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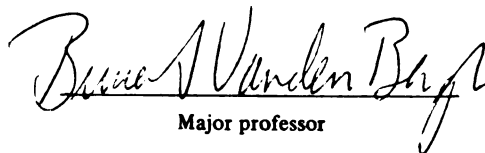This is to certify that the

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Use of Public Relations in the
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USE OF PUBLIC RELATIONS IN THE
FACILITATION OF ORGANIZATIONAL CHANGE

By

Amy M. Brandais

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ABSTRACT

USE OF PUBLIC RELATIONS IN THE
FACILITATION OF ORGANIZATIONAL CHANGE

By

Amy M. Brandais

Reengineering, Total Quality Management and other organizational changes are on the rise. Unfortunately, these situations can lead to poor attitudes on the part of employees who feel unsure of their futures or simply left out of the decision-making processes. Many organizations are using various communications strategies to combat the problem. This thesis examines the role that public relations can play in terms of communicating with internal "publics." Because of the lack of empirical data, an exploratory study was conducted to examine how corporate executives perceive communications strategies during periods of change. A questionnaire was mailed to 700 corporate executives. A total of 127 responses were returned, with 105 cases where some form of significant organization change was perceived in the past five years, with an average of 80% of employees being affected by the change. Most companies used some type of public relations tool to communicate during the change, although meetings, whether regularly scheduled or not, were cited most often, resulting in an average success rating of 70. It was also found that many companies increased the frequency of communications during change, but returned to pre-change levels after the change occurred. In addition, a communications consultant was used on only 15 of the 105 cases examined, with varying success rates.

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I. INTRODUCTION

Reengineering and Total Quality Management have become the latest buzzwords in management circles. But these are not the only changes a company can experience; mergers, downsizing, etc. can all take a toll on manager and employees alike. During the 1980's, roughly 80% of U.S. firms went through some form of organizational change (Palmer and Bruns, 1992). Managed effectively, these changes can be a source of competitive advantage; if not, they can create corporate casualties.

Realizing the need for extensive organizational change in order to remain competitive in a global economy, top level managers are spending hundreds of thousands of dollars buying new technological equipment, paying top dollar to consultants to assist them in implementing these principles, and expending large numbers of man-hours in moving the organization in a new direction. To some degree, they are able to achieve a number of the organizational goals envisioned. However, the biggest hurdle in effecting organizational change seems to be in obtaining the proper attitudinal changes from employees, many of whom are reluctant to alter the status quo in exchange for the new company vision. Employees are unsure of how the changes will affect the way they do their jobs, unsure of the expectations of upper management, concerned about their job security, and thus, resist or even rebel against the changes taking place. Rumor-mongering, low motivation, and a lack of trust are all symptoms of the lack of communications during phases of change.

Many managers seeking organizational reengineering and/or Total Quality Management are ill-prepared to create, plan and execute the communication strategies needed to facilitate the desired changes. Often, they send the message that if an employee is not willing to conform to the new company vision, he or she can find work elsewhere. This, unfortunately, creates even more bad feelings on the part of employees who are usually not well-informed about the new company vision and the part they will (or will not) be playing within it.

Creating bad feelings on the part of employees can be costly to an organization. For instance, if an employee does leave the organization, his/her skills and knowledge leave as well. These skills can be major assets that cannot be quantified and are therefore often discounted. If managers had an idea of the cost of training new staff, along with the cost of the learning curve, perhaps they would be more apt to work harder to ensure employee loyalty and buy-in to the new company vision. Lack of motivation can cause extremely low productivity, which too can be very costly to the organization. Additionally, employees might feel some degree of animosity toward the organization and may express these feelings, either knowingly or unknowingly, to customers, damaging the company's image with external publics. In any event, it is not necessary to perpetuate bad feelings, damage motivation, and risk losing valuable employees while implementing organizational change. Effective communication strategies can smooth the transition and effect employee buy-in to the new company vision.

Many organizations are already using various communication media to combat the problem. Newsletters, memos from the CEO, retraining programs, frank discussions and other tools are being utilized as a means of reassuring or of helping to facilitate the transition from what was to what will be. And many of the tools and techniques that managers could be using to create effective communication strategies before, during and after the implementation of major, or even minor, organizational change, and assist in maintaining productive relationships between the organization and its employees, come

under the heading of a very unique and ill-understood communications discipline: Public Relations.

Public relations is usually discounted as a mere function of the communications department, a function that seeks to showcase the organization in the most favorable light, and to manage image crises as necessary. Very few managers have an idea of the actual role that public relations officers could and should play in the decision-making process as it relates to communications strategies, and few undergraduate communications programs are properly training public relations professionals for that role. For that matter, few business schools are giving future managers the training for effective communications skills (Baskin, 1989).

This thesis will explore how organizations use public relations tools and strategies to facilitate change, and will hopefully provide some insight into how these tools can assist organizations through periods of change. The purpose of this project is to begin the process whereby more top-level executives see the benefits of positive employee relations, not just during periods of change but at all times, and how public relations practices can assist in that end. This task will require an examination of organizational change strategies, a definition of public relations tools in order to survey the use of these tools by organizational change agents, and an exploration of the relative importance top-level managers place on strategic communications planning before, during, and after the change takes place.

A review of the contemporary literature related to the role of public relations as it relates to communications strategies in the face of organizational change follows. A working definition of public relations will be established as a foundation for the remainder of the literature review. The "worldview" of public relations will be discussed to illustrate the particular bias that exists against public relations, one that is pervasive within not only business organizations, but management training institutions as well. A discussion of the educational needs of both communications professionals and business

managers will also be included to reveal that, in many cases, each one is needed for effective internal communications to take place.

A sample of the literature dealing with organizational change, including mergers, reengineering and Total Quality Management will then be discussed, with an emphasis on the hurdles organizations are facing with regard to their communications strategies vis a vis their employees throughout the change process. Due to the lack of related empirical data, a review of the popular literature will be examined to provide a look at the following: 1) a discussion of the various forms that organizational change can take, including reengineering, Total Quality Management, downsizing and corporate mergers; 2) a sampling of communications consultants, especially those with a specialty in public relations, and their respective theories on the "best" ways to handle communications, especially throughout periods of change; 3) a review of several related case studies; and 4) a look at the few related empirical studies. The literature review concludes with a summary and critique of the existing literature related to the topic, followed by a discussion of the manner and scope of the research study suggested by the literature review and subsequently explored in this thesis.

II. LITERATURE REVIEW

PUBLIC RELATIONS: A WORKING DEFINITION

For many, the term "public relations" conjures up images of "press-agentry" types scrambling to inform customers, or potential customers, about the organization, vainly trying to get "published," i.e. gaining attention for the organization through a variety of means, but primarily through media channels (Steward, 1987). On the other hand, the late Edward L. Bernays (1952), one of the earliest proponents of public relations, defines public relations as a "two-way street in which leadership and public find integration with each other and in which objectives and goals are predicated on a coincidence of public and private interest." This definition seems to leave out internal publics, such as employees. It does, however, take into account the two-way symmetric model of public relations, the ideal, yet theoretical form, that is promoted in public relations educational courses today.

Robert Kendall (1992), in his textbook, <u>Public Relations Campaign Strategies</u>, defines public relations as "seeking to build mutually beneficial relationships with constituent publics. When activities attempt to improve relations with employees, stockholders, customers, members, government, or any of the many publics on which an organization's well-being depends, the effort is public relations. When a collection of those activities is structured into an organized effort, it becomes a campaign." He goes on to say that public relations campaigns seek specific objectives as a means of building

relationships with constituents that may be involved, and while it may use mass communication, it relies on the complete spectrum of communication media."

Using the above as a basis, for the purposes of this thesis, public relations is defined as the building of two-way symmetrical relationships in which an organization takes into account the needs and welfare of its various publics and responds accordingly in ways that are in the best interest of both the publics and the organization. The term "publics" can be defined as any group that is affected by, or has an effect on, the organization, and as such would include (but not be limited to) customers, competitors, stockholders, employees, the community surrounding the organization and the government. Kendall's definition of a campaign will be maintained as stated above, and the use of the term "tools of public relations" will refer to any appropriate medium from the entire spectrum of communication media. For example, in the case of internal publics, this can mean newsletters, corporate memos, communiques from the CEO, closed-circuit television broadcast messages, and other media.

Public relations techniques can be organized by examining their role in the strategic development of a campaign. The RAISE model i.e. *Research, Adaptation, Implementation Strategy* and *Evaluation,* as discussed by Kendall, involves statement of an objective and strategic planning at each stage. Exhibit 1 shows a checklist for planning public relations campaigns using the RAISE technique, including the various steps involved. It begins with a statement of the situation or problem that prompts the campaign, and goes through the subsequent steps of researching the situation and the organization involved. An example of an individual technique for internal public relations strategic planning would be a survey of employee attitudes, or perhaps a survey of their awareness level of the organizational changes taking place. Using techniques such as survey questionnaires allows an organization to effectively have its "finger on the pulse" of employee needs, and to adapt its communications strategies accordingly.

The aforementioned "worldview" of public relations is much more pervasive

Exhibit 1 -   **A Checklist for Planning Public Relations Campaigns: Research — Adaptation — Implementation Strategy — Evaluation (RAISE)**

State the "situation" that prompts the campaign.

***Research* of the Situation and the Sponsoring Organization**
1. Discover the facts to confirm or alter the situation.

2. Ensure dependable findings by using valid methodology.

3. Interpret the data accurately and adequately.

4. Identify the problem(s) in statement form.

***Adaptation* of the Organization's Resources to the Situation.**
1. Subdivide the problem into measurable goal statements.

2. Segment target publics in order of priority.

3. Research and brainstorm for possible solutions.

4. Make a "shopping list" of workable solutions to the problem.

5. List resources and limitations: money, time, people, etc.

6. Develop a system for liaison with management.

***Implementation Strategy* for Solving the Problem/Reaching Goal**
1. Select a strategy from "shopping list" above.

    a) Be sure targeted publics are addressed.

    b) Goal should dictate both strategy and targeting and be based on research findings.

2. Design the communication plan to support the strategy.

3. Calendar the entire strategy and communication plan.

4. Budget each action or event in per-action dollars/people.

5. Justify or "sell" the strategy/communication plan to a skeptical client or employer.

***Evaluation* of the Total Campaign Effort**
1. Provide for establishing proof of success.

2. Measure degree of goal achievement, results, etc.

3. Consider three aspects of evaluation: in-process, internal, and external.

4. Collect pluses, minuses, and make projections.

From "Public Relations Campaign Strategies" *Robert Kendall (1992)*

outside the halls of academia. Some estimates claim that roughly 85% of organizations understand public relations to be the "press agentry" function of the corporate communications department (Grunig and Hunt, 1984). This "worldview" of public relations, which sees the discipline as "persuasive and manipulative" (Grunig, 1989), is apparently perpetuated by practitioners who do little to improve their own image. According to John Bitter (1986), "if an organization's public relations person, in his or her naive innocence, assumes that the task at hand centers on inundating the media with publicity puffs and responding as best as one can to public relations crises, the craft will continue to hold a low place in the corporate pecking order."

What perhaps is not realized is that public relations can be an incredibly powerful management tool, especially in the realm of organizational change, such as the implementation of Total Quality Management or business process reengineering. These processes require extensive changes to the fundamental organizational structure of a company, which in turn requires a high level of commitment on the part of middle management and other employees. To truly achieve this "buy-in" attitude, top management must learn to communicate the vision effectively to each and every employee, and to ensure that each employee has a true understanding of the who, what, why's and how's of the changes.

THE STATE OF PUBLIC RELATIONS TRAINING AND ATTITUDES TOWARD THE COMMUNICATIONS FUNCTION

Public Relations Training in Management Areas

In his textbook, Kendall additionally defines the "public relations officer" as being responsible for corporate values, as the collector, interpreter, and disseminator of what the organization believes, and what it considers to be important. "Values and ethics, as the responsibility of the public relations officer, place him or her at the very heart of the corporate culture" (Kendall, 1992). Unfortunately, the public relations officer often has

not been able to achieve the proper buy-in attitude from management such that he or she is capable of assisting in the development of strategy to this end (Bitter, 1986).

According to Grunig (1989), "practitioners without education in public relations usually are little more than press agents or journalists-in-residence, unless they are able to get equivalent knowledge through continuing education or self-study." He feels that university administrators have not dedicated the resources to public relations education that are required for people who have chosen it or in relation to the "importance of public relations for the organizations it serves or for the well-being of society."

