

## **MAKING THE CASH REGISTER RING**

A Retrospective View on the Public Relations Function

A Speech By

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Harold Burson, Chairman, Burson-Marsteller, was named 1977 Public Relations Professional of the Year by the readers of Public Relations News, a leading weekly newsletter with worldwide readership among public relations professionals. Mr. Burson's acceptance speech was delivered at a luncheon on October 13, 1977, at the Waldorf-Astoria Hotel in New York.

Although I've been designated 1978 Public Relations Professional of the Year, I trust you will give me a little leeway in my talk today to roam the three decades spanning my career in public relations. I want to say something about what I've learned.

If successful, I'll leave you with a stronger sense of what and who we -- as public relations professionals -- are, where we have been and where we are going.

I have a feeling that we sometimes suffer from a malaise -- a loss of personal identification that so often accompanies success. And we have been successful as a profession, a business, a practice -- call it what you will. We no longer spend the major part of our time justifying ourselves. Despite pejorative reports which crop up in the press and elsewhere, we are accepted, even respected, members of the business community and society-at-large. Yet, we're hazy about how we fit into the total scheme of things. What precisely is the mission of public relations today?

The answer is difficult mainly because of the complex age in which we live. Answers were easier to come by when we were still trying to justify our services and ourselves. That is one of the paradoxes of life. As we become more successful, we seem to lose the sense of mission that motivated us in the first place.

I remember when we recruited people for our organization back in the 50's. In those days, I interviewed everyone myself -- something, regrettably, no longer possible. I used to tell prospective employees that the purpose of public relations is to make the cash register ring. Once they were hired, I also used to say to them:

“First show me the press clippings, then tell me everything else you’ve done.”

You see, life then was much simpler. Public relations was largely marketing oriented and product publicity was very much the name of the game. A good public relations practitioner understood his company, understood its products, and understood the marketplace where those products were sold.

The corporation was an economic entity, and the final measure of an economic entity lay in the color of the bottom line. And the color of the bottom line depended largely upon making the cash register ring. Thus, the tie between public relations and business was neat and obvious. The circle was closed.

### The Making of Public Relations

Well, we all know what has happened in the intervening years. The corporation ceased to be solely an economic entity and became a social entity as well. And that, I think was really the making of public relations. Suddenly we broke through the old product-marketing syndrome. While public affairs and corporate public relations were always with us, they certainly didn’t have the same significance as today.

All at once we had to deal with the myriad social problems that beset the corporation. Consumerists and environmentalists. Women’s lib and minority employment. One day we were harassed by NOW, the next by the Sierra Club.

What’s true for the corporation is also true for all the other institutions in our society. Universities, hospitals, foundations, even governmental agencies - - all have found themselves subject to public scrutiny and public expectations they had never known before.

Consider what happened on our campuses. Colleges were suddenly told they could not continue to dispense education in the same old way. Just as corporations had to employ minorities, so our colleges had to educate minorities. Open enrollment became an issue. Black and Hispanic Studies became the order of the day.

### Institutions in a New Light

My point is this: people began to set our institutions in a different way. They began to say colleges are not just educational institutions, hospitals are not just medical institutions, corporations are not just economic institutions. Pressure groups began to rally public support to their broader purposes, for better or for worse.

Sometimes these groups made direct approaches to corporations and other institutions,

profit and non-profit, to make their demands. But just as often they went to Washington to vent their spleen – which they had a constitutional right to do. As a result, the adversary relationship between the public and private sector, between government and industry, escalated.

In the ensuing turmoil, public affairs and corporate public relations became transcendent terms. “Making the cash register ring” was not the only role for public relations and press clippings became less important.

Our world had changed, and you and I were so busy responding to that change that we honestly didn't have time to think about those underlying values by which a business lives.

What caused this upheaval -- and I don't think "upheaval" is too strong a word -- I don't know for sure. I don't think anybody knows for sure -- for we're dealing here with social phenomena that defy precise analysis. It's easier to think in terms of people than abstract ideas.

When I think of people, two names spring to mind: Ralph Nader and Rachel Carson, the consumerist and the environmentalist. They personified those twin issues that propelled the corporation into a new age. Obviously they represented points of view many others shared.

But it's easy, too easy, to attribute everything to two names. The corporation emerged virtually overnight as a social, rather than strictly an economic, entity - - but that sudden transformation didn't occur only because of what Nader and Carson wrote and did. I think it's more accurate to say people were ready for a new mission for all the institutions that served society.

It seems to me that we can cite three developments which caused people to view the corporation differently -- to see it as a social, rather than a purely economic unit.

### The Impact of Affluence

The first of these is affluence. I am not suggesting that as a nation we don't have pockets of poverty. But the fact is that we have created and distributed a kind of mass wealth on a scale unknown heretofore.

George Orwell makes a cogent observation in one of his essays (Looking Back on the Spanish War): He observes at

“ ... the belly comes before the soul, not in the scale of values but in the point of time.” That's one of those deceptively simple statements, so obvious, yet so easily overlooked, which help explain so much. What Orwell means is that hungry people are not interested in the higher things of life. Once people satisfy their material wants, they then go to the theater and museums

and concerts.

