

ESSAYS ON 21ST-CENTURY PR ISSUES

# HOW PR SELLS FIRMS AND TRUST SHORT



**PAUL SEAMAN**

# How PR sells firms and trust short

## *Paul Seaman*

This essay first appeared late last year in *A Sorry State: Self-denigration in British Culture*, edited by Peter Whittle with a foreword by the historian Michael Burleigh. I'm very grateful to Peter Whittle for allowing me to share it with you here.

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photo: "Fingers Crossed / Dedos Cruzados" by José Orsini  
<http://goo.gl/Qydv>

## Trust: where's the decline, really?

We are said to be in the middle of a crisis of trust. Since the public relations industry is supposed to be all about building the stuff – and since it has been well paid for at least 50 years to be ubiquitous and effective in doing so – one might expect us professional schmoozers to feel a bit guilty. Well, we don't (or at least not much). We are more inclined to think that our clients rather deserve to be pilloried by the media and the public. Indeed, we are doing quite nicely out of advising businesses and other bodies on how to fix or manage the malaise.

As a matter of fact, I am a shade sceptical that businesses really are in the doghouse at all. When the 'problem' of the reputation of business first surfaced, I started looking

at research on the subject. I was struck by the incoherence and inconsistency of what researchers claimed to have found. At the University of East Anglia, for instance, the Centre for Social and Economic Research on the Global Environment led the way in agonising over the public perception of risk. In one paper, it found that only a very small percentage of the residents of Norwich were prepared to trust information from government or firms<sup>1</sup>. A few more (but still only a very few) trusted information from the media. More people trusted doctors or

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1 Tim O'Riordan, Claire Marris and Ian Langford (1997) 'Images of science underlying public perceptions of risk', in *Science, Policy and Risk*. London: Royal Society.

scientists. By far the greatest number of people placed their trust in environmental campaigners, friends and family.

Given my way of looking at the world, this was bizarre, to say the very least. It did not seem to accord with the realities of where one looked for accurate information. When I turned the page, though, this selfsame report seemed to find something a bit more cheerful – and somewhat at odds with what I had just read. It appears that a Mori poll had found that, while less than half of the population was inclined to trust scientists to speak honestly, those scientists who worked in industry were rather more trusted than were those who worked for government. Those scientists who work for campaigners were distrusted quite strongly.

In short, industry need not think that its voice is uniquely tainted. Indeed, for all I know, its reputation might improve quite a bit if it spoke as many truths as possible and let time prove them accurate. It might even help if these truths were harsh.

Let us (just for the sake of it) assume that some public opinion research is accurate – or at any rate influential. Research by the Edelman PR agency indicates that firms in China, Indonesia and Brazil are more trusted than those in the UK, Germany, France or the USA<sup>2</sup>. Why might that be? One reason for the anomaly may be that the public in the BRIC countries – the new ‘Tiger economies’

of Brazil, Russia, India and China – is naïve about firms. Maybe, though, it is not so much about naivety as about a genuine – and even quite well-informed – hopefulness about progress.

Perhaps industry in the emerging economies is confident of its merit. Perhaps we should mourn the decadent, self-doubting introspection of modern western mores.

I am in PR and it behoves me to look at the part played by my own trade in shaping or influencing the western public’s attitude to its firms. PR professionals (let’s just call them ‘PRs’) are increasingly reluctant to defend the reputation of western firms. They would rather just go along with the prejudices that their researchers think they have uncovered than take on the tougher job of challenging them. They tell CEOs that their firms are hated or not trusted because capitalism is hated and not trusted. A vicious cycle ensues.

Many of us PRs are, of course, arts-type people with arts-type prejudices. We are (or would like to be) part of the metropolitan liberal world rather than the gritty commercial and entrepreneurial world. Like admen, we think of ourselves as ‘creatives’ rather than go-getters; as do-gooders rather than mere achievers. We often display a distinct dissidence, just like the journalists we spend so much time trying to influence. (Yes, I know PR is more than just media relations, but most PRs remain obsessed with social and mainstream media regardless.) If we were to be split into camps, these would be ‘liberal pragmatists’ and ‘pragmatists’: people with the wrong agenda or people with no

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2 Edelman Trust (2010) ‘Building a mosaic of trust’ (Executive Summary), available at: [www.edelman.com/trust/2010/](http://www.edelman.com/trust/2010/)



agenda save for convenience. Either way, PRs have largely decided that what the media wants it ought to get.

Meanwhile, we PRs should not beat ourselves up too much either. Journalists say they don't trust us. The public says it doesn't trust the media. It's all nonsense. Journalists get most of their information from PRs. The public gets most of its opinions from the media – mainstream or social. As a PR, I am able to spoon-feed journalists my information because what I say is accurate and well evidenced. They do not expect time to disprove what I tell them. That is the point about being professional: we have far more to gain from being accurate than we have from lying.

Going back to Edelman's survey, its results show that PRs are less trusted as

spokespeople than are lawyers. Who cares? I do not really believe that the public has any idea what PRs do, so it pays ignorant punters to play safe and to say they don't trust spinmasters<sup>3</sup>.