Kinkead and Winokur (1992) conducted a study involving both personal interviews and a literature search, concluding that corporate culture and individual ability are the strongest influences that govern the amount of strategic influence that public relations professionals can exercise. "While handling a crisis is a hallmark skill for seasoned practitioners, helping management avoid the crisis in the first place is a far more valuable talent to the organizations represented. And the most effective way to exercise that talent is to gain a seat at strategic planning sessions, where the opening moves are mapped out." Companies that recognize the importance of the so-called "soft side" of strategic development tend to include communications professionals on their strategic planning teams. However, as previously discussed, most public relations practitioners are not receiving the training needed to fulfill that role. Kinkead and Winokur propose ways for the practitioner to achieve the goal of a place on the strategic team, such as taking the initiative, breaking down barriers, networking, etc. However, the practitioner must still possess some management skills and business know-how to be effective.

An in-depth qualitative survey conducted by Carrington Associates (Carrington, 1992) of 39 public relations professionals in the New York area reported that the majority of those surveyed cited a need for practitioners to "shift from serving as implementers and technicians to being active policy-makers." However, many believed they lacked the "strategic training required to be a player in senior management/client decision-making."

Perhaps communications departments should consider adding management training or basic business courses to their curricula.

Management Training in Communications Areas

On the other hand, studies show that many managers have had little or no formal training in public relations or other communications areas. Master of Business Administration (MBA) programs in the United States tend not to emphasize these areas, assuming that students have already mastered basic communication skills during undergraduate study or on-the-job experience, or, more importantly, perpetuating the perception that communication is not an important element of management or leadership (Pincus et. al., 1994).

A study by Pincus et. al. concerning the role of communications training in management education surveyed a random selection of deans or directors of schools taken from a list of 600 MBA programs. The majority of respondents indicated that students typically spends 10 percent or less time on communications topics. In addition, while communications offerings have not decreased over the five years prior to the study, neither did they increase by a significant margin. According to the authors of the study, most MBA programs "fail to meet the minimum standards of communication education necessary to adequately prepare graduates for the increasing and diverse communication demands of contemporary business life... Most business schools need to revise their approaches to communication education if their MBA graduates are to be minimally prepared for the competitive demands of the international marketplace... [Communication education] must be accepted as an integral strategic element of business education..." (Pincus et. al., 1994). This sounds great in theory, but what of the people already out there, functioning as managers without the communication skills they need to manage effectively? And what of the communications practitioners out there practicing without the managerial skills? For the time being, it seems to be essential for public relations or corporate communications officers (who are usually charged with the public relations function) to

work together with top organizational management as a team to strategically plan communications campaigns, especially during a period of organizational change.

Another study, focusing more specifically on public relations, was conducted by Edelman Public Relations Worldwide (Public Relations Journal, 1993). The study randomly selected 107 business schools in the U.S. and Canada, and revealed that only 6.5% of the schools offered a stand-alone course in public relations. Most graduate business programs incorporated public relations teaching into marketing or other business subjects. "As a result," Edelman concludes, "most MBA graduates now enter the business world without having the opportunity to learn about the power of public relations, or the competitive advantage it can provide for an organization."

Otis W. Baskin (1989) states that the "lack of consideration for the technical skills has led to the criticism that graduates of [MBA] programs have little appreciation for the centrality of public relations in critical areas such as strategic planning, budgeting and organizational design."

Because of insufficient training for both public relations professionals and business managers, problems in the coordination of organizational change strategies could occur. While many public relations/communications officers could be doing more to assist in strategic communications matters, they do not always have the practical management training to do so. And, while many managers do not have the communications training to plan strategic communications campaigns, they also do not appear to place enough importance on these functions, nor on the people who carry them out, to utilize them to the fullest, especially during periods of organizational change.

The various forms that organizational change could embody will be examined in the next subsection. Implications for public relations will also be briefly discussed.

ORGANIZATIONAL CHANGE AND COMMUNICATION STRATEGIES

Reengineering

Perhaps the most popular (read latest to hit the scene) of the deliberate changes a company can choose is Business Process Reengineering. Reengineering, as defined by the authors of the 1993 best selling business book, Reengineering the Corporation, is the "fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance such as cost, quality, service and speed" (Hammer and Champy, 1993). According to a study by the Grant Thorton Consulting Firm, 95% of the country's mid-sized industrial companies claim to have reengineered at least part of their operation, and 30% say they have reengineered their entire business within the last three years (Kinni, 1994).

According to James Champy, in an interview with Theodore B. Kinni, "reegineering is rooted in the belief that the way work and organizations are structured is wrong in today's context. Organizing by function and specialization worked for 200 years... but as we have developed increasingly larger companies, that has led to... too much attention [being paid to] infrastructure, where each function becomes a separate country with borders. Reengineering attacks fragmented companies. It changes the structure of work." Champy goes on to state what he sees as the five basic stages of reengineering, as follows:

1) Create a case for action, i.e. a simply articulated statement of what you need to do

2) Build a business operating model

3) Identify the organization's core processes

4) Redesign the processes

5) Implement the new design (Kinni, 1994)

Reengineering can also be defined as restructuring, reorganizing or renovating. It can involve a single department, but it usually spills over into other departments in the process. According to Stewart (1993), the main tool is a clean sheet of paper.

"Reengineers start from the future and work backward, as if unconstrained by existing methods, people or departments." Done right, it can deliver extraordinary gains in speed, productivity and profitability. But it is "strong medicine... and almost always accompanied by pain -- or at least unpleasant side effects. By one estimate, between 50% and 70% of reengineering efforts fail to achieve the goals set for them" (Stewart, 1993). Perhaps a lack of employee involvement in the core of the change is responsible. Total Quality Management, on the other hand, is intended to incorporate all employees in the process of change.

Total Quality Management (TQM)

Total Quality Management, or TQM, emphasizes statistical means of reducing variation in production for manufacturing firms. In this way, product quality can be controlled, built into the system from the onset, thereby reducing the need for mass inspection as well as reducing scrap in the process (Deming, 1986). Dr. W. Edwards Deming, considered the father of TQM, claims in his book "Out of the Crisis," that managers must increase the quality and productivity of the systems of people and machines that they manage. He promotes optimizing the system through teamwork and reduction of the variability in processes through statistical process control. When systems are optimized, he says, employees are able to feel greater satisfaction with their jobs, and thus with the organizations for which they work. Dr. Deming claims that management is responsible for 94% of quality problems because it is management that determines the systems, and it is management who must lead the company into effecting the changes necessary to optimize the systems.

Deming apparently gave a great deal of thought as to how to best create the buy-in attitude so critical among employees if the organizational environment is to successfully change. He incorporated a great deal of employee involvement philosophy in his "Fourteen Points of Management," illustrated in Exhibit 2.

Many companies are seeking to adopt these fourteen points, in full or at least

Exhibit 2 - Dr. W Edwards Deming's Fourteen Points of Management

1. Create constancy of purpose toward improvement of product and service, with the aim to become competitive, to stay in business and to provide jobs.

2. Adopt the new philosophy. Western management must awaken to the challenge, must learn their responsibility, and take on leadership for change.

3. Cease dependence on inspection to achieve quality. Eliminate the need for inspection on a mass basis by building quality into the product in the first place.

4. End the practice of awarding business on the basis of price tag. Instead, minimize total cost. Move toward a single supplier for any one item, on a long term relationship of loyalty and trust.

5. Improve constantly and forever the system of production and service, to improve quality and productivity, and thus constantly decrease costs.

6. Institute training on the job.

7. Institute leadership. The aim of management should be to help people and machines and gadgets to do a better job. Supervision of management is in need of overhaul, as well as supervision of production workers.

8. Drive out fear, so that everyone may work effectively for the company.

9. Break down barriers between departments. People in research, design, sales and production must work as a team to foresee problems of production and in use that may be encountered with the product or service.

10. Eliminate slogans, exhortations, and targets for the work force asking for zero defects and new levels of productivity. Such exhortations only create adversarial relationships, as the bulk of the causes of low quality and low productivity belong to the system and thus lie beyond the power of the work force.

11. a. Eliminate work standards (quotas) on the factory floor. Substitute leadership.
    b. Eliminate management by objective. Eliminate management by numbers, numeric goals. Substitute leadership.

12. a. Remove barriers that rob the hourly worker of his right to pride of workmanship. The responsibility of supervisors must be changed from sheer numbers to quality.
    b. Remove barriers that rob people in management and in engineering of their right to pride of workmanship. This means inter alia, abolishment of the annual or merit rating and of management by objective.

13. Institute a vigorous program of education and self-improvement.

14. Put everyone in the company to work to accomplish the transformation. The transformation is everybody's job.

From "Out of the Crisis" W. Edwards Deming (1986)

partially, and communication strategies play a crucial role in achieving these goals (Bovet, 1994). Susan Fry Bovet, in her article "CEO Serves as Chief Communicator of TQM Program," reported on a discussion held by a panel of three CEOs at The Conference Board's Seventh Annual Quality Conference held in New York City. The three CEOs on the panel were Lawrence A. Bossidy of Allied Signal, Inc., Paul R. Staley of PQ Corp., and David R. Whitwam of Whirlpool Corp. All of the speakers stressed employee relations and the communication of the TQM process at all levels of the workforce as keys to success. They also discussed the need to involve customers in a "constant dialog and to keep shareholders and members of the board of directors constantly attuned" to the TQM process. "TQM is strongly grounded in person-to-person relationships, meetings of workers from all levels of the company, team-building and feedback mechanisms. Leaders need skills in presenting and communicating, as well as listening, to be successful at TQM."

Reengineering and Total Quality Management are two ways in which managers seek to create positive changes, i.e. changes that seek improvement within the company for the welfare of all — employees, shareholders, and customers. Other organizational changes such as downsizing or mergers, can create a great deal of fear and negative attitudes among employees who feel that they are being kept in the dark about their futures. These types of changes will now be discussed.

Downsizing

Downsizing, in its simplest terms, refers to massive layoffs, usually in the quest for lower costs, higher productivity, and fatter profits (The Economist, 1994). An article in The Economist cites a study conducted by the American Management Association, reporting that two-thirds of the companies it studied had undergone three or more episodes of downsizing in the past five years. In addition, only a third of the downsizers reported higher productivity. So why downsize? Proponents of downsizing claim that it does work. They claim that American unit-labor costs fell by an average of 6.4% per

year between 1985-1993. In addition, downsizing is a way of freeing labor and capital for growing sectors to absorb. In addition, they feel that major industries such as the automotive and computer industries needed a "trip to the health farm."

Opponents see downsizing as a manager's lack of imagination: "it may be easier to increase returns by cutting assets or jobs rather than by raising profits" (The Economist, 1994). They also see a common theme among companies where "serial shrinkage has become a substitute for strategy": battered employee morale. In the past, employees were told to "do as you're told and you'll have a job for life." Nowadays, companies cannot always keep that promise, and employees' trust in the organization becomes a major casualty in the downsizing effort. In addition, with middle management also falling victim to the downsizing effort, yet another level of communication disappears. The article suggests keeping employees "happy" by demonstrating why there must be change, but how to communicate this, especially to employees who are in eminent danger of losing their livelihood, is not discussed. Public relations techniques, such as employee surveys, could be of great assistance companies in determining employee opinion, and help to provide clues as to how to improve attitudes.

Corporate Mergers/Acquisitions/Takeovers

In the case of corporate mergers and takeovers, communication with employees tends to be a low priority, and takes a back seat to the process of determining what the "final product of the merger will look like" (Purser, 1988). Management meetings to deal with the situation tend to occur behind tightly closed doors, with managers emerging with even more tightly closed mouths. These practices tend to erode employee trust and fuel the rumor mill, with employees generally assuming the worst-case scenarios. As in the case of downsizing, employee surveys could help determine attitudes, and allowing someone in management to communicate honestly with employees, without necessarily revealing any "secrets," could go a long way toward improving the situation.

In reviewing the literature dealing with reengineering, Total Quality Management

and other forms of organizational change, the experts all seem to discuss the various points that must be communicated. However, what they do not cover is how to communicate them effectively, which is perhaps at the heart of successful implementation. Many experts agree that the lack of success in producing effective changes can be traced back to poor communications strategies. Perhaps their goal is to omit this crucial information so as to create a need for their consultative services!

