

OUR FUTURE IN PUBLIC RELATIONS

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OUR FUTURE IN PUBLIC RELATIONS

A Cautionary
Tale in Three Parts

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INVESTOR IN PEOPLE

For Leonor, Matt and Emily

You are the past I will always remember, the present I cherish each day, and the future I can't wait to explore. Thank you for your patience and encouragement in making this book possible.

A Deep Thank You to The Museum of Public Relations

Understanding the history of any profession is critical to envisioning the path it can take in the future, and without question that is true of the profession of public relations. The service that The Museum of Public Relations plays in helping working practitioners and the next generation of leaders understand the profession's history is of paramount importance. This book could not have been written without the help of Shelley Spector and the museum's archives.

“Don’t throw the past away, you might need it some rainy day. Dreams can come true again, when everything old is new again.”

Carol Bayer Sager and Peter Allen

“The past is the father of the present.”

Agatha Christie

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PROLOGUE: PAST IMPERFECT, FUTURE INDICATIVE

I'm an accidental public relations (PR) professional. Back in the 1980s, as I roamed the hallways of New York University (NYU), I didn't even know PR was a profession. I wanted to be a lawyer. However, after an academic advisor from the university's law school had a look at my grade point average (GPA), and was finished chuckling, it was clear that the only bar I was going to pass (and occasionally drop by) was Greenwich Village's famous Peculiar Pub on Bleecker Street.

So, I changed gears. "I'll be a journalist!" I declared. I enrolled in NYU's journalism program, and each day I would go to class and bang out a story on one of the school's aging typewriters. After several strokes of a professor's red pen I soon learned how to make my writing crisp and to the point. I was certain this was going to be a great career choice where my skills would shine. But, after I met with another academic advisor, to map out my course plan for the next semester, I learned a career in journalism was not in the cards either.

My grades were there, but time wasn't on my side. I paid a significant amount of my out-of-pocket college costs by working the night shift in a secure underground vault at The Depository Trust Company, counting municipal bond deposits various brokers had made that day. (Speaking to colleagues in the vault was seriously frowned upon lest it should

interfere with the required counting – hardly an auspicious start for a career in communications.)

I needed to “clock in” to the vault by 4 p.m., but if I was to continue in NYU’s journalism program, I needed to be in class at the same time. With a dwindling bank account and a need for a steady flow of cash, my pursuit of a degree in journalism was sadly going to come to an end.

The topic of PR was mentioned – once – during one of my journalism classes, so I asked my advisor if there were classes in PR that I might pursue; classes that ideally would allow me to transfer my credits into a communications degree that would allow me to graduate on time, which was my priority.

Happily, there was. My first class, *An Introduction to PR*, was taught by an outstanding adjunct professor named Angelo Parra – I still have the notebook from that class. I soon learned the names of Ed Bernays and Ivy Lee, the practitioners many consider to be the founders of the profession. In so many ways that class changed my life. I was hooked and never looked back.

Nearly 30 years later I’ve had the opportunity to work for some of the most respected PR agencies in the world while spending just over a decade as a communications counselor at the Big Four accounting firm Ernst & Young. It’s been a wild ride, teaming with some of the world’s most admired companies, with amazing colleagues by my side every step of the way. But this is not a memoir – that may come later. This is also not a history book, despite the title. Well, not entirely.

Many academics argue over the origins of PR – did it start with Ivy Lee in the early 1900s, Bernays in the 1920s – sometime earlier in Europe? In America, many will agree that the profession, as we know it today, really came of age in the 1920s as Bernays, the so-called “father of public relations” offered his services to clients as PR counsel. In fact, the first

college-level course in PR was taught in 1923, also by Bernays, at NYU and the first books about the profession were published during that decade, as well.

So, we can say with some confidence that as we enter the 2020s the profession of PR is about to celebrate its centennial of sorts. If Bernays were still alive, he'd surely issue a press release declaring as much. So, what better time to look back at the profession's past, to pause and reflect on where we are in the present and map out where we may go in the future.

But where, precisely, is PR today? I'd suggest we are at a crossroads. Many no longer even use the words public relations to define the profession, opting instead for phrases like integrated communications marketing or communications management. Others say traditional media relations, once the foundation of the profession, no longer matters, at least not the way it once did, and organizations can now (and should) communicate directly with stakeholders via their own web sites and social media platforms. Renowned PR counselor Richard Edelman has called this approach "collaborative journalism" – saying companies can fill in the gaps that exist in public discourse as a result of a steady stream of media outlets closing their doors. Still, others have gone so far as to suggest that PR is dead! So, where are we exactly and more importantly where are we headed?

