

NOTES ON PUBLIC RELATIONS TALK BY
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VIRGINIA BEACH, OCTOBER 25, 1938

The discussion of public relations is getting very popular. In the October Fortune there is a full page editorial on the subject; in the United States News there is another; and this is typical. The Electrical World has a third of an issue on the subject, and it is worth reading. There is in the air a general urge for all business to take care of its public relations but it is much easier to urge that than it is to do it.

Public relations cannot be measured as well as technical traffic results. However, there is a beginning of measurements of some aspects of public relations. We have had help from Mr. Richardson of Mr. Heiss' department in making some studies and there have been other studies made by such organizations as that of Dr. Gallup and the Psychological Corporation. The results are interesting. It is, of course, impossible to translate human emotions into figures and make an accurate portrayal of the emotions, but some relative indication of an interesting character begin to appear. As far as they affect us, they seem to be somewhat as follows:

First, our service is universally held to be good. That is based upon the fact that it is good, but the degree to which the public knows this is, I think, greatly increased by the fact that we have been telling them about it for twenty years. In other words, advertising can increase the knowledge of anything which the experience of the public convinces them is true. If our service were bad, the more we said it was good the more it would hurt us; but if our service is good, the more we point it out the more it helps us. And this leads to the conclusion that if there are some other simple things which can be stated and which are true and which would help us, we ought to be advertising them as we have the facts of good service.

The second thing the figures show about us is that the public has an idea or suspicion that our charges are too high. That I think is based on the misconception that they don't know the cost or what it takes to render the service. There was a very interesting experiment conducted by the Pennsylvania Company in which it asked people questions regarding their opinion of the cost of service before going into an Open House and afterward. When the public saw what it took to give them their service, their opinion was very markedly changed.

A very much smaller proportion still thought that we could charge less for the service - and that was without any argument in the Open House. I think that an explanation of the costs of service is one of the most important things which we have neglected to tell the public.

The third thing the figures show is that the more people know about us the better they like us; and

The fourth thing is the higher income groups know more about us than the lower income groups - and that is reasonable, because we reach the higher income group by service, through our personnel, through our advertising, bill inserts, etc. and many of them are stockholders - added to which they are more or less business minded.

The lower income groups below the level of those who are subscribers to telephone service are affected much less by these methods. In fact, I think they are affected very little. There is little knowledge of us in that strata to act as a defense against any sudden statement about us which might be made. For that reason it seems that we should be particularly careful that no groups from that category arise with a grievance against us.

Which brings me to the Negro problem we were discussing. I think we ought to be particularly careful in our handling of it. I have only one suggestion to make and that is that besides looking over our internal situation to see what we can do, we make some kind of a study of the Negro population in the various cities, find out who the Negro leaders are and what they stand for. Perhaps we can find among those leaders somebody with whom we can satisfactorily handle the problem - and they may not always be the ones we would deal with if we just sat and waited for grievance committees from the Negro population to come see us.

The studies showed also that in times of depression we suffer in our public relations as everyone else does. The good opinion of anything goes down as people's comfort goes down. I think that this cycle is passing, but it is perhaps fair to point out that a cycle is usually not a circle, because when a cycle is passed it doesn't leave us exactly where we began.

In any case, probably for some time to come, the lower groups economically - the "under-privileged third" if you will - is likely to have more effect upon public opinion than it previously had. This is particularly true because the New Deal has tended to divide us politically horizontally

instead of vertically. Formerly, the Democratic Party held every shade of economic opinion from the most Bourbon Tory to the most extreme radical - and the Republican Party held the same; sometimes the proportions were a little different but not very much. From the economic point of view, therefore, a change from one to the other provides only a moderate swing. However, if we are divided horizontally so that all those who have little and wish to be given something are on one side, and those who have something and don't wish to give it away are on the other, a change from one party to the other will have some of the revolutionary effects which occur from time to time in some of the countries of Europe. I don't myself think we are coming to this in any extreme way, but we are nearer to it now than we used to be.

Besides this general condition to watch, we have two specific matters. One is the Western Electric. In recent years, the public has come to feel in considerable degree that workers have a vested interest in their jobs. Perhaps it isn't logical for a man who never hires anyone to be considered a good citizen while a man who hires men part of the time and has to let them go the other part is a public scapegoat. But such is the opinion, and in some way we must meet this, because we cannot afford a general public indictment by large lay-offs in any part of the Bell System.