To cite but one example, Hammer and Champy's book Reengineering the Corporation cites several case studies discussing tangentially some of the communication processes that came about. However, there is very little actual information on strategic communications planning during the reengineering process. In fact, the word "communication" is not even listed as an index topic. To attempt to shed some light on this area, the next section of this thesis examines various communications strategies in regard to organizational change proposed by communications consultants and others in the field.

A HANDFUL OF "EXPERTS"

The lack of empirical data related to the topic of communication strategies in regard to organizational change, coupled with the lack of guidance from the creators of some of the change methods, led to a review of the related popular literature. A plethora of "experts" from the field of communications has emerged with their own theories, models and "necessary" steps toward effective communication strategies during times of organizational stress. The consultants run the gamut from current and former public relations or communications directors, to public relations consultants, to Ph.D.'s and even magazine editors. An overview of the more relevant (to this thesis) of these preachers of effective communications strategies reveals many similarities between their respective doctrines. However, most seem to have been developed from personal experience in the field, and not necessarily empirical experimentation. The following were chosen

specifically for their inherent support of, or general relevance to, the issues discussed in this thesis.

Stuart M. Klein

Stuart M. Klein (Klein, 1994) was a corporate manager of basic personnel research at a large multinational firm during sweeping organizational changes. His experiences showed him what should have been done in reference to communicating with employees during the process of change. In his article, "Communication Strategies for Successful Organizational Change," he relates the following advice: "Organizational changes often flounder because not enough strategic thought is given to communicating the rationale, the progress and the impact of the change. Communications are important as changes are planned and carried forth. Many difficulties that are associated with the change can be more easily dealt with if there is strategic thinking about what and how to communicate. The process should be based upon a good grasp of some principles of communication together with an understanding of the change process." Throughout his writings, Klein refers to "studies which support" his propositions, but it is assumed that these studies were for internal purposes only and may not possess external validity.

Nonetheless, Klein proposes several noteworthy theories, in that they involve both the techniques and the tools of public relations as previously discussed. Klein bases his strategy on the Kurt Lewinian three-tiered model of change, i.e. unfreezing, changing, and freezing. The objective during the unfreezing stage is to prepare employees for the change. Communiques from the CEO as well as meetings to allow questions and feedback would be used to convey the reasons for the changes. He advocates the "multimedia and redundancy" principles of advertising as further means for conveying these messages during this first stage, as well as during the subsequent "changing" and "refreezing" stages. He does not, however, emphasize employee surveys, which he admits would have benefited his firm in its original strategy-making. When these surveys were employed at a later point in the change process, they revealed poor attitudes.

Klein's "Key Principles of Organizational Communications" include the following:

1) Message redundancy is related to message retention

2) The use of several media is more effective than the use of just one

3) Face-to-face communication is a preferred medium

4) Information that is consistent and/or reinforces basic values and beliefs is effective in changing opinions and attitudes

5) Personally relevant information is better retained than abstract, unfamiliar or general information.

Overall, Klein does provide comprehensive advice, but it will probably benefit most a company that employs a communications professional who can back up the tools and techniques proposed with the expertise of the appropriate wording and mood.

Gary Grates

Gary Grates is president of a New York City based public relations and communications firm and lecturer on management issues facing communications professionals and corporate management. In his article, "The Subtlety and Power of Communications in Corporate Renewal Initiatives," (Grates, 1994) he proposes his "winning formula for senior managers" who are involved in the adoption of a new strategic direction in their organizations. His formula includes the following:

1) Fully understand what you are getting yourself into

2) Involve communications experts at the outset (internal and external)

3) Coach people to understand change, not fear it

4) Know the company structure

5) Have a system for getting feedback

6) Be consistent in what you say and do

His advice to involve external communications experts, as this "formula" is not comprehensive enough to assist any manager in managing change, is somewhat suspicious, as he himself is a candidate for that role. Grates does, however, make many other

provocative statements in his article. For instance, he proclaims that effective

communications is not about newsletters, meetings, memos, etc. "These are nothing

more than the tools that can be used to help people understand, identify and experience

the process of change." Instead, effective communications is about influencing and

changing human behavior. This could be seen as coming dangerously close to the

one-way communications strategies that are part of the worldview of public relations.

His claim that "before implementing any new initiative, management should call on

communications professionals to help develop and support the process" certainly

supports the propositions of this writing, but again is based on his personal experience

and not empirical data.

Alvie L. Smith

Alvie L. Smith (1990), a public relations consultant emphasizing organizational

communication, feels that the "90's is the decade of the employee." In his article,

"Bridging the Gap Between Employees and Management," Smith claims that the key is

to effect a basic change in management attitudes. "Management must see two-way

communication... as a fundamental means of helping to release the creative genius of

employees bottled up in organizations by authoritarian management styles." His six-point

system for pursuing a planned process of professional communication is as follows:

1) Communications must be a fundamental component of the management process,
   with internal communications on par with external

2) A clear statement of commitment by top managers must be repeated often and
   used as an example in their own personal conduct

3) Communications must be a planned process, with both public relations
   professional and key management people involved in the formation of short-
   and long-range strategies

4) All managers should be responsible for being key conduits and catalysts,
   with regular flow of important information (this could require special training)

5) Priority business issues should be the core content of the communication

program through various channels of communication

6) The communication process should be evaluated regularly to prove its worth

and to direct improvements — the more scientific the research, the better

Smith's ideal is to "get communicators to think, plan and execute like managers." Unfortunately, as was earlier discussed, more often than not the communications professional is not sufficiently trained for effective execution of this function. Still, his claim that the public relations professional can make a significant contribution to the goal of "bringing all employees into an understanding, cooperative and committed team for maximum levels of achievement" also supports the propositions of this thesis.

John Purser

John Purser, a specialist in public affairs and communications management, proposes a ten step process for developing and implementing a comprehensive merger/ acquisition communications program (Purser, 1988). His article, "Straight Talk at Merger Time" cites the following strategies, which are included in his ten step process: getting an early start with a task force that bases its situation analysis on research, not hearsay; conducting a confidential employee survey immediately following the announcement of the proposed organizational change, assessing concerns as well as the corporate culture; coordinate all communications so that they are consistent internally and externally, and communicate on a regular basis. Once again, Purser lends support to the ideal of two-way symmetrical communications as a means of easing the organization through a merger or other type of organizational change.

Mary Lou van Schaik

According to Mary Lou van Schaik (1992), face-to-face communication is the most important public relations tool, especially with the teamwork theme of total quality management. She feels that conversations directly influence much of our daily work, and that day-to-day expectations that aren't clearly defined and agreed upon are the

"most frequent cause of annoying minor crises." She discusses some strategies for more effective communications, such as intensive listening and clearly defining expectations. She then goes on to define the role that the corporate communications officer can play in nurturing constructive conversations by helping managers plan communication strategies.

Van Schaik cites critiquing the daily communication plans of managers as an example of how the communications officer could be involved. She goes on to warn that this could be a dangerous route unless the communications officer is specifically asked to perform this task. She also suggests teaming up with the human resources department to deliver effective coaching and learning programs for face-to-face communications skills for both managers and employees. This could also be a tool for future changes that may affect the organization and would make for a provocative research study. Van Schaik discusses no research to support her propositions, nor does she propose much in the way of other communications media. However, her recommendations are in support of the two-way symmetric communications that is the hallmark of proper public relations.

Jane Easter Bahls

According to Jane Easter Bahls (1992), a free-lance writer, the total quality movement has "fundamentally changed American business" over the past decade in terms of becoming more dedicated to complete customer service, vowing continual improvement of their products, processes and controls (Bahls, 1992). She feels that it would behoove public relations professionals, both within and without, to understand the principles of total quality management. And, rather than merely promoting the new standards, they need to be able to help a company meet them.

In her article, "Managing for Total Quality," she claims that companies shifting to TQM, even if only adopting a few of the movement's methods, are making great changes in the way they think and do business. Coordinating everything requires a great deal of communications efforts to bring everyone on board. Through her interviews with public relations firms, company officers and other practitioners, Bahls concludes that the ideal is

to recognize the "differing needs of the company's different audiences, a skill a competent public relations professional should be able to handle well." She suggests that practitioners could also be of assistance in the area of anticipating and defusing employee resistance. Further, once a company has a quality process that results in better products or services, it can then take that message to its external publics. Bahls proposes some interesting points, but, again, these are based on interviews with other so-called experts, and, like most of the other "experts," there is no empirical data to back them up.

James R. Lamb

James R. Lamb (1991), former director of public relations for Xerox Corporation, and currently a communications consultant, interviewed various companies to discuss their communications strategies whether during organizational upheaval or under more normal circumstances. Two-thirds of the companies had their employee communications function subsumed under a "unified communications or public relations function," while the remaining companies made it a part of the human resources function. According to Lamb, companies are not making investments in employee communications because it "feels good." Rather, "quality principles tell us that corporations need their employees to participate in the business intellectually. Companies need their employees' ideas, and they need employees to accept the strategy, even when it causes pain. And only informed employees can participate in this way" (Lamb, 1991).

Lamb cites Ford Motor Company, IBM, and other major corporations that are investing heavily in closed-circuit television systems to broadcast meetings and other information they feel is important to communicate to employees. "The idea of telling employees the bad news as well as the good has to do with credibility issues. With companies that are in the public eye, management would prefer that employees hear the bad news from the inside first, with management's explanation, rather than hearing it from the mass media" (Lamb, 1991).

Lamb feels that an important principle is that "communications is a two-way street."

He advocates the idea that meetings and other formal programs must enable employees to talk back. In his article, "Tell Employees the Bad News, Too," (Lamb, 1991), he again cites IBM, Kodak and Xerox, who all have formal programs that enable employees to communicate with executives. What really works, he claims, is management commitment to open communications. Unfortunately, Lamb leaves out any tangible advice to management or even communications professionals as to how to communicate. It is all well and good to be open to communications, but management should have some guidelines for what to do with these open lines of communication as well.

Les Landes

Les Landes, of Landes Communications, in his article entitled, "Down with Quality Programitis" (Landes, 1992), initially seems to be proposing a viewpoint that is contrary to the TQM hoopla. He sees the number of companies struggling with TQM far outnumbering those that are succeeding with it. The biggest problem, he claims, is that communications professionals at these companies are suffering from "programitis," that is, "making quality improvement imperatives into a program of action against which employees rebel." Landes contends that "if you want quality to work, it has to be invisible." In other words, the quality imperative must be woven into the fabric of day-to-day business. Otherwise it goes against the "way we do things around here" syndrome, and is bound to fail. He feels that many organizational communications professionals are playing a large role in creating and perpetuating TQM "programitis," and are ultimately undermining the efforts they are supposed to be supporting.

As with the other "experts," Landes has his own checklist of advice to communications professionals to aid them in their quest for implementing TQM, but the main point he makes is that quality must be part and parcel of the way in which employees conduct business. It cannot stand out or it risks rejection. He includes the following words of wisdom for communications professionals: Avoid the "show" i.e. the banners, logos, themes, campaigns and other things that make it seem like just another

"program-of-the-month." Eventually, the show has to end, and it will need to be transformed into "just the way we do things around here." Landes is doubtful that this sort of transformation can be made and feels it is best to simply avoid the "show" altogether.

Another reason for avoiding the show, according to Landes, is that it sends a message that employees cannot be trusted to embrace the new methods to improve performance without being seduced into it. As he explains, "instead of rallying the troops, management comes off looking like they have a Mary Poppins complex, treating employees like children, trying to slip them "a spoonful of sugar to help the medicine go down." What communicators should strive instead to do, according to Landes, is as follows:

1) Measure employee actions in response to communications, not just their knowledge, which serves as a better gage of the impact of communications.

2) Accommodate employee preference for face-to-face communication whenever possible, providing direction and support to supervisors for this role.

3) Avoid the "quality communication" trap, i.e. make all communications related to quality straight talk instead of hype. For instance, don't capitalize the 'Q' in quality in mid-sentence, no quality mission statements, no quality pep rallies, training, councils or task forces, no themes, logos, banners or coffee mugs, and especially, no program-related themes, slogans or acronyms like TQM.

4) Keep communicating about quality in a way that it is a part of 'just the way we do things around here." Break out of the reporter/promoter/apologist paradigm and set your course for a comprehensive, strategic role based on commitment to truth and knowledge, not to persuasion in general. Company publications should be full of the things people are doing to make improvements, but there should not be a publication devoted exclusively to these things. Task forces should be created to tackle specific problems. Everyone should have a coffee mug, but one that has the company logo, not some made-up quality-theme logo.