The problem with PRs today is not lack of credibility or influence. Rather it is how we exploit our powers of persuasion and how we perceive the world. PRs have convinced firms to launch pre-emptive communication campaigns aimed at stakeholders that (a) admit to the mistakes Darwinian capitalism is supposed to make; (b) apologises for the past practices; and (c) promises and demonstrates a willingness to reform. The objective, so it is argued, is to restore trust and to secure or maintain the licence of business to operate

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3 Charles H. Green (2007) 'Trust and the PR profession', available at: <http://trustedadvisor.com/trustmatters/137/Trust-and-the-PR-Profession>

in a hostile world. Meanwhile, corporates and other institutions have accepted that self-abnegation is a sound strategy, because they accept that PRs know their trade. But do they? Have PRs become too willing to act as the prosecuting counsel and the advocates of cringe?

Something is wrong when, to take one example, the public's trust in banks in India and China outweighs by far its confidence in London, New York or Zurich institutions<sup>4</sup>. Or rather, for all their recent failings, western banks are – at least in principle and largely in practice – a part of the wealth-creating open societies that host them. It may be that Asian banks, say, are less prone to hazardous innovation than are their western counterparts. But we ought to wonder whether they are more transparent, competent or trustworthy.

Therein lies another dimension that should make us a little more sanguine about the seemingly low levels of trust in western institutions: healthy scepticism is not the same thing as lack of trust, but it is a part of what keeps the West dynamic. That is certainly true of our scientific culture, and it has become almost too true of our democratic political culture. The corporate world is really quite prone to smugness and complacency. For that reason alone, it could probably do with a good dose of external challenge to keep it on its toes.

Still, I say PRs have sold business and society short. Of course, sometimes the public and the media call on an institution to apologise, reform and move on (ARM) for good reason. This is obviously the case when a firm or an institution knows it is guilty as charged. One example of this was in Canada in 2008, when listeria contamination of some Maple Leaf Foods products killed 22 people and harmed many more. When the origin of the contamination in its plant was identified beyond doubt, the firm accepted responsibility and unhesitatingly sought to make amends. But in most crises, actually locating blame is not such an easy task, and the issues involved are by no means one-sided or obvious.

In incidents such as Shell's failure to dispose properly of its Brent Spar oil platform, France Telecom's supposed responsibility for mass suicide, the Catholic Church's child abuse scandal, or even Toyota's recall of millions of its cars, the truths involved were conflicted, uncomfortable and awkward for all the parties involved. But in every one of those cases, most PRs urged the bodies concerned to surrender their integrity to the crowd and beg forgiveness, regardless of the facts.

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4 .....  
Edelman Trust (2010) 'Building a mosaic of trust' (Executive Summary), p. 4, available at: [www.edelman.com/trust/2010/](http://www.edelman.com/trust/2010/)



## Inside the minds of kowtow thinkers

One of the leading advocates of the kowtow PR culture in the UK is Sandra Macleod, group CEO of Echo Research. Her firm's research on behalf of leading companies is often used by PRs to persuade CEOs and institutions to reform the way in which they behave, rather than to sell their core values more effectively. Here Macleod outlines her thinking:

*"In our early days of innocence, many mistakes or misjudgements were made. We are paying the cost for it now – with pollution, climate change, distrust and mistrust. The 'corporate speak' train has reached its terminus. But awareness is the first step to the path of greater enlightenment and fundamental change and improvement.*

*"Harvard Business School Professor of Business Administration Rosabeth Moss Kanter's new book SuperCorp argues that capitalism is at a crossroads. The old ways of doing business no longer work."*<sup>5</sup>

Macleod explains and endorses Kanter's opinion that customers trust companies that do more than just provide goods and services. She also agrees with Kanter that workers are inspired by commercial opportunities, in which people go to work every day with the idea that they have two jobs: one to 'do my job' and the other to

'change the world'. The 'AAha factor', says Macleod, is 'we can do well by doing good'. She says that, by forming partnerships across sectors, firms bring together capabilities that promote the greater good, creating value for society beyond today's markets and products. This is crucial. This style of PR argues that firms can only thrive by deeply, really internalising criticism from the world of activists and campaigners, including those who are profoundly anti-capitalist. In Kanter's words:

*"That has the potential to solve enormous social and environmental problems and, as a by-product, restore confidence in business. I hope that is the 21st-century model for the future of capitalism."*

In the same piece, Macleod quotes an article in the McKinsey Quarterly in support of her position:

*"While unfortunately, short-term thinking is now endemic to business strategy... the financial crisis has increased the public's expectations of business's role in society. Most companies have maintained or increased their efforts to address socio-political issues, and many have already derived better-than-expected benefits from doing so."*

This view requires interrogation. The McKinsey line is interesting because it seems to imply that business is (a) short-termist in its approach and (b) long term in its societal aspirations. Is that not inviting us to say

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<sup>5</sup> Sandra Macleod (n.d.) 'CR and sustainability, commit or crunch?', available at: [www.ipra.org/detail.asp?articleid=1446](http://www.ipra.org/detail.asp?articleid=1446)



that the thing many people would like is for business to be business-like for the longer term? And if it achieved that, it wouldn't have to get all self-conscious about saving the world? The major lesson of the recession, after all, was how bad things get when business fails at its day job, as the banks did.

