaced, we'll do it." A week or so later, after an uproar from consumers and retailers, CEO Alex Grove admitted, "we have learned a painful lesson." About a month later Intel's spin control people proclaimed, "Pentium gained as much brand recognition as a certain white Ford Bronco. We couldn't have bought the publicity we received."

Right now we have an incredible opportunity to help improve the quality of life for people around the world.

Through our corporations we can help make the world a better place in which to live. American industry, despite challenges from others, is still the most vital in the world. It's also the most ethical. As our multinational corporations manufacture and bring products to market worldwide they spread their culture where they do business. They demand -- and get -- ever higher standards for conducting business. Asking for higher standards is good business. It puts everyone -- including the competition -- on a level playing field.

As we watch nationalistic governments continue to fail to harmonize their relationships with others through diplomacy, we see corporations cut through such provincialism.

At an opportune time like this, we need to be sure our corporations continue to push high ethical standards. After all, it's our job. Higher standards benefit consumers

and workers everywhere. By giving people choices -- in products and jobs -- corporations plant the seeds of democracy.

Bristol Myers says it well in their Code of Conduct. "...To the world we live in . . . We pledge Bristol-Myers Squibb to policies and practices which fully embody the responsibility, integrity and decency required of free enterprise if it is to merit and maintain the confidence of our society."

Clearly, our multinational companies can -- and will -- set a faster and better pace in raising the standards of living than will the world's out-dated systems of government.

To help actualize this great opportunity to do good we need to get behind the Page Society's mission and goals and see that the Page Principles are taken seriously.

As members of the Arthur W. Page Society we should:

**\*\* Start building an ever more solid foundation for our profession. We need to make sure others understand and share our high standards. The Society started a positive effort in this direction by underwriting Glen Broom and Dave Dozier's book "Using Research in Public Relations." Now it's time for us to do more.**

**\*\* Enlist others to help tell our story. Have you ever gone into a book store and looked at the shelves on business? There are plenty of books on management, accounting, marketing, finance, personnel, etc. Few, if any, are on public relations or corporate communications. Of those, it's hard to pick one up without blushing.**

Why don't we produce a book or better yet a CD-ROM on the 50 -- or even 25 -- best public relations cases of all time? Or we might develop profiles on the 50 pioneers who built this industry. Why don't we have a hub on the internet?

**\*\* Speak out. Initiate positions. Even though as a nation we've been subjected to propaganda since our founding days, where can one turn today for objective balanced information? Should we care? Does it make a difference in how we do our jobs? Can we continue to tolerate the "disinformation" that comes out of Washington and various other sectors of our society? I say we can't and we shouldn't.**

This brings me to the subject of "asymmetrical information." Increasingly one side of a story is being told more effectively than another. Those who tell their side first or most dramatically -- as we all well know -- often are the one's who are believed. As a result special interest groups, politicians, minorities, government officials, consumerists, environmentalists and others frequently have a voice far beyond reason. 8

We know in business, as well as in a democracy, that good decisions can only be made by those who have accurate and complete information on both -- or all -- sides of an issue. This means citizens, consumers -- all those who will be affected by what others do -- need truthful information. We should insist that the information we provide is accurate and complete. We should expect -- and demand -- the same from others.

\*\* Be good role models. We should be open with each other, our employees, and the public. We need to have uncompromising high ethical standards. We can't accept Bernays' assessment a few years ago that "public relations today is horrible. Any dope, any nitwit, any idiot can call himself or herself a public relations practitioner." We need to be the best that we can be. We clearly should be leaders by the example of our abilities, judgment and character.

For many years I taught a course at an Illinois Bell seminar for newly appointed supervisors. Most of those attending had been in craft. My opening gambit was to write on the blackboard this phrase familiar to all Page members: "All business in a democratic country begins with public permission and exists by public approval." This usually was followed by silence. I then said, "well, lets begin with the word 'all'. What does that mean?"

As we worked through each word, the intensity of discussion increased. Two hours later everyone had been involved. As the years went by, my reward, time and time again, came from employees who stopped me and said, "You know, I really didn't think so at the time, but Page was right."

\*\* Focus on the future, not the past. We need to concentrate on where we're going rather than where we've been.

Jean Monnet, the French economist once said, "all people of great achievement are ambitious. But the key question is are they ambitious *to be* or ambitious *to do*."

Howard Roark, the hero of Ayn Rand's "The Fountainhead" blew up a housing project he had designed for the poor because it was altered by others. On trial for the crime, he declared to the jury, "Throughout the centuries there were men who took the first steps down new roads armed with nothing but their own vision. Their goals differed, but they all had this in common: that the step was first, the road was new, the vision unborrowed . . ."

Arthur Page was such a person. He felt an obligation to put something back into the society that had given him so much. We, members of the Page Society, should take the time to follow his example. Page is our individual pole star. Why not have the Page Society be the pole star for the profession? To accomplish this will take your help. We know we live in an imperfect world, but why not accept the responsibility of illuminating our noble calling, by being good, visible role models, by recounting our successes and failures, by continuing to demand the highest ethical standards for corporate behavior -- not only in this country but worldwide?

If we did nothing more we would send a signal of mission and hope not only for those in our profession -- but to those in the hills and valleys and on the plains who wait in silence to be touched by the "good life."

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A postscript.

This summer, I had occasion to go sailing with two of my grandsons on beautiful wind-swept Lake Tahoe. As we were knifing through the sun-kissed azure water, I overheard the eight-year old say, "Boy, there sure is a lot of water out there." To which the 11-year old responded, "Yes, there sure is a lot of water, but you see only the top. Just think how much more there is under what you can see."

So it is for all of us.

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Thank you.

JAK  
9/17/95