Landes' ideas have a great deal of merit, but again, there is no empirical data to back them up, nor does he cite any case studies. He does, however, go into a great deal of detail concerning how the communications professional should be communicating, not just which media he/she should be using.

Robert Heath, Steven Leth, and Kathy Nathan

Robert Heath, Steven Leth, and Kathy Nathan, in their article "Communicating Service Quality Improvement," (Heath, et. al., 1994) seem to agree with many of the points made by Landes. "To meet the TQM challenge, public relations has to abandon glittering generalities and avoid routine publicity stunts. Approaches and tactics are required to foster a culture that empowers employees, informs them of achievable quality goals, and gains their compliance to increase quality." They feel that the service industry's public relations practitioners can increase the speed with which the quality messages work their way throughout an organization, as well as communicate with outside publics that the company is serious about improving quality. "Whereas the absence of variation is the hallmark of TQM efforts in the manufacturing sectors, the theme of the service industry should be variation as needed to meet customer expectations and increase satisfaction" (Heath, et. al., 1994), and the public relations professional should be communicating this message.

The authors cite three stages of successful management efforts that can serve as focal points for implementing desired changes, along with what the communication specialist can do at each stage. The first stage is "Direction Setting and Planning," where the organization develops and implements plans designed to increase customer service. The public relations person could determine what can be said and to whom to achieve and reinforce employee and management efforts to make personal and organizational changes. Stage two involves "Service Team Improvement," which focuses on defining and empowering quality teams that are able to put forth maximum effort on behalf of satisfying customers. Public Relations professionals can be providing information that

helps teams understand service management, to reinforce their commitment to it, and to motivate efforts that enhance the team process.

Stage three is "Service Quality Integration" which focuses on having all units "viewing themselves as integrated into a cohesive partnership for quality improvement... Because it views the organization as a single entity needing a sense of integrated commitment, public relations is a cornerstone to this integration." The authors claim that the public relations message should go to internal publics in the form of encouragement to managers to hire and/or train people to be vital members of the service team, and to external publics to demonstrate the company's commitment to improved quality. Throughout the article, the authors suggest challenges and advice to both management and the public relations professional to achieve each of the stages, but as with many of the other "experts," there is little empirical data to back this up.

Summary

Throughout this journey through the popular literature, it has become quite obvious that little empirical data is available to support the conclusions the experts purport. While it is evident that there is much overlap in the recommendations that they propose, there are also some very provocative statements, such as Landes' treatise to not make TQM a "program-of-the-month." It seems that many of the experts effectively agree that organizational change efforts, especially in the areas of improved process or quality efforts, is best done in more subtle, less dramatic methods.

Each of the so-called experts cited in this thesis proposed various strategies based on their own experience, or in some cases on others' experiences. Perhaps it is a matter of each case being unique to the particular organization and its particular situation. To explore this notion, a small sample of case studies from the popular literature will subsequently be examined, followed by a discussion of the limited empirical information found to be related to this thesis.

CASE STUDIES

Deborah Hauss (1993) discusses six case studies of companies in which "timely communications play[ed] a major part in quelling employees' fears." Among the companies cited were Time Warner, Inc., struggling with a hostile takeover; Empire Blue Cross Blue Shield, facing scandal over its financial management and personnel changes at the top; Boeing handling massive layoffs; and Northwest Airlines facing cost and wage cuts as well as a public court battle over fares with a major competitor. All of these companies were facing crises that strongly affected a significant number of employees.

Northwest Airlines communicated with employees every day via an internal on-line service, as well as bimonthly via an employee newsletter created by the communications department. They also encouraged managers to be out among the line people in an attempt to encourage other employees. Through several special editions of the company newspaper, their "best communications vehicle" according to Jeff Smith, Director of Internal Communications, the progressive wage reduction program was outlined in full detail, and potential employee questions were addressed. Also included was a three-page letter from the CEO which outlined the restructuring process. Northwest was able to effect an average 11% pay cut which affected every single employee. Employee attitudes, whether studied or not, were not discussed in the article; nonetheless low employee attrition was reported.

The other companies cited utilized various tools of public relations with positive results. Like the Northwest case, few techniques of strategic planning were reported, i.e. no employee surveys utilized, for instance. Most of the communication was one-way, and therefore does not conform to the definition of public relations being used for this thesis. Time Warner was the only exception, where senior executives of each division held a series of meetings to answer employees' questions and to allay their fears. In addition, individual managers held meetings with their own employees, but these efforts were not coordinated through the central office, and therefore were more of a tool than

an actual technique of public relations.

IBM United States' manager of strategic communications, Adrianne Singer, claims that a dynamic communication process builds understanding between management and employees (Bahls, 1992). "Through focus groups, surveys, and talking one-on-one, the company discovers what employees value while communicating its corporate culture. To achieve employee buy-in, you have to understand their values." IBM United States communicates with employees through its own television network, newsletters and videos. The division also encourages two-way communication through face-to-face meetings between executives and lower-level employees, electronic surveys and interactive television programming. An "Exec Link" computer program allows employees to ask questions of the appropriate executive, and receive prompt replies. According to Singer, "what we do is all linked to the voice of the employee. We try to give them what they need." Singer claims that these tools of public relations used have gone a long way toward facilitating IBM's quality improvement efforts. It would be interesting to survey employees to obtain an index of their attitudes based on the communications efforts employed.

When the Kansas Power and Light Company integrated with the Kansas Gas and Electric Company to become the new corporate entity, Western Resources, Inc. during 1992, the success of the merger was attributed to highly empowered employees, according to Thomas Sloan, Ph.D., Director of Corporate Communications (Sloan, 1993). This was an instance where corporate communications officers from the both sides, alongside top management, worked together to devise a strategy to smooth the transition. Together, they instituted an extensive employee-directed integration process through the use of 52 "integration transition teams based on functional responsibilities," with representation from both entities working together.

"Each team initially examined the corporate cultures of the merging entities," explained Sloan. "This approach meant that those employees who were responsible for

specific work analyzed and developed the best strategy to not only integrate the companies, but to improve the functional performance of each work group."

Communication strategies conveyed to employees who were not members of one of the teams that the merger was not "being dictated from the top. The communications department developed a special newsletter to provide timely merger-related information, which was distributed in several ways, depending on the urgency of the information. At times, issues were distributed through the regular interoffice mail system, sometimes to employees homes. Very little was held back from employees — from new organizational charts as they were finalized to notices of regulatory approvals received. Sloan claims that "employee feedback... indicated that employees and their families appreciated the content, timeliness and intent of the communications during a high-stress period." And although officers and managers of both companies were not able to allay all employee fears, having given communications such as high priority resulted in fewer rumors sweeping the company.

Indeed, merger-related communications did not cease with the receipt of final merger approval. Thereafter, a single monthly tabloid was used to introduce work groups to other employees and organizational charts with photographs were published, all helping employees get to know one another in the new corporate environment. Sloan comments on a great lesson learned through this merger — "once a conceptual scheme for the overall corporate structure has been determined, implementation should be left to those who will have to live with the results."

The above case study is an excellent example of what can be achieved when top management teams up with corporate communications officers to determine the strategy of communication and implementation during major organizational change. As was discussed earlier, neither of these two functions usually has the expertise to handle both the management aspects and the communications aspects of organizational change. By having the two sides working together to effect change, along with maximum

involvement on the part of employees, Western Resources, Inc. was able to facilitate what could have been a difficult merger.

These cases illustrate what a few select companies are doing to facilitate organizational change, but mainly from the perspective of management. The following empirical research is intended to shed some light on how employees perceive communications effectiveness in the face of change, as well as middle managers, and then CEO's.

EMPIRICAL RESEARCH

A study sponsored by the Council of Communication Management, and discussed in the Public Relations Journal (1994), surveyed 705 employees in 70 companies ranging from Fortune 500 firms to smaller organizations, asking whether or not companies are doing enough to communicate change. Ninety-eight percent of those surveyed felt that understanding their company's future direction helped them perform their jobs better, but only 39% said they received enough information to achieve that understanding. Eighty-nine percent agreed with the statement "My company is making changes that are necessary to compete effectively," implying that employees were not necessarily against change, they simply wanted to be better informed about the reasons for, and results of, the changes. Other comments included: "My company is negligent about any communications... I usually read about things first in the newspaper" and "[the company] needs to work on clear and timely communications."

The results of a study on employee involvement issues, conducted by Industry Week magazine, in conjunction with Wyatt Company, an international management-consulting firm, were discussed in an article entitled, "Is Industry Ready for Adult Relationships?" (Moskal, 1991). The study sought to determine if employee involvement programs are just another management fad, or if they are actually representative of a fundamental paradigm shift in American business. Not a lot of detail was provided in the article concerning methodology; however, it was apparent that a survey questionnaire was used,

and reportedly 845 line managers responded.

Seventy-eith percent of respondents reported that their companies were involved in employee involvement efforts, with 44% considering their companies to be "deeply involved." 55% of respondents felt that "EI" represents a fundamental shift in how they do business, as opposed to being just another management program. However, only about half of all respondents felt that their company had established an environment in which employees have the freedom to speak freely or are treated with respect. Roughly 75% of respondents felt that "EI" is key to the future success of their own company, with 30% claiming that it is critical to success in the 90's.

Overall results of the survey revealed that many companies are moving toward employee involvement initiatives for a number of reasons, not just for the benefit of employees. Improved quality, productivity, customer service and cost reduction were cited as big motivating factors for companies actually shifting the way in which managers deal with employees. Other reasons cited for embracing employee involvement principles included increased employee commitment, encouraging innovation, pushing accountability downward, improved employee retention, and reduction of management layers. As a result of the "EI" initiatives, managers reported increased personal job satisfaction (57%), improved quality (59%), and 30% reported that there has been a return on investment of EI initiatives.

These results are very optimistic; certainly, it would have been better to know more about the methodology employed so as to better evaluate the results. An interesting study based on this information would be to determine if the companies that claim a high level of involvement in "EI" efforts maintain these efforts in the face of a difficult organizational change, such as a merger or hostile takeover. Certainly these types of efforts could go far in helping to promote other initiative such as TQM or a reengineering effort, as employees would already have more faith in management to begin with.

Another noteworthy study was conducted as part of a master's thesis project, titled

"Assessing the Bottom Line Impact of Effective Public Relations Programs from a Corporate Leader's Perspective." It was accepted by the University of Maryland's Graduate School faculty in 1991, and summarized in an article appearing in the *Public Relations Journal* (Campbell, 1993). A qualitative study, the data was collected through the use of "elite interviewing," a technique that involves a type of one-on-one interviewing conducted with anyone who is given special, non-standardized treatment, and is often used with "well-informed or influential people." The research involved over 22 hours of elite interviews that were conducted in the offices of the 18 CEO's that participated in the study. The CEO's represented companies from a variety of different industries, company sizes, and geographic region. All were males, with various cultural backgrounds represented.

Each CEO was asked four open-ended questions, as follows:

1) How do CEO's define effective public relations programs?

2) How do CEO's differentiate between public relations programs with little impact and effective ones?

3) What examples do CEO's give of excellent public relations programs?

4) How have the effective public relations programs contributed to the bottom line?

The results revealed that many CEO's consider public relations and marketing as the same discipline, and that they rarely consider public relations when it comes to the strategic management of the company. Definitions ranged from "anything the organization does that involves public contact" to "the relationship with the public" to "showing the company as a good citizen in the community." These comments seem to represent the previously discussed worldview of public relations. None of the CEO's interviewed reportedly mentioned internal publics or employee communications as part of public relations.

To define "effective public relations programs," the CEO's cited 10 elements that would need to be included for a program to be effective. These are listed in descending

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Exhibit 3 -   Ten Elements of Effective Public Relations Programs

1. Taking a long-term approach toward developing public relations strategies.

2. Insisting on full honesty and integrity on the part of the CEO and others in the organization.

3. Involving senior managment in the decisions about public relations strategies.

4. Developing a targeted approach to the process of public relations

5. Including research as part of the public realtions planning process.

6. Having a company truly understand its publics.

7. Knowing the organization's identiy or image.

8. Achieving an appropriate balancein how much and what type of public relations is practiced.

9. Having an internal person designated to manage the public relations function.

10. Placing the public relations function close to management within the organizational structure.

From "Does Public Relations Affect the Bottom Line?" *Catherine B. Campbell, APR, (1993)*

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order of importance in Exhibit 3. Points 3 and 6 are particularly interesting, in that 3 relates to involving senior management in the decisions about public relations strategies, with no mention of involving public relations in the decisions about strategic manage- ment of the company. Point 6 does not define who the company's publics are, only that there should be a good understanding of them.