As an advocate of ARM PR, Sandra Macleod captures well the new anti-competitive capitalism that her research says the public wants. She envisions a world in which:

*"Governments [take] a stand and businesses [are] no longer seen as [the] unacceptable face of capitalism as balance sheets count [the] costs of social and environmental impact through policies, levies and taxation.*

*"A new science of qualities of life will emerge whereby growth and evolution are not seen*

*as a competitive struggle but as a cooperative dance.*

*"Growth will be redefined beyond politics to a land of opportunities focusing on a better civil society and well being – in a world, as Senator Kennedy argued that 'makes life so precious and makes us proud to be citizens of our countries and planets.'"*

Macleod's naivety (though I have no quibble with the value Senator Kennedy put on life) would once have been laughed at. The major point she misses is that it was market forces that built the great societies we live in. She too readily dismisses our heritage and denigrates the reputations that grew out of it. Moreover, her view does not reflect the tough realities that workers, firms and countries face as they battle to improve productivity and compete with each other



in the real world (though the taxes are real enough). But Macleod's line is the vision that many PRs recommend we sell to the public.

Another leader of the kowtow PR culture is Richard Edelman. He has a prominent platform at the World Economic Forum's Davos summit, where he has reported how:

*"...the consensus of CEOs was in favor of evolving the model away from Milton Friedman (the social responsibility of business is to make profit) toward a more nuanced approach of business' positive contribution to society. Michael Porter, professor at Harvard Business School, said, 'The greatest competitive advantage for business will be social. We used to believe there was a trade-off between profit and social issues. Now we know differently. We thought work place safety and environmental stewardship were expensive, but the highest return on investment comes from zero accidents and reengineering the supply chain to make you more efficient. Companies which understand complex social issues will turn them into competitive advantages.'"*<sup>6</sup>

So, CEOs are being advised to present a utopian vision to their publics, in which all stakeholders are treated as equals, and in which firms exist to form partnerships with NGOs that are designed to promote 'societal good'. They are even expected to pretend

that business can or must engineer zero accidents and zero risk, which is downright misleading.

I want to be careful here, but not mealy-mouthed. Corporate social responsibility (CSR) and high levels of safety are – up to a point – Very Good Things. However, though some of today's CSR is invaluable and well executed, I do (rather unfashionably) believe that much of it is useless or silly. Be that as it may, the main point I want to get across here is that corporates should not always and everywhere wave the white flag in the face of criticism. A permanent affectation of guilt is as psychologically dangerous for a firm as it is for an individual.

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<sup>6</sup> Richard Edelman (2010) 'A sober and reflective Davos', Richard Edelman website, 3 February, available at: [www.edelman.com/speak\\_up/blog/archives/2010/02/](http://www.edelman.com/speak_up/blog/archives/2010/02/)



photo: "Lincoln's Racing Santas" by Lincolnian Brian  
<http://goo.gl/UJff5>

## The trade that hates itself

The strange thing is that PRs have little confidence in the social contribution they and their clients make to society. For instance, when Richard Edelman describes how his company makes a social contribution to society, he reveals a distaste for the 'unreal-world' practices that lie at the heart of his core business: defending and promoting other people's reputations and businesses. Instead, he urges his staff to 'live in color':

*"What I mean by this phrase is that we have a responsibility to live in the real world [partly by doing pro bono work]... We must recognize that there is a responsibility to have continuing education in our field that is dependent on getting out of the office, beyond the small world of billable hours, into a big world of imagination and social contribution."*<sup>7</sup>

His message appears to be that billable work does not make a significant social contribution to society, and that its content is detached from the world of imagination. He seems to be saying that we PRs reconnect with the world by doing stuff outside the office, rather than by creating the world we live in at work. In my experience, however, pro bono often risks becoming merely a stressful, self-interested extension of work and brand building (that is not virtuous at all). There is no dispute about the benefit of staff leading an active and constructive social life beyond paid work. But Mr Edelman ignores the obvious point that his staff need to remain billable, so as to live full and productive lives with their families in their communities. What I oppose is the dispiriting and demoralising consequences of Mr Edelman's 'live in color' mantra, which denigrates his core business's value and PR's contribution to society.