As I began writing this book, toward the end of summer 2019, the Business Roundtable, an association of chief executive officers (CEOs) of America's leading companies, declared that the impact publicly traded companies had on society was now more important than their share price. The idea of moving away from the long-held, Milton Friedman-inspired, management tenet of "shareholder primacy" – which stated that maximizing shareholder value was the primary objective (and responsibility) of the management of a publicly held company (as long as the company didn't do anything illegal) – was

being challenged. Pundits quickly labeled this new idea “social capitalism.”

The statement from the Business Roundtable was startling to many and front-page news across the country – generating well over 1,000 news stories in the days following its release. Many PR agencies seized on the moment by issuing position papers on the topic. The case the profession was making was clear: If “social capitalism” was going to work, it would be driven, in a significant way, by the PR (or whatever other name we chose to use) discipline.

But was this really a new idea? Decades ago, management guru Peter Drucker famously said, “Management is about doing things right; leadership is about doing the right thing.” And even Adam Smith, the father of economic theory, wrote about the idea that moral norms found in the “impartial spectator” guide human, and yes, even economic behavior. And the academic R. Edward Freeman advanced that idea further with his views on stakeholder theory in the early 1980s (the decade often defined by corporate greed), arguing that companies that are not actively engaging with all stakeholders are soon to be businesses in decline.

So maybe the idea isn’t so new, but the sheer volume of CEOs rallying behind the concept certainly was. The question then really is whether PR is ready to be a driving force in something that is as potentially game changing as social capitalism. Can the profession serve as a true management function or will it continue to embrace the moniker of a new form of brand marketing? Can it be both?

To be sure, change is happening all around the profession. In certain respects, PR truly is becoming a management function today. In fact, in their list of 2018 predictions, the global communications agency Ketchum predicted that PR finally would emerge as such, and perhaps they were right. But in a mad dash for budgets and revenue to support the function,

especially at the agency level, will PR get trapped in the mud of being a sub-set of the marketing function and its deep-pocketed budgets?

If social capitalism really takes hold, then the PR discipline may more fully serve as the corporate conscience and moral compass of management, guiding decision making and the impact those decisions will have on stakeholders. There seems to be violent agreement today around the idea that corporate brand purpose matters. In fact, as millennials increasingly vote their conscience at the cash register – “boycotting” brands that support their views on social issues of the day – taking a purpose-driven approach to communications may be more important than ever before, as long as it can be done authentically.

However, a strange new dynamic is taking shape. Marketing dollars, once managed by advertising agencies and targeted toward mainstream media outlets, have been increasingly redirected toward other so-called PR activities – like Edelman’s collaborative journalism approach. As a result, the media landscape has been turned on its head. “Content” once created by seasoned, independent journalists in the most respected news outlets is now increasingly coming directly from outside business “experts” and “Big Business” itself. This paradigm shift has placed a great deal of power and responsibility in the hands of PR professionals. But is that a good thing?

With too many segments of the public primarily getting their news from outlets like Facebook, Twitter and other social media platforms, let alone highly partisan cable news networks, it should come as no surprise that “fake news” is a label easily affixed to almost any form of media today. And this is hardly a new trend. A July 2015 Pew Research Center study found that a majority of Twitter and Facebook users said that both platforms served as their primary source for news about events and issues. Reliance on these sources is

only increasing, and of course much of this content is created by PR professionals.

If the media – the fourth estate in a democratic society – continues to decline, then the lines that once clearly helped us separate what was false from true and fake from real are disappearing. With more so-called “owned” content getting created by companies and other enterprises every day, and fewer media outlets reporting actual news to an increasingly fractured public, we need to ask, as *Time* magazine did in a 2017 cover story: Is truth dead?

Truth, like virtually everything else, needs a financial backer, and as the PR and advertising functions drive more money away from the traditional advertising that once kept news outlets afloat – in a move toward new platforms that are promised to deliver direct engagement between consumers and brands – is truth left to die by the roadside?

As we search for ways to adapt to this changing landscape, perhaps finding solace in proposed “new models” for practicing communications (often driven by data-driven algorithms and new “commtech” solutions) are we doing enough to ensure we don’t forget the core characteristics that have established the foundation of the modern day PR professional?

Academics tell us that modern-day PR evolved years ago to embrace a form of “two-way symmetrical communications,” where an organization and its publics share a mutual interest in an organization’s goals and objectives, in balance with the interests of society. So, surely, we must be ready for PR to take its place as a true management function in the decade ahead. It really seems overdue.