To differentiate between "effective" public relations programs and those that are not effective, the CEO's interviewed were generally vague, claiming to just "know instinctively." "Effective" was defined as programs that were "heard, listened to, and followed," or that produced positive results for the company. Quantity was also equated with quality when effectiveness was considered. When asked to give examples of

"excellent public relations programs," the Tylenol tampering case and the Perrrier contamination case were cited most often. The level of visibility by senior management during crises was seen as being the key to effectively handling the situation and "winning some points with the public."

Finally, the majority of the CEO's interviewed believed that public relations had a significant impact on the bottom line, although many admitted to not having consciously tied the two together in the past. According to Campbell, it seemed that many of them were considering the concept for the first time. Some went on to comment that public relations, like all other company functions such as accounting or information systems, contribute in some way to the bottom line. Only two of the 18 CEO's interviewed did not see a connection between public relations and the bottom line. Although they did see public relations as having been of great value to their companies, they did not feel that public relations was measurable.

While the results of this study are in no way representative of all CEO's perceptions of public relations, it does reemphasize the fact that the worldview of public relations remains quite pervasive, and that the discipline still has a long way to go before it is considered as part of the strategic management function. According to Campbell, it is the responsibility of the public relations professional to show senior management the value that this discipline can have in the effective operation of the entire organization.

No other empirical data was found to be related to the topic of this thesis. As stated earlier, the discipline of public relations is somewhat young, and many curricula do not include formal research. Most public relations journals contain literature geared toward the practice of public relations as it relates to external publics rather than internal, and were not found to be very helpful in supporting this work. This fact does, however, highlight the need for more research to be done in this area, and, in that respect, supports the general purposes of this thesis.

SUMMARY

As has been demonstrated throughout the literature review, public relations is rarely seen as much more than a function of the communications or marketing department, and internal public relations is hardly recognized at all. Senior management does not generally take into consideration the effects of strategic planning on internal, and sometimes even external, publics, and therefore does not even conceive of the necessity for communications officers to be a part of the strategic planning. In addition, due to lack of formal management training on the part of communications "professionals," these people tend to be ill-equipped to be effective in the process of strategic planning.

When it comes to organizational change management, whether voluntary in the case of reengineering or implementation of TQM, or involuntary, in the case of a hostile takeover, little is discussed in terms of communicating changes to employees. It is simply assumed that senior management already knows how to communicate with employees, or that communicating the changes are secondary to the act of carrying them out. However, many of those who have gone through some of these changes stress the need for employee "buy-in" in order to achieve a positive outcome, no matter what the form of change.

The advice of a number of communications experts was reviewed, with several common themes encountered. For instance, the need for employee "buy-in" was highlighted, as well as the need for strategic management of the communications methods employed. Communications was seen as a "two-way street" by many of the experts, emphasizing the symmetrical nature of true public relations as was defined in this thesis. Various public relations tools were cited, such as face-to-face communications, use of corporate newsletters or closed-circuit television; however, not a lot of detail was provided as to how to use these media most effectively. In many cases, it would seem to be necessary to employ the services of a communications consultant to assist in the smooth transition of whatever organizational change the company is facing. But how do

corporate executives feel about using communications consultants during these times?

RESEARCH QUESTIONS TO BE CONSIDERED

This question and others led to the following research questions:

1) What do corporate executives perceive as the most significant change, if any, occuring in their organization, that affected a large number of employees? This question will provide some insight into the frequency with which the major types of organizational change, i.e. reengineering, TQM, downsizing, mergers, etc., occur within the sample population. It will also serve as an indication as to how corporate executives perceive these changes as affecting all or a percentage of employees.

2) What was the level of employee participation in the change process? Were employees the initiators of the change? Did top management decide on the change and allow employees to participate in the implementation? Or were employees told only after the change occured? This question will provide an indication of the environment in which the change is occuring, i.e. one that is open or closed to employee involvement.

3) How often did the organization communicate with employees before, during and after the change, and which public relations tools were used during the process of change? Again, this is meant to provide an indication of the environment surrounding the change. Respondents will additionally be asked to indicate their perceived level of success of the tools used in terms of employees attitudes.

4) Was a communications professional involved in the communication process during the change? This question will provide insight into how beneficial the sample population perceives the use of communications professionals to be. For those who indicate having involved a communications professional, additional questions will probe their perceptions of the effectiveness of this person's role.

Demographic information related to educational background will also be collected. Resondents will also be provided with an opportunity to express any additional comments related to the study.

To answer the above questions, corporations that have gone through some form of significant change will be examined. The term "public relations" was purposely downplayed in the questionnaire so as not to create confusion in light of the pervasiveness of the worldview of public relations, especially as it relates to internal publics. Instead, the term "communications" was used.

The purpose of this study is to shed some light on how actual corporate executives are managing employee relations during periods of major organizational change. As was previously discussed, many times, public relations functions are actually being performed, although these acts would not necessarily be considered as public relations by those performing them. This study seeks to determine if this is the case when communicating during change.

The following sections will describe in detail the methodology used in this exploratory study, the questions posed, and the empirical results. Qualitative results will also be considered, in the case of open-ended questions, and outlying cases that might lead to further research. Finally, the implications of this research will be discussed, along with recommendations for future, related research.

METHODOLOGY

Many interesting questions are raised from the examination of the topic of public relations tools in the facilitation of change management. For instance, how do top-level managers perceive the success of internal communications during periods of organizational change? Do they consult with communications specialists, whether a company employee or an outside consultant? Because of the lack of empirical data concerning the topic of communication strategies and organizational change management, an exploratory study was conducted to gather more information in this area. A questionnaire was chosen as the instrument of this study in order to gather a great deal of data from which to analyze and suggest additional areas of study.

Referring to the aforementioned study by the Grant Thorton Consulting Firm, which reported that 95% of the country's mid-sized industrial companies claim to have reengineered at least part of their operation, and 30% say they have reengineered their entire business within the last three years (Kinni, 1994), it would seem logical to narrow the population parameters for this study on industrial firms. Also, because there is a marked difference in the way service companies define TQM efforts (variation for the sake of the customer), and how manufacturing firms define TQM efforts (lack of variation for maximum good product), it again seems logical to narrow the focus to industrial companies.

By narrowing the focus thusly, the population under examination will be more homogeneous, and the results of the study might allow valid insight into at least this sector of business. While this group may not be representative of all U.S. firms, it does represent a significant segment where significant organizational change has been shown to be a frequent occurrence. New technological advances, changing management styles, dynamic business cycles and other external forces have a great influence on industrial organizations, and can lead to significant internal changes. How these organizations deal with those changes can provide insight into the ways these and other types of firms might be able to successfully deal with organizational change.

PROCEDURE

To collect data for this study, a ten-question questionnaire was mailed to 700 top-level managers from various industrial organizations randomly selected from a database collected by the Society of Manufacturing Engineers (SME) (see Appendix A for a complete copy of the survey). The total SME database contains over 600,000 names. A list of 2,470 names was extracted from the main database. The selections for the list created the following parameters:

- Firms within the continental United States

- Firms with 150 or more employees

- Corporate executives with job titles that include the word "president" (i.e. president or vice president)

The list of 700 was extracted from the original list of 2,470 by computer-generated random sampling (see Appendix B for list rationale).

The questionnaire was mailed via first class postage, along with a postage-paid, return envelope that was provided for ease of return. An introductory letter, printed on Michigan State University letterhead, was also included to explain the reason for the study, to provide a time frame for response, and to obtain informed consent (see Appendix A). In addition, if the subject so desired, he or she could provide a mailing address

for study results to be forwarded to him/her. The questionnaire was approved by the University Committee on Research Involving Human Subjects (UCRIHS) prior to being mailed so as to ensure ethical research was being conducted.

Questions were of both a qualitative and a quantitative nature, and sought to find answers to the following general questions:

1) How many corporate executives surveyed perceive some kind of major organizational change in the past five years?

2) What form of organizational change is most prevalent among the study group?

3) How do communications strategies change during various phases of change — before, during and after?

4) How do such things as educational background and use of communications consultants affect the use of public relations tools by corporate executives?

5) How does the use of public relations tools affect the perceived success of the change in terms of employee attitudes?

5) How does the use of communications consultants affect the perceived success of the change in terms of employee attitudes?

In general terms, this study was conducted with the intention of providing further insight into the effectiveness of various communication strategies during change management. Other questions may be answered by this study as the results are analyzed. Conversely, other questions may come up. The subjects' perceptions, i.e. those of the top level executives surveyed, concerning the effectiveness of various communications strategies, were used as a measurement of effectiveness, as further study would be required to poll employees from each of the companies surveyed to determine their perceptions.

RESULTS

Of the 700 questionnaires mailed, 127 responses were received, a response rate of approximately 18%. Of the 127 responses, 105, or 76% of the respondents indicated some type of organizational change in the past five years, with 22 respondents (17%) indicating that they perceived no change within the past five years. Subjects who checked the box corresponding to the response "My company has not experienced any significant change in the past five years," were asked to skip to "Question 7," which asked for demographic information. The following results are based on the 105 cases where change was perceived unless otherwise indicated.

TYPE OF CHANGE/NUMBER OF EMPLOYEES AFFECTED/EMPLOYEE PARTICIPATION IN DECISION-MAKING

Table 1 summarizes the results to Question 1, which asked respondents to indicate the "most significant change that your company experienced in the past five years that affected a large number of employees." Of the 127 cases recorded, the largest percentage of response was in the category "Reorganization/Restructuring/Reengineering," with 37 responses, roughly 29% of total response. The second largest group of respondents indicated that "Implementation of Total Quality Management" was the most significant change experienced by their company in the past five years. Together, these two changes

**Table 1 - Most Significant Change Experienced by Your Company in the
          Past Five Years**

Type of Change	# Responses	% Responses
Re-organization/Restructuring/Reengineering	37	29.1%
Implementation of Total Quality Management	16	12.6%
Downsizing	13	10.2%
Corporate Merger	7	5.5%
Wage Cutbacks	1	0.8%
Hostile Takeover	1	0.8%
Image Crisis	0	0.0%
Other Major Change	30	23.6%
No Change perceived	22	17.3%
Total:	127	100%

accounted for over 40% of the response rate. These results are somewhat consistent with what was seen in the literature review section, which revealed that reengineering is the latest management concept, and therefore, currently the hottest, followed by the TQM movement. The "Downsizing" and "Corporate Merger" categories also rated somewhat highly, which also appears to be consistent with current business trends.

Thirty respondents checked the box corresponding to the category "Other Major Change." Nearly half of those described some form of rapid growth as the significant change that their company experienced. Increases in production, work force, sales volume, number of plants or divisions were cited in the verbatim responses (For a full reporting of verbatim responses to the "Other Major Change" category, please see Appendix C).

A surprising 22 respondents (17% of total response) indicated that they did not perceive any major change in the past five years. This would seem somewhat high considering the tumultuous business conditions of the past five years. It is possible to

speculate that perhaps changes were taking place that the respondent did not perceive as significant, or that did not affect a large number of employees. Certainly, it is possible to have had no significant changes in the past five years. It would be interesting to follow up on these 22 companies to determine if any major changes had actually taken place. However, as this was a blind study, with no identification requested, it would not be possible to do so).

When asked what percentage of employees were affected by the change, over 70% of the respondents indicated a percentage of 75% or higher. Table 2 summarizes the percentile distribution of these results. In very few instances was the percentages below 50, indicating that most respondents perceived that the change experienced by their company affected the majority of employees.

Table 2 - Percentage of Employees Affected by the Change

Percentile	#Responses	% Responses
1-25%	11	10.8%
26-50%	17	16.7%
51-75%	1	1.0%
76%-100%	73	71.5%
Total:	102	100%

Table 3 shows the average number of employees affected by each of the changes listed in Question 1. It is interesting to note that in the cases of Total Quality Management and Reengineering, not all employees are necessarily affected, perhaps due to the fact that many times, these changes can affect only a few departments. Mergers,

Table 3 - Average Percentage of Employees Affected by Each Type of Change

Type of Change	Average % of Employees Affected	# Cases Reported
Corporate Merger	100%	6
Wage Cutbacks	100%	1
Implementation of Total Quality Management	88.7%	15
Re-organization/Restructuring/Reengineering	73.3%	37
Downsizing	64.2%	13
Hostile Takeover	50.0%	1
Other Major Change	80.0%	29
Total:		102

predictably, were perceived to have affected a larger number of employees. It is interesting to note the lower percentages in the categories of "Downsizing" and "Hostile Takeover," as it would be assumed that these actions would affect everyone in an organization. It could be hypothesized that the corporate executives that responded to the questionnaire thusly did not perceive these actions as affecting their entire company, only perhaps the small segment of employees that were displaced by the change.