The other danger to my mind is any lack of profits. Mr. Gifford said in the Dallas speech, "The fact that the ownership is so widespread and diffused imposes an unusual obligation on the management to see to it that the savings of these hundreds of thousands of people are secure and remain so." It is not only that we owe it to the stockholders; if we fail in profits the whole enterprise gets anaemic. We are a great bureaucracy 300,000 strong. We differ from government bureaucracy in that there are life and initiative in management - that enterprise and ability are rewarded, and that we can command the funds to give that initiative and ability scope to work. If the profits fail - to put it concretely, if the stockholder suffers long - there will be pressure to cut down on service, on rewards to management. Well, the history of the railroads is warning enough. We need the courage and ingenuity to get adequate profits in good times perhaps even more than in the past, for as we go to dial we can't reduce employees as we used to - even if present public opinion would let us. We shall have hard work in bad times cutting the expenses attached to machinery or employees. We'll have to have something set by in good times to make up for that fact.

The function of good public relations is to give you freedom to do what you ought to do. I hope and believe ours are good enough to justify our making adequate profits and that we will have the courage to make them, for without them I fear the vitality that alone can bring personalized service will be lacking. We need the money to keep up the kind of service and public relations we ought to have and we need the public relations to get the money that we ought to have. Good service is a constantly improving service. The opportunity to improve our service lies in making our service, as Mr. Harrison phrases it more "sparkling." It is that, but it comes from service based on an understanding of the business and an interest in it. We haven't any lower rates to give the public; at the minute we haven't any appreciably better technical service to give, except the dial. Our hope lies in more informed, more courteous, more thoughtful service. And this is another difference between the Bell System and a government bureaucracy. We have all the rules and routines which they have but our salvation is to play the routines and rules with understanding, not only for the effect on the public but for the effect on our own people, for the more they know the more they understand, the better their jobs should seem to them and the better material for management they should be in the future.

Someone said we were doing a lot of selling the company to our employees. It is more than selling the company; it is selling them their career - their future - their opportunity. It takes \$16,000 of plant, material or investment in one thing or another for each employee in the Bell System. If we are to grow, we need to get that money from the public. It takes better tools, equipment, plant, better methods to enable the men and women workers to earn more money in less time. These things come from management. If they don't keep coming there can be no more increases for workers. Our people know much more of these things than they used to know. I don't think we can overdo giving them such information so long as our methods are effective, for I think it is not only the basis of good personnel relations but of the pleasing service on which we rely to satisfy the public and likewise the profits on which we are likely to keep the initiative and enterprise of management active and effective. How many people with over-all vision of the business are you developing? That is one of the fundamentals of our public relations now and in the future.

This philosophy has a vital effect upon the labor situation which we have been discussing. An intimate contact with the workers, an intimate flow of

knowledge concerning the business, an evident frankness in being willing to discuss anything with the employees at any time - that is the day by day system by which the employees and management are kept in close touch. I don't know just where employees stop and management begins. But in any case it is the method by which all who work in this common enterprise are given a common objective, common knowledge and common aim, and if that is done there will be very little left for collective bargaining in the antagonistic sense.

I notice that as we are confronted with troublesome times we have come in many cases to doing much more of this intimate informative work than we used to. The devil was upon us and we got religion. That is all right as a means of getting it so long as it doesn't work out that when the devil seems to disappear the religion will disappear with him.

This is a program for from now on. In saying that I don't mean any specific plan is a program from now on because in order to make the process of teaching effective it has to have variety. The material varies from time to time and the methods of doing it vary from time to time. It must appear in relation to what is going on in the company and the world and it must appear in new dress and with new vigor, and this calls upon management to provide great teaching ability. That will have another interesting result, for a man cannot teach well a thing he does not know well. I will dare the guess that Mr. Leazenty, for example, knows a great deal more about these matters since his recent experience in teaching others than he did before. Moreover, if the teaching is done intimately and in small groups and on a frank basis, it will inevitably provide another thing which is necessary for our personnel and public relations. I can't conceive that such a process as we have been discussing could go on without its bringing back a very convincing, up-to-date and accurate picture of what is on the minds of our employees concerning their own jobs and also what they gather as the public attitude toward the telephone company. For good public relations it is essential that we not only have machinery for disseminating information down through personnel, but that we have machinery for accurately bringing up from the personnel to management the information which shows its state of mind and the public state of mind. If these two requirements can be had by the same piece of machinery - and it seems to me they can - we are indeed fortunate.

We need profits to maintain our freedom to do a good job,

We need to develop people with initiative and over-all point of view.

We need to produce an increasingly pleasing service.

A constant and effective teaching program for our employees and a constant and attentive listening to their reactions are the most promising method we have for gaining these most important objectives. It is either management, or public relations, or what you will. It is really a way of conducting a business in these modern times and I think not only the best way but the only safe way.