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<sup>7</sup> Richard Edelman (2004) 'Living in color', Richard Edelman website, 21 December, available at: [www.edelman.com/speak\\_up/blog/archives/2004/12/living\\_in\\_color.html](http://www.edelman.com/speak_up/blog/archives/2004/12/living_in_color.html)

## Different types of ARM PR

Sometimes the focus of ARM PR is limited and sometimes it is wholesale. When it is limited, it involves reforming business practices, adopting CSR and sustainability programmes and resolving to do better in the future (some of this is certainly progressive). But when it's wholesale it involves redefining a business, often for very dubious reasons. I have identified three broad camps into which firms and other institutions fall when it comes to ARM PR:

1. Those who adopt ARM as a PR strategy while not believing it. I think British Airways and BP fit this bill.
2. Those where the most senior people genuinely believe that the business has failed morally to some degree. Body Shop, Ben and Jerry's (especially in its pre-Unilever incarnation), Timberland and maybe even HSBC belong here. The effect is that they seem anti-capitalist and appear to want to create a thoroughly post-Darwinian corporation.
3. Those that have suffered a cock-up and believe energetic apology is the most effective strategy, whether or not they believe they are actually guilty. Here I would cite Toyota, certain banks and France Telecom. In the non-corporate sphere, one might add many UK social services departments.

So firms go along with this ARM PR agenda with varying degrees of honesty and enthusiasm. Some businesses have turned their anti-establishment agenda into a major part of their claim to integrity. Body Shop's message, for instance, was validated by the genuine (and rather absurd) anti-corporate enthusiasm of its mouthy CEO and chairman. Similarly, it may be that HSBC's adoption of CSR is genuine, given that its boss, Stephen Green, seems a genuine (and perhaps religiously motivated) enthusiast. But then again, banking and banks are about profit and loss, and there is no escaping the fact. The problem with all three approaches is that they all involve a display (to varying degrees) of self-hate, self-pity and cynicism about the nature of business per se.



## Three case studies: BP, BA and France Telecom



### BP's 'beyond petroleum' was self-deception

Peter Sandman, the former PR consultant to BP, has given an insider's insight into the rebranding of British Petroleum. He described how the company first became simply BP, then went on to adopt the lower-case bp on its logo, and finally redefined the meaning of BP as 'beyond petroleum'. He cited this as an example of a company adopting the 'reformed sinner' persona. Addressing a group of PR and mine managers in Australia in 1998, he said that this:

*"...works quite well if you can sell it... [Big oil companies] have done a very good job of saying to themselves, 'Everyone thinks we are*

*bad guys... We can't just start out announcing we are good guys, so what we have to announce is we have finally realised we were bad guys and we are going to be better'... It makes it much easier for critics and the public to buy into the image of the industry as good guys after you have spent a while in purgatory."*<sup>8</sup>

John Kenney, one of the two Ogilvy & Mather

8 Bob Burton (1999) 'Packaging the beast: A public relations lesson in type casting', Center for Media and Democracy website, available at: [www.prwatch.org/prwissues/1999Q1/beast.html](http://www.prwatch.org/prwissues/1999Q1/beast.html)

executives responsible for BP's 'beyond petroleum' tagline, outlined their methods in the New York Times<sup>9</sup>. He described how they talked to people on the street and heard a lot of gripes about oil companies. From what he says, he does not discount this sort of view or filter it or ponder its validity. He does not seem to care whether the views he hears are well informed, prejudiced or intelligent. But he decides to try to fix the perception problem – as indeed was his job. So Kenney and his boss develop a line which says, in effect: Look, BP are doing all sorts of things to address the 'oil problem'.

The compelling attraction of Ogilvy & Mather's 'beyond petroleum' tagline was that it matched what their research revealed: that the public claims to hate the oil business. Rebranding BP appeared a sensible way of outflanking public opinion by showing that the business was equally uncomfortable about the nature of its core business. That might have been a credible position had BP been serious about getting out of oil. But it wasn't.

There was, of course, a rather major problem with the notion of BP going 'beyond petroleum'. The realities of global warming (whether scientific or political) made oil more attractive than coal, just as it made gas more attractive than either of them. Demand for oil soared during the boom times. New drilling techniques were developed and new

oil fields discovered. It soon became clear – and all along should have been – that BP was not going to be 'fossil fuel free' so much as 'fossil fuel plus'. Hence Kenney writes in the New York Times:

*"I guess, looking at it now, 'beyond petroleum' is just advertising. It's become mere marketing – perhaps it always was – instead of a genuine attempt to engage the public in the debate or a corporate rallying cry to change the paradigm."*

BP was forced to rethink its 'beyond petroleum' stance after a couple of crises revealed that it was neglecting its day job. In 2005 there was the explosion that killed 15 people and injured more than 100 others at a BP plant in Texas. Then the following year there was a pipeline corrosion and oil leak crisis in Alaska. Both incidents highlighted that BP should have been more interested in petroleum and safety than in the company's super-planetary virtuousness. The setbacks resulted in a change of leadership and a shift of emphasis back to oil. These events led some BP staff to re-label BP as meaning Big Problems<sup>10</sup>.