Question 3 asked respondents to indicate that which best described their company in terms of "the level of employee participation in your organization's change." The largest percentage (46%, or 47 of the 105 cases) of respondents indicated that management "decided on the need for change, and employees were involved in the implementation process." Nearly 27% (26 cases) indicated that "management decided on the need for change and developed strategies to implement the change." Fourteen percent of respondents indicated that a joint team of employees and managers initiated the change, as opposed to nearly 10% where employees were told about the change only after the change occurred. Interestingly, 5% of respondents indicated that employees initiated the change.

Table 4 - Type of Change by Level of Participation

Type of Change	#Cases	Employees Initiated	Jointly Initiated	Mgmt decided/ Employees Involved	Mgmt decided/ Employees Not Involved	Employees Told After the Change
Reengineering	37	0	7(50.0%)	20 (42.6%)	7 (26.9%)	2 (20.0%)
Implementation of TQM	16	1 (20.0%)	1 (7.1%)	11 (23.4%)	3 (11.5%)	0
Downsizing	13	1 (20.0%)	0	6 (12.7%)	3 (11.5%)	2 (20.0%)
Corporate Merger	7	0	0	0	6 (23.2%)	1 (10.0%)
Wage Cutbacks	1	0	1 (7.1%)	0	0	0
Hostile Takeover	1	0	0	0	0	1 (10.0%)
Other Major Change	30	3 (60.0%)	5 (35.7%)	10 (21.3%)	7 (26.9%)	4 (40.0%)
Total:	105	5 (100%)	14 (100%)	37 (100%)	26 (100%)	10 (100%)

Table 4 summarizes the results when the "level of participation" variable was cross-tabulated against the "types of change" variable as described in Question 1. The results reveal a somewhat predictable pattern. For instance, in the cases where downsizing, corporate merger or hostile takeover were indicated, employees were either not involved in the strategic process of the change, or were not told about it until after the change occurred. 57% of those indicating a joint effort between management and employees were in the reengineering or TQM categories. 66% of those indicating that "management decided on the need for change and employees were involved in the implementation decisions" were in these categories as well. It was interesting, however, to see responses in these two categories that indicated that management decided on the need for change and did not necessarily involve employees in the implementation strategies, as these two areas seem to necessitate employee involvement at the implementation level.

PUBLIC RELATIONS TOOLS

When respondents were asked to indicate "which public relations tools did your company use to communicate change to employees" during the change process, nearly 80% only indicated only one of the tools listed. The results for each individual public relations tool are listed in Table 5.

The results indicate that the most popular methods of communicating change were through the use of meetings, whether "regularly scheduled meetings" (62.9%) or "specially scheduled meetings" (78.1%). Roughly 40% of the respondents indicated that the corporate newsletter was used, and 40% indicated communiques from the CEO. Almost 10% of respondents indicated using the more "high-tech" methods of communication such as electronic mail or closed-circuit television. For those responses in the "Other" category, respondents described such methods of communication as team meetings, opinion surveys, special employee luncheons/meetings with the president or CEO,

Table 5 - Distribution of Use of Each Communications Tool

Communications Tool	# Responses	% of Responses
Corporate Newsletter	43	41.0%
Special Edition Newsletter	13	12.4%
Regular Corporate Communiques	21	20.0%
Special Corporate Communiques	28	26.7%
Regularly Scheduled Staff Meetings	66	62.9%
Specially Scheduled Meetings	82	78.1%
Letters/Memos from the CEO	46	43.8%
E-mail Messages	7	6.7%
Closed-circuit Television Messages	3	2.9%
Other Responses	22	21.0%

training sessions, company-wide meetings and one-on-one meetings. A complete

reporting of the verbatim responses can be found in Appendix C.

Subjects were then asked the follow-up question of "how successful would you say

the communication process was in terms of employee attitudes based on the communica-

tions methods used." Response was based on a scale of 1-100 with 100 indicating the

most successful. Of the 102 responses to this question, ratings ranged from 20-100, with

an average of around 70. 7% of respondents indicated a score of less than 50. 52%

indicated a score in the 50-75 range, and 41% indicated a score of 80 or above. For those

who indicated having used more than one of the tools listed, scores were predictably

higher, typically in the 75-100 range.

FREQUENCY OF COMMUNICATIONS

The next section of the questionnaire asked respondents to indicate the frequency of

communications in terms of "communication from the top level down," before, during

and after the change process. Table 6 summarizes these results. Responses in the

Table 6 - Frequency of Communication

A. Before the Change Occurred

	# Responses	% Responses
Daily	15	14.6%
Several Times Per Week	17	16.5%
Weekly	15	14.6%
Monthly	29	28.2%
Other	27	26.2%
Total:	103	100%

B. In the Midst of the Change

	# Responses	% Responses
Daily	24	23.5%
Several Times Per Week	28	27.5%
Weekly	28	27.5%
Monthly	14	13.7%
Other	8	7.8%
Total:	102	100%

C. After the Change

	# Responses	% Responses
Daily	18	17.8%
Several Times Per Week	20	19.8%
Weekly	24	23.8%
Monthly	26	25.7%
Other	13	12.9%
Total:	101	100%

"Other" category often described a tendency toward erratic communications ("as needed" "random" "seldom"). There was also a large number of responses indicating that communications were quarterly (see Appendix C for a complete listing of verbatim responses to the "Other" category in each of the areas indicating frequency of communications before, during and after the change process).

The results seem to indicate a tendency toward communicating more often during the course of the change, as evidenced by the lower percentages of "daily" and "several times per week" responses in the category "before the change occurred." The percentages in these same subcategories increased for the category "in the midst of the change," indicating that the frequency of communications tended to increase during this period, while many of the companies responding tended to go back to pre-change levels of communication after the change occurred.

USE OF COMMUNICATIONS CONSULTANT

Of the 105 cases, only 15 reported having used some type of communications consultant to assist with the strategic communications during the change. Because of this low response, these companies will be considered on a more qualitative, case-by-case basis after consideration of the remainder of the quantitative data.

DEMOGRAPHICS

Respondents were asked to indicate how long they had been in their current positions. Taking the entire sample into consideration, the results indicate that respondents had been in their current position an average of 9.5 years, with a range of from 1 to 49 years. Approximately 75% of the respondents had been in their current position for 10 years or less, and approximately 44% had been on the job for 5 years or less.

For the 105 companies who indicated some form of organizational change in Question 1, 104 responded to this question, indicating an average of 8 years with a range

of 1 to 45 years, roughly equivalent to the results for the entire sample. Nearly 50% of the respondents indicated having been on the job for 1-5 years, 25% between 6 and 10 years, and another 20% had been on the job for more than 10 years.

Of the 22 respondents who had not perceived any kind of change, the average number of years at the current position was 15.8%, nearly twice that of the respondents who had perceived change. The range of response was approximately the same, at 2 to 49 years, although 20% in this group indicated that they had been at their current position for at least 30 years.

EDUCATIONAL BACKGROUND

Table 7 shows the distribution of educational level for the entire sample, the 105 indicating change, and the 22 indicating no change. The majority of respondents possess some type of higher educational degree, while only 13.5% possess only a high school diploma. Once again, the results for the "change" group are close to that of the total sample, due to the fact that this group represents the largest percentage of the total sample population, although in this case, the distribution for those indicating no change is very close to the total sample as well.

Communications Training

Respondents were then asked whether or not they had had formal training, such as seminars or coursework, in any communications areas. Specifically, they were asked about the following: Public Relations; Interpersonal Communications; Organizational Communications, or General Communications Courses. Table 8 summarizes the types of training indicated by the respondents of the 105 companies who had experienced change in the past five years.

According to the results, the lowest percentage of training was in the area of public relations. Of course, based on the general, worldview of the definition of public

Table 7 - Level of Education

7A. Total Sample

Degree	# Cases	% Cases
High School Diploma	17	13.5%
Bachelor of Business	30	23.8%
Other Bachelor Degree	26	20.6%
Master of Business	32	25.4%
Other Graduate Degree	21	16.7%
Total:	126	100%

Table 7B. Respondents Indicating Change

Degree	# Cases	% Cases
High School Diploma	14	13.5%
Bachelor of Business	23	22.1%
Other Bachelor Degree	25	24.0%
Master of Business	25	24.0%
Other Graduate Degree	17	16.3%
Total:	104	100%

Table 7C. Respondents Indicating No Change

Degree	# Cases	% Cases
High School Diploma	3	13.6%
Bachelor of Business	6	27.2%
Other Bachelor Degree	1	0.05%
Master of Business	7	31.8%
Other Graduate Degree	5	22.7%
Total:	22	100%

Table 8 - Communications Training for Respondents Who Indicated Change

Type of Training	#Responses	% Responses
Public Relations	20	19.0%
Interpersonal Communications	57	54.3%
Organizational Communications	50	47.6%
General Communications Courses	49	46.7%

relations, a significant amount of training that could be defined as public relations may have taken place. In fact, interpersonal communications could be part of the subset of public relations training. Perhaps adding the question "How would you define public relations" would have added an interesting facet to this study. Nonetheless, a significant number of respondents did indicate some type of formal communications training.

Respondents were then asked the open-ended question, "Have you had any other training or experiences that you feel has helped you manage organizational change effectively?" Fiftey-seven percent or 60 respondents replied. Most respondents cited on-the-job training, including working their way up in the company, working in other companies that have experienced change, or just general work experience. Others cited formal training such as TQM training, Dale Carnegie, various seminars, and meeting with other executives in other companies. A full reporting of verbatim responses can be found in Appendix C.

A cross tabulation analysis was examined for the variables of educational level and public relations tools used, as well as communications training and public relations tools used. However, these results were not significant due to the fact that most respondents only indicated one type of public relations tool used, and will not be reported.

COMPANIES THAT USED A COMMUNICATIONS CONSULTANT

Because of the small number of companies indicating use of a communications consultant, these cases were given special consideration. Overall empirical data will be examined, followed by an exploration of several noteworthy cases.

Of the 15 cases in which respondents indicated having used a communications consultant, one-third also indicated reengineering as the major change experienced by their company. TQM implementation was the next highest category with four responses, followed by one each for merger and downsizing. The remainder of the cases were in the "other" category. Over half of those responding to Question 2 perceived the change as affecting in the range of 90-100% of employees, although the average was only 72.5% due to several answers in the 25-30% range. When asked about employee participation in the change process, the results were approximately evenly distributed between the five responses. Four of the fifteen companies used only one type of public relations tool as indicated in Question 4, and, similar to the full sample, communications seemed to increase "in the midst of change" and to decrease after the change occurred.

One noteworthy case indicated "organized labor" as the change that was experienced, affecting 100% of the employees, and where it was indicated that employees had initiated the change. The "communications consultant" cited in Question 6 had the title of "Corporate Attorney." The respondent rated this person's involvement level as 90 out of 100, but only indicated a rating of 40 out of 100 when it came to rating the importance of this person's contribution to the success of the change program. This was another instance where irregular communications were perceived before and after the change, with weekly communications occurring during the change. Public relations tools used included special corporate communiques, regularly and specially scheduled staff meetings, and letters from the CEO or other officer. An overall rating of 40 was given to indicate the successfulness of the communications process in terms of employee attitudes based on the public relations tools used.

In another case, the person considered to be a communications professional had the title of "Administrative Assn't." This person's level of involvement was rated as 80, with a success rating of 75%. This was a case of reengineering that reportedly affected 100% of employees. Six different public relations tools were indicated, including corporate newsletters, regular and special corporate communiques, and regular and specially scheduled meetings. The success rating for the public relations tools used was 85. Frequency of communications went from "weekly" before the change to "daily" during the change, and to "several times per week" after the change. The respondent indicated possessing a Bachelor degree other than a Bachelor of Business, along with formal training in all categories of communications areas. It could be speculated that the respondent already had a significantly high skill level in the area of public relations tools and techniques, and was the actual "communications professional," with the administrative assistant carrying out the actual communications functions under his/her tutelage.