Interestingly, pioneering management theorist Henri Fayol, often called the “father of management,” may have suggested as much at the turn of the nineteenth century. Fayol is well known among business students for his 14 Principles of Management. While most focus on organizational structure

and things like chain of command, one of Thayol's principles talks about the "subordination of individual interests to the general interest." Yes, at the time Thayol was focused on the general interest of the enterprise, but if we placed him in a time machine and transported him to a boardroom meeting today, he might say the individual interest of the company must be subordinate to the general interest of society. If only we had a time machine.

But today's PR function, especially due to its increasing reliance on paid "content syndication," is hardly an expression of two-way communications. In an era of fake news and diminishing trust, it's time to ask exactly what our future in PR will be. Is PR dead and now merely a new form of marketing or is it more alive and important than ever before – a driver of social capitalism? In the pages that follow, I'm going to try to answer that.

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PART I

THE PAST

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IT'S DÉJÀ VU ALL OVER AGAIN

When I began my career in public relations, you could say the profession was a lot like baseball. We all strived to make the “perfect pitch.” Getting a “hit” was all part of a day’s work. So, when I stepped into “the batter’s box” – still high on the memory of the New York Mets defeating the Boston Red Sox in the 1986 World Series, I thought if I could apply these basic principles of baseball I’d be a “PR All Star” – that was an award back then – in no time.

And then it happened: my first performance review. I barely had one year of experience under my belt, but I thought I might receive a verbal pat on the back and maybe a small bump in salary. Boy was I wrong. If you were a fly on the wall during my review, you’d undoubtedly recall the words my boss said to me: “Ken, you’re a fraud and a failure who will be found out at any agency you go to, large or small.”

I felt like I’d been hit in the head by a fastball, but what I did next changed my career. When my review was over, I left the office and walked down Fifth Avenue to the Bobst library at New York University (NYU). I’m not really sure why. I had graduated from NYU the year before, so I guess in some Freudian way I was trying to crawl back into the womb of academia.

I took the elevator to the seventh floor. NYU has a large collection of books on public relations and I had spent a great deal of time roaming those sections as an undergraduate student of the profession. I found myself doing so again. As I perused the shelves, one book caught my attention, if only because of its prescient title. It was *Your Future in Public Relations*, by Ed Bernays.

In the book, Bernays outlines what he believed to be the ideal qualifications of a public relations professional. Naturally, I was eager to see how I matched up against those qualifications. Oddly enough, Bernays didn't make a single reference to baseball or getting hits and making pitches. In fact, he didn't talk much about the ability to get publicity for a client at all – that skill could be taught later, he said.

Character and integrity were the most important personal traits of the PR professional, wrote Bernays. The PR professional first owed integrity to society, then to their clients or employer, and as important to themselves, he wrote. Bernays may be the “father of public relations,” but for me he was more like Shakespeare's Polonius giving advice to Laertes. I quit my job the next day.

Playing basketball with my brother for the next two weeks, I kept thinking about the Bernays book. I discovered I was a terrible basketball player, but I thought I still might amount to something in public relations. I made a checklist of the qualifications Bernays described:

- Act with integrity in everything you do.
- Be guided by objectivity – don't just tell clients what they want to hear.
- Be discreet and honor confidences like a doctor or a lawyer.
- Understand the principles of psychology – what makes people tick.

- Have an imagination, which Bernays called “that rare and sparkling quality that springs to life automatically under proper stimuli.”
- Develop a broad cultural background – essential in dealing with people, ideas and trends in society.
- Be insightful – see the implications of actions.
- Read as much as possible – business magazines, newspapers, lifestyle publications and more

I'd like to say that at the age of 21, I had mastered these traits, but I don't think anyone can so early in life. Fortunately, as time went by, I managed to be surrounded by communications leaders who gave me the opportunities to develop these skills time and again.

One was Howard Paster, the late and great former chairman of Hill & Knowlton. Years ago, I asked Howard what traits he looked for in hiring professionals. I wasn't surprised that his comments mirrored those of Bernays. “The professional must be flexible, simultaneously balancing the needs of clients, staff and self, always exercising judgment and employing fairness and honesty in dealing with a complex array of constituencies,” he said. Howard even insisted that all of his employees display the agency's code of ethics in their offices. Despite all the so-called changes that have taken place in the communications landscape today, Howard's guidance seems nearly timeless.