As I write, in the Gulf of Mexico BP has just managed to staunch the flow of the biggest oil spill in US history. In terms of reputation, this is perhaps the biggest issue ever faced by any company. Since the Deepwater Horizon oil platform blew up and sank in April, oil

9 John Kenney (2006) 'Beyond propaganda', New York Times, 14 August, available at: [www.nytimes.com/2006/08/14/opinion/14kenney.html?\\_r=1](http://www.nytimes.com/2006/08/14/opinion/14kenney.html?_r=1)

10 Michael Harrison and Andrew Buncombe (2006) 'BP: Big problems for oil giant', Independent, 30 August, available at: [www.independent.co.uk/news/business/analysis-and-features/bp-big-problems-for-oil-giant-413933.html](http://www.independent.co.uk/news/business/analysis-and-features/bp-big-problems-for-oil-giant-413933.html)

has been gushing almost as furiously as Barack Obama's anti-BP rhetoric. He has, of course, re-branded the company 'British Petroleum': this is a man who understands that the Americans are torn between respect for and dislike of the British. The handy trope of British arrogance is always available to American propagandists.

This all serves to remind us that the original rebranding of British Petroleum as BP/ bp (not to mention 'beyond petroleum') was about as forlorn as the relabelling of Windscale as Sellafield after the nuclear plant's chimneystack fire of 1957.

But it is moot whether – just because it became fairly adept at love-bombing the green vote – BP became any less competent in engineering terms. Though I suspect strongly that, if BP did lose engineering focus, this was because its drive for profit and deals was disguised behind a veil that misrepresented reality to both the company's employees and the public. Arguably, 'beyond petroleum' became a risky distraction and a demoralising influence on the company's reputation, safety culture, sense of self-worth and identity. In fact (and the appointment of Tony Hayward as CEO shows this, as does his subsequent replacement by Robert Dudley), BP was busy reminding itself of the merits of being technically competent and focused on the core business even as God, in his inimitable way, bowled it an untimely beam ball.

The reality BP had accepted was that its oil business had grown in size and risk, while its safety record in the US had gone downhill:

*Two refineries owned by oil giant BP account for 97 percent of all flagrant violations found in the refining industry by government safety inspectors over the past three years... Most of BP's citations were classified as 'egregious, willful' by the Occupational Safety and Health Administration.*<sup>11</sup>

According to the ABC news website:

*"[Occupational Safety and Health Administration] statistics show BP ran up 760 'egregious, willful' safety violations, while Sunoco and Conoco-Phillips each had eight, Citgo had two and Exxon had one comparable citation."*<sup>12</sup>

We do not know what BP's American future will be. I for one certainly hope it will thrive there precisely because it does the right thing on every front in the Gulf, beginning with proving engineering diligence and continuing with being clear about its responsibilities (including their limits). I also hope that Barack Obama pays the full price for his finger-wagging and scapegoating, and not least for his pettish dislike of the British.

Presumably, Barack Obama is throwing as much mud as he can at BP because he recently lent his support to offshore

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11 Jim Morris and M. B. Pell (2010) 'Renegade refiner: OSHA says BP has "systemic safety problem"', Center for Public Integrity website, 16 May, available at: [www.publicintegrity.org/articles/entry/2085/](http://www.publicintegrity.org/articles/entry/2085/)

12 Pierre Thomas, Lisa Jones, Jack Cloherty and Jason Ryan (2010) 'BP's dismal safety record', ABC World News website, 27 May, available at: <http://abcnews.go.com/WN/bps-dismal-safety-record/story?id=10763042>



photo: Fire boat response crews battle the blazing Deepwater Horizon, US Coast Guard  
[http://cgvi.uscg.mil/media/main.php?g2\\_itemid=836361](http://cgvi.uscg.mil/media/main.php?g2_itemid=836361)



exploration. He can thus in some sense be assumed to have approved of the regulatory regime that signed-off on BP's operations in the Gulf.

Of course, the challenge for BP will be to switch from presenting itself as a self-hating sort of organisation that is keen to disguise its real, so-called 'grubby' purposes as it seeks to appeal to green opinion. I have mostly argued that firms should not cringe. At this moment, of course, BP must be penitent. But I shall risk saying that it must not stop being thoroughly adult. Insofar as it has done wrong, it must quite soon admit its part of the blame. It can then build on what seems to be its current quite sensible strategy – which is to say that it will stand by those it has damaged. Let us hope that

BP can now play a noble role in a general corporate desire to move beyond infantilism.

The truth is that BP was always very, very petroleum. 'Better (or even Best) Petroleum' would have been – will be – a better tagline than 'beyond petroleum'. But here's another important truth. BP's long-term trustworthiness and profitability may well survive this disaster, just as the Gulf of Mexico might recover more quickly than many observers expect. What is more, the disaster is likely to make it clear how the two properties of trust and profit are inextricably bound together.



photo: BA Embraer ERJ 145 by Adrian Pingstone  
<http://goo.gl/jwKAp>

### *BA: briefly ashamed of its flag's roots*

British Airways is another company that felt compelled to appear embarrassed by its roots. In 1996, it famously took the Union flag off its tailfins, logo and stationery.