In the case in which "Downsizing" was indicated as the change, the respondent claimed that only 40% of employees were affected. The communications professional was an outside consultant, who received an involvement rating of 60 and a success rating of 60. Only regularly scheduled staff meetings were indicated as the communications tool used, with a success rating of 55. Frequency of communications went from monthly before the change to weekly during the change, and then returned to monthly levels. In the merger case, similar responses were indicated. The communications professional was an outside consultant whose involvement rating was 70. No rating was provided for this person's contribution to the success of the program. Only specially scheduled meetings were indicated for communications tools used, with a 50% success rating. These two cases would seem to indicate that the propositions of this thesis are unfounded. Perhaps it is only in cases where the organizational changes are somewhat negative, as in these two cases, is it difficult to perceive any communications efforts as being positive.

Several other cases examined do seem to support the propositions of this thesis. In one of these cases, the respondent indicated reengineering as the change, affecting 25% of employees, and initiated by management with employees involved in the implementation decisions. The consultant used was a company employee with the title of "Specialist, Corporate Communications." This person's involvement in the communication strategy-making process was rated as 100 out of 100, and his/her importance to the success of the change program was also rated 100 out of 100. Before the change, communications were reported to have occurred several times per week, but this increased to daily in the midst of the change, and continued to occur daily even after the change phase. Six of the ten public relations tools were employed, including special edition newsletters, regular and special communiques, regular and specially scheduled meetings, and letters/memos from the top, with a success rating of 75 out of 100.

Another case in support of this thesis reportedly had an outside consultant assist in the communications strategies during a period when Total Quality Management implementation was affecting 30% of employees. According to a verbatim response to the question, "Have you had any other training or experiences that you feel helped you manage organizational change effectively?" the respondent indicated "extensive training by our consultant." The respondent gave the consultant a rating of 85 out of 100 for his/her level of involvement, and a 95 out of 100 rating for this person's importance to the success of the change program. Interestingly, the respondent indicated only one type of public relations tools used, that being specially scheduled meetings, with a success rating of 85 out of 100. Communication frequencies was perceived as being relatively constant at several times per week before, during and after the change. Most of the other cases in which a communications consultant was used shared similar results.

In only one case did the respondent rate the importance of the communications consultant at less than 60%. The company change indicated was reengineering, with 100% of employees affected. The communications consultant was the company's

Manager of Communications. The respondent rated this person's level of involvement at 80, but felt that his/her importance to the success of the change program only rated 40. The respondent did include additional comments at the end of the survey which perhaps explains these ratings: "Communications are important, however, success of any change is most dependent on management's actions — not words." Also noteworthy in this case was the indication that the change was initiated by a joint team of employees and managers, which could be an indication that there was already a significant level of employee "buy-in" in place before the change went into effect. Also noteworthy in this case is the indication that frequency of communications was on an "as needed" basis before, during, and after the change, with no apparent regularity. Communications tools used during the change were mainly in the form of staff meetings and letters from the top, possibly indicating that little strategic communications were necessarily needed.

The results discussed in this section do show some interesting trends. The next section of this thesis will explore the significance, if any, of the results reported, and will suggest further research that could be of value.

DISCUSSION

Although the 18% response rate to the questionnaire was somewhat low, the results yielded some interesting information. And, although the study does not necessarily have external validity, it certainly suggests a few hypothetical relationships between variables that could be the basis for other research projects.

For instance, nearly a quarter of respondents indicated some type of significant change other than those discussed in the literature review section and subsequently listed in the questionnaire. Even though it was the most often cited response in the "Other" category, none of the literature encountered by this researcher addressed the issue of communications during rapid growth, and so it was not originally considered as part of this project. A case study on one of these companies might reveal some trends that could lead back to another empirical study, this time on the communications strategies of companies dealing specifically with this type of change. This could be compared with similar studies of companies dealing specifically with the other types of change, such as reengineering or TQM. Taking all of these results into consideration might allow for the possibility of an experimental study, whereby a certain variable, for instance use of special corporate newsletters to communicate change, might be tested for its success rating as perceived by CEO's. This would allow the possibility of external validity, and be a step closer to creating a more valid model of successful communications strategies

than those proposed by our "experts."

As reported in the "RESULTS" section, 17% of respondents claimed to have experienced no major change in the past five years. These people were also found to have indicated the highest average number of years at their current position. It could be speculated that these corporate executives simply did not see significant organizational changes, such as mergers, downsizing, or even restructuring, as having an effect on large numbers of employees, and responded thusly. On the other hand, it is possible that their companies truly did not experience any major changes. Again, it would make for an interesting study to follow up on one of these companies in order to survey the employees to determine if their perceptions differ from those of the corporate executive responding to the questionnaire in this study.

As Question 1 asked for respondents to indicate a significant change that affected a large number of employees, it would logically follow that most responses would be in the higher percentiles. However, it was surprising to see that in the category of "Implementation of Total Quality Management," the average number of employees affected was 88.7%. According to Deming, everyone in the organization should be involved in the quality improvement initiative. One could speculate that this might be a factor in the difficulty many companies are experiencing in their attempts to implement TQM. A study into the implementation processes of these companies might reveal whether or not lack of participation on the part of every employee was thus a factor, as opposed to lack of strategic communications on the part of management.

In the categories of "Downsizing" and "Hostile Takeover," again it was interesting to note the lower percentages of employees affected by these changes. As in the case of reengineering, it could be speculated that a downsizing action might only affect one division or department. However, this action would certainly have some kind of effect on employees in other departments who might now fear for their jobs. Again, a study of employee perceptions at these companies might reveal very different results.

It was refreshing to see that nearly half of respondents indicated in Question 3 that although management decided on the need for a change, "employees were involved in the implementation process," and that 14% indicated that the change was initiated by a joint team of employees and management. Of course, this again is the perception of the corporate executives who responded to the questionnaire, and is not necessarily representative of the way employees actually perceive the situation. Employee involvement in the implementation strategy is a rather vague concept, and could be construed as indicating that employees were involved in the implementation process merely because of the fact that they worked for the company affected by change. Perhaps a numeric rating indicating the level of participation would have added a interesting dimension to this question.

When the "level of participation" variable was cross-tabulated with the "type of change" variable, as discussed, the results were fairly predictable. The cases where the change involved downsizing, merger or takeover revealed the least amount of employee involvement, whereas reengineering and TQM involved the highest levels of employee involvement. Again, there were many instances in the latter two categories that indicated that employees were not involved in the implementation process. This again might be a factor as to why so many companies seem to be struggling with these two processes.

When the survey turned to methods of communications, or "public relations tools," the results revealed that most companies relied on meetings to accomplish the task of communicating change. According to van Schaik, face-to-face communications is the best tool; however, these meetings don't necessarily allow for employee feedback. In addition, as evidenced by the low percentage of companies using communications consultants, it is conceivable that those leading these meetings are not necessarily using good public relations techniques to communicate. As many of our "experts" would agree, the more media used, the better the effects of the communications (of course provided that a communications professional is involved). Perhaps this explains the

relatively low average success rating (70) of the communication process in terms of employee attitudes "based on the communications methods used." It is possible to speculate that if more of these "public relations tools" had been used, under the supervision of a communications professional, the results might have been higher. Perhaps a study that focuses more closely on this aspect would be in order.

Of course, a significant number of respondents indicated some type of communications training, whether coursework or seminar, which could indicate that those leading the meetings discussed above might have been effective in their communications. Again, the relatively low success rate suggests that perhaps a more seasoned communications professional might have been more effective. Nonetheless, as Bovet proposes, the best person to do the communicating is the CEO whenever possible to lend credibility to the communications. And based on Campbell's research, there would seem to be agreement among CEO's.

In the section of the questionnaire concerning frequency of change, it was interesting to note the trend of increasing communications during the period of change, and returning to pre-change levels after the change occurred. This would seem to indicate that many companies do see the importance of increased communications during times of organizational stress, but not during "normal" times. Perhaps if communication levels were higher before implementing a change such as reengineering or TQM, companies would have an easier time effecting that employee buy-in attitude that appears to be the most important factor to successful implementation.

CONCLUSIONS/RECOMMENDATIONS

Throughout this journey through public relations and organizational change, many interesting facets have come to light. For instance, the term public relations is, in general, so misunderstood that even this researcher utilized other related terms so as to avoid the potential confusion that might have resulted from its use in the questionnaire. A more theoretical definition of public relations was proposed so that readers of this thesis, at the very least, would be enlightened to the possibilities inherent in the discipline.

An examination into the state of education revealed that public relations students are generally not receiving the management training needed to prepare them to play a part in the strategic communications of an organization, whether during periods of organizational change or otherwise. In addition, business students are not receiving the training they need to become effective communicators in their role as managers, nor do they necessarily appreciate the importance of effective communications. The study conducted in relation to this project seems to support these notions, in that the majority of the corporate executives surveyed used meetings as their primary method for communicating change information, with only mediocre success. In addition, companies are tending to communicate on an "as needed" basis, increasing the amount of communications during times of high organizational stress, and downplaying the importance of communications during periods of low stress.

Various forms of organizational change were examined, but it is obvious from the results of the study that those examined are only the tip of the iceberg. In truth,

corporations are dynamic entities, with some changes occurring daily, other changes occurring weekly or monthly, all contributing to major changes that happen over the course of many months or even years. The simple fact is, very few companies look the same now as they did five years ago. Employees have come and gone, departments have grown or downsized, products or services have changed to keep up with the ever-changing marketplace.

The "experts" proposed their respective "laws to live by" during periods of major organizational change, but none of them advised improving the communications process long before the change process was begun. Deming's Fourteen Points seem to come closest to the ideal form of improving employee relations while at the same time improving quality, but companies seeking to implement the principles seem to ignore the internal public relations aspects and instead concentrate only on the business aspects. Of course, this is not necessarily the wrong approach, but it could be seen as the least efficient approach. As was seen in the case of the Western Resources, Inc. merger, the incredibly high level of employee involvement certainly seemed to facilitate what could have been a more negative situation.

This study did not reveal as many insights into the use of public relations tools and techniques as was hoped; however, it does suggest many other, more provocative research projects in addition to some of those noted above. For instance, a study of public relations tools and techniques used during a specific type of organizational change, such as reengineering, along with their relative success ratings, might help to shed light on what other companies faced with this type of change could be doing to improve their chances of succeeding.

Case study research seemed to be more prevalent than empirical, suggesting that perhaps this type of information is best considered thusly. This researcher, however, would prefer to think that there are ways to collect more extensive empirical data so as to show trends pointing to successful tools and techniques that could be applied to other

companies. However, both corporate executives as well as employees of the companies claiming success would need to be surveyed to determine if the perception of success is truly valid, or if it is only perceived by one group or another within the organization.

Certainly, more research is needed to determine the true effectiveness of public relations in the area of organizational change, although this project does suggest a correlation. It is the hope of this researcher that the information presented here will lead another researcher (or perhaps myself again!) to attempt one of the related research projects suggested in this thesis so as to further the cause of public relations both within the halls of academia as well as without.

APPENDIX A

QUESTIONNAIRE

May 10, 1995

Dear Corporate Executive:

I am a graduate student at Michigan State University studying communication methods during periods of organizational change. Your assistance would be greatly appreciated, as you have much insight as to how change may have affected your own company. Please take five minutes to fill out the following 10-question survey, and mail it back in the envelope provided by May 22.

All responses to this questionnaire are for the purposes of this study only and will be held strictly confidential. Your participation in the study is completely voluntary. You indicate your voluntary agreement to participate by completing and returning this questionnaire.

Thank you in advance for your assistance.

Sincerely,

Amy M. Brandais

1) Please indicate the most significant change that your company experienced in the past five years that affected a large number of employees:
   - ☐ Downsizing
   - ☐ Re-organization/Restructuring/Reengineering
   - ☐ Implementation of Total Quality Management
   - ☐ Image Crisis
   - ☐ Wage Cutbacks
   - ☐ Corporate Merger
   - ☐ Hostile Takeover
   - ☐ Other Major Change (please describe): _____
   - ☐ My company has not experienced any significant change in the past five years. ***Please skip to Question 7.**

2) What percentage of employees in your company would you say were affected by this change? _____

3) Which of the following statements best describes the level of employee participation in your organization's change [check one]:
   - ☐ Employees initiated the change.
   - ☐ A joint team of employees and managers initiated the change.
   - ☐ Management decided on the need for change, and employees were involved in the implementation decisions.
   - ☐ Management decided on the need for change and developed strategies to implement the change.
   - ☐ Employees were told about the changes after the changes were made.