Howard likely would have been in full agreement with Bernays. In fact, Bernays wrote that:

The mastery of routine skills in public relations is useful, but of less importance than some of the other desirable characteristics. Skills can be learned or hired. Character, integrity and a logical

objectivity in the individual practitioner are the really essential attributes of any public relations professional worthy of the name.

So, what is our future in public relations? Are the characteristics that Bernays spelled out decades ago still what we look for in hiring professionals to support the public relations function? Many would argue that they're not. They are certainly not the skills taught in most university communications programs. Rather, today these skills are more often the cornerstone of degrees in sociology or even degrees in business.

Instead, we say we need professionals with expertise in data and analytics and social media savvy. We need video producers and content generators. On the agency side, staff are repeatedly told, clients expect nothing less.

In many ways, that approach is not wrong. The world has become so disintermediated that these skills are needed to effectively communicate with the stakeholders of virtually any company, especially consumer brands. But are things really so different today that the characteristics outlined by Bernays shouldn't be the top priority?

Today, I still occasionally wander the aisles of the library at NYU. I'm on staff as part of the university's graduate program in Communications Management. Each year I challenge my students to develop a communications strategy utilizing their understanding of today's integrated communications approaches. We do that by responding to a hypothetical request for proposal (RFP) from a large consumer products company.

The RFP is straightforward, but daunting. The client has a goal to double their market share, preferably overnight, and is seeking proposals from top agencies to help them do that. The challenge is that the client's product, as a result of social taboos and cultural biases, is not used by a large demographic group. The winning agency will be the one that comes up

with an effective strategy to break down these barriers and drive sales, preferably in large numbers.

The class is typically excited by the challenge. Who wouldn't want to develop a strategy to break down unfair social taboos? We put up a few white boards and start to brainstorm. "What do we need to do first?" I ask. Many ideas are shared, but we almost always land on the thought that we need some data-driven insight that will give our targeted audience a "reason to believe" in the product.

"What else?" I shout, telling the class that we need to have our response to the client quickly if we are to make it to the next round. "Social Influencers," they shout back. Yes, we need to do "influencer mapping" and identify who can speak on behalf of the product's attributes. Armed with a working knowledge of the laws and regulations that guide how a brand can work with influencers, we know that the influencers we will suggest need to have a large following, but more importantly, they need to be able to speak to the brand's key attributes with authenticity. But at the same time, they need to be people our targeted audience can relate to and trust.

Next, the class starts developing social media strategies. We need to have a plan for platforms like Instagram. We need visual images that will be shared and maybe even go viral. We also need event planning. We need to find a way to give the brand a presence at an event that our target audience cares about – we need to "show up differently" one student invariably shouts out.

"O.K. is that all?" I ask. After a brief silence, one or two students raise their hands to say they think we need an earned media component to our strategy. I nod in agreement. It seems like we have fleshed out a relatively modern, integrated communications approach to the client's challenge.

While the students have been shouting out ideas, I've been quietly clicking on the classroom's laptop, revealing pieces of

black and white images of an old newspaper photo on the massive screen at the front of the room. As the image appears in full, I congratulate the class. “You have just designed the basic framework for a successful consumer public relations campaign, but the year was 1929!”

The students are surprised to hear that the RFP we’ve been reviewing was actually issued by Lucky Strike cigarettes. The “agency” that designed the campaign was helmed by Ed Bernays, the “father of public relations.” The disenfranchised demographic referred to were women.

At the time, a woman smoking in public was seen as being socially unacceptable. Lucky Strike wanted Bernays to change that. The class was correct in suggesting that the first course of action was to establish a strategic insight. Bernays, the nephew of famed psychologist Sigmund Freud, did just that. After speaking to psychoanalyst A.A. Brill, he adopted the idea that the lit cigarette in the hands of a woman could serve as a symbol of protest, a “torch of freedom” (much like the one held by Lady Liberty in New York’s harbor) against the inequality that women faced in society (and sadly still do). The class was also right about the use of social influencers. Bernays hired several wealthy debutantes of the day and had them agree to smoke during the very popular Easter Parade down New York’s Fifth Avenue.

Since the campaign took place nearly 100 years ago, there was no social media platform to take advantage of, but the visual image was still the most important element of Bernays’ communications strategy, and the lack of social media platforms was of no consequence. After all, who needs Instagram when you have nearly a dozen newspapers and several national wire services at your disposal in New York City alone, each with their own team of photographers.

Bernays invited photographers from each paper and wire service to be stationed at a specific corner of Fifth Avenue.