The BBC reported at the time how BA's aim was to create a cosmopolitan-feeling airline, not one trading on past glories of the Empire. It quotes Bob Ayling, the then head of BA, saying: 'Perhaps we need to lose some of our old-fashioned Britishness and take on board some of the new British traits<sup>13</sup>.' The new ones were cited by Ayling as being linked to Britain's 'new' friendly, diverse and open-to-all cultural image, rather than its old, rather remote and aloof one.

The Union flag was replaced on the carrier's fleet by the many colours of the world. Symbols of the Ndebele tribe of Zimbabwe, animals and trees appeared on its Boeings. The airline's Citiexpress Embraer sported Paithani – a variety of sari – on its tailfin. The company said its new ethnic makeover – costing £60 million – connected with the

modern world, and not least with the 60 per cent of its passengers who were not British. In the process, BA rebranded and reformed itself.

To BA's surprise, it discovered that its core values – all of which were hard-core, old-time, unabashed British – were prized by its non-British customers almost as much as by its British ones. Following a public rebellion led by consumers and a PR meltdown led by the media and politicians, the Union flag reappeared, with a BA spokesperson proclaiming:

*"Rod [Eddington, Ayling's successor as CEO] feels that Britishness is at the core of this airline's appeal. We are a global carrier, but we are British and proud of it – and it is not just Britons who like our Britishness. Rod wants BA to be associated with Britain in the same way that BMW is associated with Germany, symbolising quality in a way that is understood worldwide."*<sup>14</sup>

13 'R.I.P. British Airways' funky tailfins', BBC News website, 11 May 2001, available at: [http://news.bbc.co.uk/2/hi/uk\\_news/1325127.stm](http://news.bbc.co.uk/2/hi/uk_news/1325127.stm)

14 Paul Marston (2001) 'BA restores Union flag design to all tailfins', Daily Telegraph, 11 May, available at : [www.telegraph.co.uk/news/uknews/1329843/BA-restores-Union-flag-design-to-all-tailfins.html](http://www.telegraph.co.uk/news/uknews/1329843/BA-restores-Union-flag-design-to-all-tailfins.html)



### *France Telecom disingenuously admits guilt*

Ever since it was semi-privatised in 1996, France Telecom, Europe's biggest internet provider and third largest mobile operator (trading as Orange), has faced mounting competition and has been busily restructuring its business. Responding to union and political pressure, the company has been reluctant to make too many staff redundant. It has attempted instead to hang on to most of them, and in so doing created its own nightmare. Though it fired 60,000 employees, it redeployed many more thousands of otherwise redundant staff to newly created posts. It retrained many of them as salesmen, known as *mobilités professionnelles* (meaning they often worked away from home).

In reality, France Telecom workers were being pushed into unfamiliar roles, in jobs that were ill-defined. Staff sensed that many of them were in unsuitable positions, doing non-jobs that had no future or any real reason to exist. Meanwhile, management applied pressure to make the new structure work effectively. Given that most of the workers had no real role to play or any real prospects in their new jobs, they became

understandably stressed and frustrated. They felt undervalued and under threat.

As discontent grew, so the focus of people's anger concentrated on a spate of suicides and attempted suicides among France Telecom staff over an 18-month period in 2008-09. Some of these suicidal staff left notes blaming the company, and some of them attempted suicide at work. However, there was no real evidence that the company's change-management strategy was to blame. As Oliver Barberot, France Telecom's head of human relations, told the French satirical weekly newspaper *Le Canard enchaîné*:

*"It's [the number of suicides] not that dramatic, I have seen worse. The number of suicides is not even going up. In 2000 there were 28 and in 2002 there were 29 [compared to 24 suicides in the 18-month period that provoked the headlines]."*<sup>15</sup>

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<sup>15</sup> Stefan Simons (2009) 'French government steps in to stop staff deaths', *Spiegel Online International* website, 17 September, available at: [www.spiegel.de/international/world/0,1518,649715,00.html](http://www.spiegel.de/international/world/0,1518,649715,00.html)



However, despite the number of suicides being below the national average for the age profile of its staff, and despite the number going down rather than up, the company did not defend itself. It did not do so in the fond expectation that this would restore its reputation. Instead, it suspended its retraining programme of mobilités professionnelles. It employed more human relations staff and physicians who specialised in occupational medicine. It sent its heads of department on tour around France to investigate why their workers were so unhappy. First, Louis-Pierre Wenes, the architect of the modernisation drive stood down. Then the chief executive, Didier Lombard, was forced to resign, though he has remained the company's chairman. In the process, France Telecom found itself paralysed for more than a year. It has yet to recover.

In effect, France Telecom 'apologised' and promised to 'reform' and to 'move on' in response to 'outraged' public (read media) opinion. By doing so, the company made it harder not only for itself to function as a business, but also for other firms to manage similar structural and emotional issues. So here is why I think it is immoral to resort to ARM PR in cases where the employer knows it is not the guilty party:

- » ARM invites firms falsely to portray themselves as villains (think BP with 'beyond petroleum' and Shell with its Brent Spar oil platform).
- » ARM invites firms falsely to assert that they can manage their affairs in ways that

do not cause pain (France Telecom).