They begin to take an interest in politics and education. They demand “full disclosure” and “sunshine laws.” They want those in positions of responsibility to work in goldfish bowls. Those are some of the consequences of affluence and leisure. Growing public pressures would never arise if it weren’t for growing affluence and the personal purchasing power that affluence implies.

In short, the success of the corporation in creating and distributing wealth has led to the very pressures which forced the corporation to transform itself. There’s an irony in that. But I think the observation will stand up.

### Technology and Bigness

The second development pertains to technology. Our complex industrial machine requires organizations of scale and size to run it. That observation is hardly original with me. But I think we tend to forget the consequences of that economic imperative.

We are a nation conceived and dedicated to ideals about individuals and individualism. “We hold certain truths to be self evident...” You know the text as well as I. Yet if our industrial machine, which is at the root of our affluence, calls for large, impersonal organizations, then where does that individual fit in?

It strikes me that this conflict between aspirations of individuals and requirements of large institutions is the fundamental issue of our age. It also seems to me to account for the pressure individuals exert upon the corporation to transform itself, to be more socially accountable.

The corporation has indeed become simultaneously the creator, repository and distributor of wealth. It is no longer an institution solely for the generation of goods and services. It is responsible not only for jobs, but also for equal opportunity employment. It is responsible not only for employee income, but also - - through a spreading array of benefits - - for health, education and unemployment ins. It is responsible not only for production, but also for the quality of the air we breathe and the water we drink. In short, the corporation has become responsible for a lot more than making a profit, meeting a payroll, paying a dividend.

### The Effect of the Transnational Corporation

The third development is an outgrowth of the first two. It pertains to the transnational, or multinational, character of the large, modern corporation. And here I would like to enter a

caveat, for I'm talking about the American multinational corporation alone.

We also have French, Dutch, British, German, Swedish, Italian, and Japanese multinational corporations. They, too, are conduits of affluence and technology, instruments through which nations invest in each other for peaceful economic purposes.

But the multinational phenomena opened up a whole new set of public relations problems never encountered before. Suddenly corporations had to communicate across national boundaries, to express themselves in unfamiliar languages. They had to abide by unfamiliar laws, mores and customs. Sometimes they had to - - or felt they had to - - adopt unfamiliar business practices to their subsequent sorrow.

### New Role for Public Relations

Public relations practitioners responded and adapted to each of these new developments. We became the mediators between the corporation and the rest of the world. WE had to cope with legitimate protestors and the meddlesome pranksters and crackpots. We had to contend with shahs and shamans. We had to satisfy customers and appease consumerists. We had to interpret the world to management, and interpret management to the world.

Our knowledge and competence somehow increased with our responsibilities. Now we knew not only our company's business, its products and its markets. We became expert in dealing with economics and politics, in working with psychologists and statisticians. We became comfortable with scientists and engineers. We related to financial analysts and nutritionists. We became conversant, if not expert, in international affairs. And the question is still open as to whether we invaded the legal profession or the legal profession invaded us.

But I will make a confession here. I'm glad it all happened. I like being a public relations man. It has provided a stimulating career that has enlivened my life and gave it purpose. I think the potential for public relations is still very great. But during moments of reflection, the same words I uttered a quarter-century ago come back to me again. I say myself, as if I had suddenly discovered something new:

“The purpose of public relations is to make the cash register ring.”

Those words don't mean the same to me now as they did way back when. I view in a broader context because the corporation operates in a more complex world.

### Need for Communicating to Employees

Today for example, we must think more of the universe inside the corporation as well as

outside. In my view, the corporation's most neglected public - - in terms of communications - - are its own employees. In the old days, we dismissed employee communications with a slick house organ or a tabloid plant newspaper and let it go at that.

Today we can no longer afford pat answers to difficult problems. The whole area of employee relations is studded with untapped possibilities for public relations practitioners who really understand the role of communications in an industrial society.

Is employee communications a mere frill - - a way of communicating bowling scores? Or is it a vehicle for forging areas of common interest between labor and management? Is it a way of preaching to union members - - or a way of making them understand that gains in productivity underlie all raises in the real wage? And, ultimately, a way to building an effective constituency for the private sector.

Is it a way of lecturing to managers - - or a technique for teaching them how to manage and motivate the people who report them?

We know the answers to these questions. Yet we tend to forget that internal communications programs are really yet another way to make the cash register ring.

The same point pertains to external communications.

### Supporting the Market Economy

What are governmental and consumer relations really all about? Aren't our efforts in these spheres really directed at making it possible for the corporation to function within the framework of a market economy? And, after all is said and done, isn't that a fancy way of saying that our job in public affairs is to make the cash register ring? And, implicit in all I've said is my firm belief that the ring of the cash register will be short-lived unless it rings in the public interest.

What we're beginning to see is that all this talk about the corporation being a social entity may be a distraction, a smokescreen. Sure, it's a social entity for all the reasons I just described. But let's never forget that it's still an economic entity, too. In business to make a profit.

All the strength and vitality of the corporation resides in that inescapable fact. So it is, and so it will always be. Without profits, the corporation cannot serve higher social purposes in a democratic society.

And it pleases me to reach this conclusion. For I can now see that while the basic nature

of public relations has changed, the underlying value - - the foundation upon which we work - - is still pretty much the same today as it was when I first entered this business three decades ago.

Thank you very much.

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