4) During the change process, which of the following communications tools did your company use to communicate change to employees [check all that apply]:
   - ☐ Corporate newsletter
   - ☐ Special edition newsletters
   - ☐ Regular corporate communiques
   - ☐ Special corporate communiques
   - ☐ Regularly scheduled staff meetings
   - ☐ Specially scheduled meetings
   - ☐ Letters/memos from the CEO, president or other corporate officer
   - ☐ E-mail messages
   - ☐ Closed circuit television messages
   - ☐ Other (please describe): _____

   _____

   On a scale from 1 to 100, with 100 indicating the most successful, how successful would ou say the communication process was in terms of employees' attitudes based on the above communications methods used? _____

5) How often does/did your organization communicate with employees
(from the top level down):

A. Before the change occurred
- ❑ Daily
- ❑ Several times per week
- ❑ Weekly
- ❑ Monthly
- ❑ Other (please describe) _____

_____

B. In the midst of the change
- ❑ Daily
- ❑ Several times per week
- ❑ Weekly
- ❑ Monthly
- ❑ Other (please describe) _____

_____

C. After the change
- ❑ Daily
- ❑ Several times per week
- ❑ Weekly
- ❑ Monthly
- ❑ Other (please describe) _____

_____

6) A. Was a communications consultant or other communications professional used by your company to help during the change process? [circle one]

       Yes   **No**   (If no, please skip to Question 7)

   B. What was this person's title? _____

   C. Was this person an employee of your organization or from outside? [circle one]

       Company Employee   **Outside Consultant**

   D. On a scale from 1 to 100, with 100 being the most involved, please rate the level of involvement this person had in the communication strategy-making process.

   _____

   E. On a scale from 1 to 100, how important do you feel the communications professional was to the success of your change program? _____

APPENDIX B

LIST SELECTION

7) How many years have you been in your current position: _____

8) Please indicate your highest level of education:
   ☐ High School Diploma
   ☐ Bachelor of Business Degree
   ☐ Other Undergraduate Degree
   ☐ Master of Business Degree
   ☐ Other Graduate Degree

9) Have you had any formal training (coursework, seminars, etc.) in the following areas:
   ☐ Public relations
   ☐ Interpersonal communications
   ☐ Organizational communication
   ☐ General communications courses

10) Have you had any other training or experiences that you feel has helped you manage organizational change effectively? Please describe:

_____

_____

_____

Please use the space below for any additional comments you would like to make:

_____

_____

_____

_____

_____

Thank you again for your participation in this study. If you would like to receive the results of this study, please provide your name and address below:

_____

_____

_____

SME LISTS SYSTEM
SUBSET SPECIFICATIONS LIST
RUN DATE 05-03-95 12:37

BASIC INFO:
     SUBSET NUMBER   7020
     USER'S NAME   AMY BRANDAIS
     OUTPUT WANTED   LABELS
     SUBSET PURPOSE   SUBSET WILL BE USED FOR A SCHOOL PROJECT (THESIS).

OVERALL LIMITATIONS:
     GEOGRAPHIC LIMITATIONS:
         COUNTRIES:
             USA

SELECTION #1
     JOB TITLE KEYWORDS:
         PRESIDENT
     PLANT SIZES:
         3   100 - 249
         4   250 - 499
         5   500 - 999
         6   1,000 - 2,499
         7   2,500 - AND OVER

APPENDIX C

VERBATIM RESPONSES

Question 1 - Please indicate the most significant change that your company experienced in the past five years that affected a large number of employees.

OTHER RESPONSES:

- 80% increase in production due to new contract

- Shop floor control/training

- Significant growth — doubled size in 2 yrs.

- Starting new company

- Growth (2)

- Rapid growth 600%

- Business was increased over 400%

- Divestiture and acquisition

- Growth 30 to 250

- Ownership change

- Rapid growth & TQM

- Company was bought by a competitor

- Rapid growth

- 50% increase

- Organized labor

- Technology changes

- Building a new plant

- Plant expansion

- Market place changes

- Establish new company w/asset purchase from bankrupt company

- Became an all-salaried workforce (Non-union manufacturing work force that previously punched a time clock)

Question 1 - **Please indicate the most significant change that your company experienced in the past five years that affected a large number of employees.**

(continued)

- Began a new division

- President/CEO resigned (forced by parent co.)

- Has increased volume 920% sales employees 380%

- Acquisition by 4 Managers

- Purchased a new company; looking for another one

- Employee teams/involvement

Question 4 - **During the change process, which of the following communications tools did your company use to communicate change to employees?**

OTHER RESPONSES:

- Team meetings

- Special committee meetings

- Everyone was envolved [sic], beginning with training on through to implementation

- Presentation/question & answer session by president & CEO

- opinion surveys (feedback); special employee (5-6) luncheons w/president; same type lunches w/V.P. Ops. Gainsharing and safety committees

- Personal meetings

- Task forces involving all levels and weekly presentations by these teams to all employees

- Total employee involvement throughout the whole process

- Training all types, all groups, all along

- Direct meetings with employees and customers

- In skilled trades it's crisis training and communications on the floor and in mang. mt.

- Irregular management communications

- One on one!

- meetings with groups of employees & CEO

- Open forums with all employees

- Meetings with all employees

- Specially scheduled supervisor meetings to gather input & later train for implementation

- Voice mail

- Meetings at all locations with all employees

- Training sessions involving all employees

- Company wide meeting

- Employee training

Question 5 - **How often does/did your organization communicate with employees (from top level down)**

A. Before the change occurred

OTHER RESPONSES:

- Every other month

- Random

- Quarterly (4 responses)

- Periodic

- 1-2 times/year in feedback sessions

- Infrequent (2 responses)

- Don't know, before my time

- As needed (2 responses)

- When convenient

- Seldom

- "As-needed" basis

- As required

- 4 times a year

- Weekly executive, monthly staff, monthly employee groups, quarterly everyone

- As dictated by the magnitude of the change

- Other than daily walk-through — alomost semi-annualy

- As necessary

- I don't know I was not here

- Monthly to quarterly

- When I got to it

Question 5 - How often does/did your organization communicate with employees (from top level down)

B. In the midst of the change

OTHER RESPONSES:

- Periodic

- As required

- Weekly executive, monthly staff, monthly employee groups, quarterly everyone

- As dictated by the magnitude of the change

- As the need dictates!

- Quarterly

- Once

- As needed

- Quarterly co-wide meetings; montholy senior staff meetings; bi-weekly team meetings

Question 5 - How often does/did your organization communicate with employees (from top level down)

C. After the change

OTHER RESPONSES:

- No regularity — probably quarterly

- Periodic

- Our changes are ongoing

- When convenient

- As required

- Ongoing

- As dictated by the magnitude of the change

- several times/day

- As the need dictates!

- Not communicated after the change

- Monthly to quarterly

- As needed

- Quarterly co-wide meetings; montholy senior staff meetings; bi-weekly team meetings

Question 6 - **Was a communications consultant or other communications professional used by your company to help during the change process?**

[If yes] **What was this person's title?**

- Administrative Assn't

- Part of consultant team — no title

- At the corp. level

- TQM Specialist

- Consultant

- Specialist, Corporate Communications

- Corporate attorney

- Consultant

- Mgr — Communications

- 1st was Conway Group then a facilitator

Question 9 - **Have you had any other training or experiences that you feel has helped you manage organizational change effectively?**

Please describe.

- 24 years of work — working at each job in the plant, working up the ladder to the top

- Work cells, scanlon, Jackson Gainshare plan, problem solving

- TQM training self directed work team management coaching/managaement training

- Just on-the-job-training of dealing with company organizations

- Formally in my own business; invloved for this corp. almost 10 yrs in various capacities

- Avid reader of current business focused publications and books

- 29 years of management OJT

- Involvement in and responsibility for restructuring and reengineering of other operations

- 8 yrs plant operations experience

- Contracted local university to help in the continual change process

- Several years ago I was in charge of a [sic] operation which shared a facility and union workforce during a period when the other 2 division [sic] were shut down with union seniority into my division.

- Exposure to troubled or "turnaround" business situations

- Key issue is the emotional & intellectual reaction of people — consequently, most social experiences (school, family, neighborhood) contributed.

- 35 years of experience

- Having started with the company 26 yrs. ago as a machinist training and been its president for the last five years, I understand the need employees have to be informed and involved in what their company is doing. By visiting other companies and looking at what they have done through TQM programs convinced me of the needed change and how to get started.

- Re-engineered two companies prior to the one which is currently in the midst of change.

- Attending customer programs; Books, articles

- On the job experience; training — synchronous mfg.

- Graduate level organizational development classes at Bowling Green State University

- Consulting in operations management

- Many years of experience in managing change

- Extensive studies of Dr. Deming's teachings & management methods

- Previous mangement of Chapter 11 company

- Grew company from 100 to 4000 people in $8MM sales to $350MM

- Yes. Communicate formally with the manufacturing executives on a monthly basis including visits to their facilites

- Always open to new ideas & approaches. Look forward to changes.

- I care about people for they are the heart of the company.

- Former supervisor & human resources department

- Vice President Engineering; Vice President Sales — Communication #1 tool for both jobs; President — most importtant asset is the ability to communicate

- Numerous courses and seminars. Personal library of over 100 tapes and videos on leadership, organizing change, assertiveness, etc.

- 30+ years of management (15) years in executive mgt including 10 as CEO

- OJT

- Human resource experience

- Dale Carnegie

- Tool & Die apprentice training & worked 12 yrs in the skilled trades

- Yes - 30 yrs managerial experience

- "On the job" is still the best teacher of all!

- Changes in other, earlier organizations of which I was a part. Discussions with other CEO's on change dynamics.

- 40 years of experience

- American Management Assn Courses & Presidents Round Table; Family (as father & husband); Volunteer in church and community

- Was plant manager of a 90-person manufacturing branch where organizational change

was quite common

- 20 years of success; 3 years in army

- Extensive training by our consultant

- Person who tried to change has been dismissed

- Sales mgmt training, information technology & business reengineering training

- Have Doctor of Law & Doctor of Law in international business

- Public speaking, seminars, legal training and experience in several legal fields, directing long-range planning, serving in professional lobbying organization, working in a number of team efforts in large corporations.

- Have gone through several downsizings and at least 3 mergers.

- TQM training

- Human resources degree + experience

- Experience on the job, learning from mistakes, benchmarking others, TQM processes & practices

- Several seminars over the past several years

- TQM; Organizational behavior; Team effectiveness training; Leadership training; Skills measurement and assessment training

- Peer seminars; past experience

- Conway Quality Method; A lot of association meetings with fellow business assoc.

**Question 10 - Please use this space for any additional comments you would
like to make.**

ADDITIONAL COMMENTS:

- Management is simply implimenting [sic] fair, proper and respectful direction. If this simple rule is followed, much can be accomplished.

- Change usual [sic] effects [sic] the company culture which is most difficult to control and is the longest to achieve.

- Never go bankrupt for protection. The lawyers kill you with fees. They are only looking for the $.

- I deal with reality w/respect to people and their talents/limitations, I avoid all contemporary thinkingin terms of relationships with people, and employees, I use no contemporary language or terms and maintain a standard to which they must perform. Common sense, old-fashioned values and no interference from my ego permitts [sic] good ideas to flow and take root. That's why w/no tech. education, and a Poly Science degree, I can own an engineering co. doing 1.5 mill/yr.

- Work very hard. It generally pays off.

- Open honesty is the only way to communicate.

- It was not a planned change — more gradual and more of a new philisophy than a strategic action.

- A good administrator must be a good listener at all levels

- Whenever consultants are used, the problems are worse and the outcome is never as planned.

- Communications don't change attitudes, actions change attitudes. Management must "walk the talk."

- In 1979, we had 2000 employees. By 1983 we had 125 employees. The company was acquired by 4 Managers in 1988 & we have had as many as 325 employees since then with ups & downs due to the market which we serve.

- Communications are important, however, success of any change is most dependent on management's actions — not words

- Having started from the ground floor and worked my way up to CEO/President has been very helpful. Reputation is very important — it follows you wherever you go especially if you stay in the same industry.

- It takes time 3 years for us but it works getting our employees involved.

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