- » ARM invites firms to dissemble (after all, it is untruthful to say you accept blame when actually you don't and there is no evidence that you should). For instance, if France's culture makes middle-aged men prone to suicide, does it help society to head off blaming France Telecom and then for France Telecom to blame itself?
- » ARM creates moral hazard: campaigners know they can make false accusations and make their targets pay – think Pfizer with its Trovan crisis in Nigeria, where it stands accused of killing 11 children in a clinical trial.<sup>16</sup>
- » CSR – one could add sustainability and corporate responsibility generally – is an empty shell, inviting contempt, unless it speaks to business realities (think about the moral crusade against banks and what it will actually take – and what we shall have to accept – to get them working properly again; and think public sector cuts and the truth of the pain they will cause).

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<sup>16</sup> See 'Trovan fact sheet', available at: [http://media.pfizer.com/files/news/trovan\\_fact\\_sheet\\_final.pdf](http://media.pfizer.com/files/news/trovan_fact_sheet_final.pdf)

## The perils of modern individualism

I make the point on my website that there is a problem with modern individualism: it makes people nurture their vulnerability and makes them see themselves as victims of capitalism, whereas in fact they are more likely victims of emotionalism, nonsense and downright deception. In short, France Telecom said it cared for the inner self of its employees when it didn't; or, if it did care, it said so when there was only so much it could do to help (which was not much).

Of course, ARM PR works in the short term; but over a longer period it is corrosive. It buys firms breathing space in a crisis. It also breeds an underlying unease among the public(s) about motives, and gnaws at the self-confidence of the very firms that practise it. For instance, it is interesting to note that the suicides and stress at France Telecom were all among those workers who kept their jobs: presumably those who lost theirs suffered less angst because they knew where they stood.

The turmoil at France Telecom is a classic example of self-hate and self-flagellation gripping western business. France Telecom was by no means an uncaring monster; its problems stemmed from its attempt to please too many of its stakeholders – particularly the unions. Of course, leaving aside France Telecom, France itself is a country where things tend to be controlled by the state. Many of the company's problems were created by political considerations. However, the logic this

case highlights will be recognised by lots of employers (not least British Airways, which nearly fell into the same trap with its over-indulged trolley dollies).



photo: "Don't Slip" by Knut Burmeister  
<http://goo.gl/vaW5P>

## Firms and institutions do not have to hate themselves

Peter Cappelli, professor of management at the University of Pennsylvania's Wharton School, carried out a study based on interviews with the heads and human resource departments of 98 of India's 150 biggest companies on the key differences between Indian and western bosses. According to the CNN website, he found that:

*"...every leader interviewed gave a specific social purpose as being the goal of their business. Those purposes ranged from improving healthcare in India, to getting cell phones to people who don't have access to communication tools, and proving to the international community that Indian companies can lead in IT."*<sup>17</sup>

Thus Indian bosses are committed to motivating their staff around whatever it is that the core purpose of the business happens to be:

*"In terms of lessons for managers elsewhere, one of the most important things is that Indian leaders lead with a sense of social purpose."*

So one has to promote one's firm as having a social purpose. Of course that makes sense. But for some reason, in the West we seem to have reached a point where sticking to the

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<sup>17</sup> Mark Tutton (2010) 'What bosses can learn from India's business leaders', CNN International website, 5 March, available at: <http://edition.cnn.com/2010/BUSINESS/03/05/india.leadership.lessons>

knitting – doing the things the firm is overtly dedicated to – will not suffice. Indeed, this has come to seem deeply suspect. Only the 'add-on' of CSR is sellable.

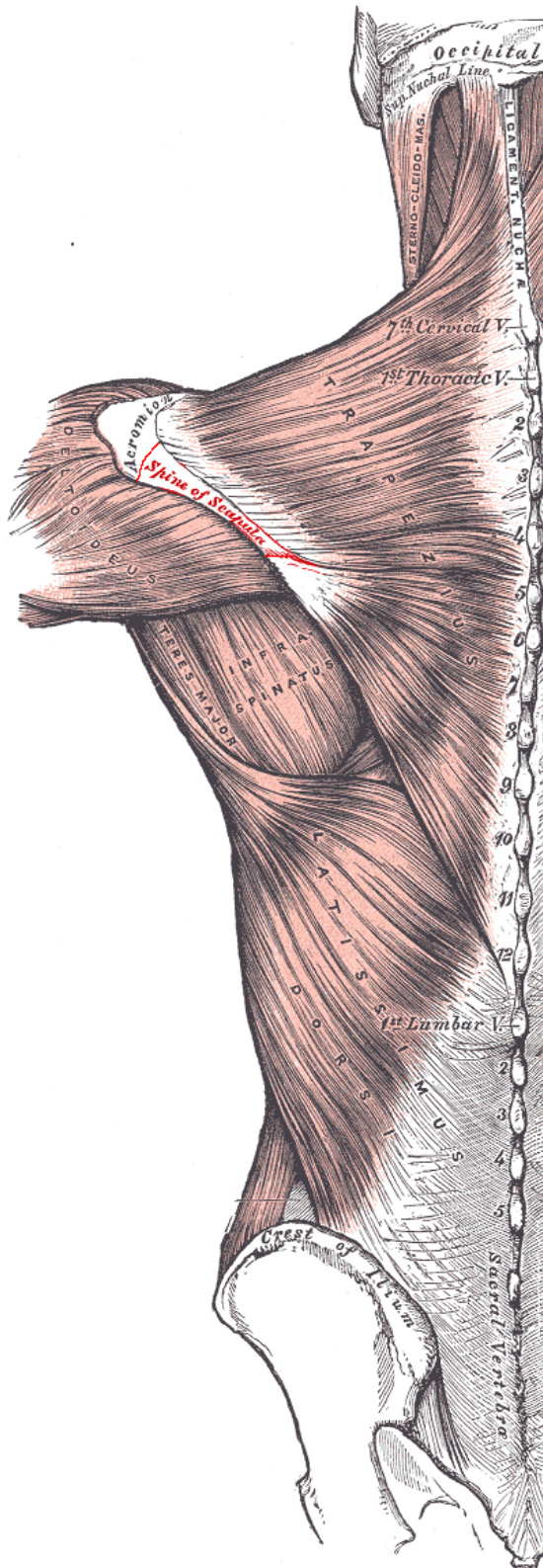
But the core purpose of a pharmaceutical or a phone company is the same in New York or Newcastle as it is in New Delhi. The difference is that in India it is pushed to the fore as the reason for the firm's existence.

These things are necessarily nuanced. Indian bosses reported that they had less pressure to meet quarterly targets than their western counterparts, and therefore they could set more long-term goals. That indeed is a luxury worth having.

Certainly the West has a problem with planning for the long term, and we must fix that. But it is worth noting that the Indian economy is massively profitable on the back of low labour costs and a focus on core purpose, and that its focus on financial performance is relentless.

The self-confidence of Indian and Chinese business contrasts sharply with the 'miserablism' of the West. This leads me to my conclusion.

Right now, it is not so much that PRs are lying about the real world (though sometimes they do), as that they are recommending – whether from conviction, cynicism or pragmatism – that firms and other institutions should wear the badges of self-



hate, self-pity and low self-esteem on their sleeves. The problem is that such sentiments are now deeply embedded and internalised at all levels of society. Hence, there is an urgent need for a more robust, self-confident style of PR to emerge. Not least because the world is changing.

There is a new balance of power emerging in the world as the BRIC countries rise to prominence without the restraining hand of the West's insecure emotional baggage. Survival in this new environment calls for robust, often brutal and agile strategies and tactics, delivered at speed by leaders who are accountable for their decisions. In support of this challenge, PRs should be discussing how we position and sell this new world to the masses – among whom many will be losers and many more winners. Rather than knocking them, we should be shoring up the backbone and confidence of western firms and institutions.





In countries as diverse as Switzerland and Nigeria, I have worked in environments ranging from multinational boardrooms to environmental disaster zones.

I've managed corporate, crisis and product PR. I have dealt with every kind of media. I've counselled at the highest levels and have sorted things out at street level. I live and work near Zurich, Switzerland.

### A little more detail of a campaign life

In the 1970s I campaigned for a socialist Britain (and for various health and transport causes later). In the 1980s I did PR for a union in the finance sector. I suppose that's when I switched sides and started working on PR for the finance industry – just as it went into its late 80s meltdown. But Britain is a robust as well as an argumentative place, and it was surprisingly easy to make my case that mortgages had always been advertised as coming with risk.

Perhaps with a nose for the unpopular, I then went into PR for the nuclear industry – then a pariah. This culminated in 1996 with the life-changing experience of fronting the 10th anniversary of the Chernobyl disaster. I worked from the site itself, exploding media myths and lapping up close encounters with nuclear heroes.

For the next ten years I did PR for the IT sector, both product and corporate. So I was getting the media to flog our kit for us. And then getting them to buy into my bosses' M&A strategy. There was much less blood on the carpet but I had fun and learned a lot.

Enthused by my IT experience, I started a trading firm a few years ago. I cashed-in quite profitably. And again, I'd learned a lot.

More recently, I have taken this varied experience to work for a Ukrainian "oligarch" who was flirting (quite well) with CSR and then for a burgeoning indigenous PR house in Nigeria as it helped a huge range of firms produce world-class messages. These were vivid experiences, to say the least, and not to be missed.

What does this tell you? I love the challenge of advocacy, whatever the case, product or place. I love a scrap. I am proud of my portfolio CV. It doesn't begin to tell you how much I love team-work. It may be an age thing, but I've also loved mentoring youngsters.

Here's a conclusion. I have learned to respect people who run things, invent things, make things happen – especially when the chips are down.

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