Chapter 2

The History and Growth of Public Relations

Chapter Objectives

1. To track the development of the practice of public relations from ancient times to the present.
2. To underscore the contribution to the field of two pioneers, in particular, Ivy Lee and Edward Bernays, whose philosophies and policies set the tone for modern-day public relations.
3. To chart the growth of public relations and its emergence as a major societal force in the 21st century.
4. To examine the field's most famous critical case, the murders of individuals who consumed Tylenol and the choices Johnson & Johnson made in handling the crisis.

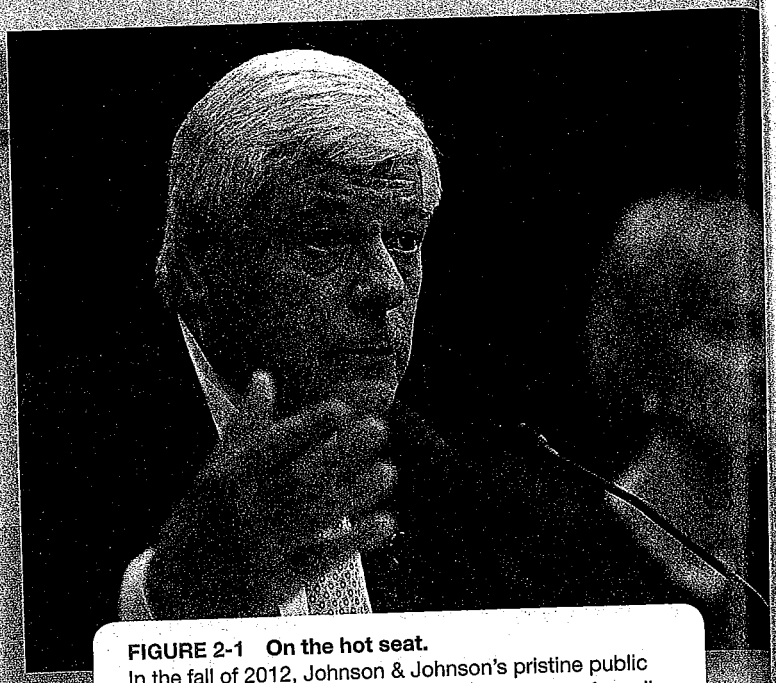


FIGURE 2-1 On the hot seat.
In the fall of 2012, Johnson & Johnson's pristine public relations reputation was on the line when a raft of recalls caused Congress to seek answers from CEO William Weldon and Consumer Group head Colleen Goggins, both of whom eventually left J&J. *(Photo: ZUMA Press/ Newscom)*

The practice of public relations came of age three decades ago when the Johnson & Johnson (J&J) Company of New Brunswick, New Jersey, confronted the most diabolical crisis in the field's young history—the sabotaging of company products resulting in the murder of company customers. The respectful and public way that J&J handled "The Tylenol Murders" is the subject of the case at the end of this chapter and a large reason why the field enjoys such prominence today. Johnson & Johnson's "Credo" of corporate values it considers sacrosanct is a model for companies around the world.

But public relations is a continually evolving social science. And none other than the legendary Johnson & Johnson company learned that in the fall of 2010, when J&J was once again thrust into the nation's headlines for problems with its products. In a rapid succession of announcements, J&J was forced to recall a series of products, from its children's liquid Tylenol to tens of thousands of artificial hips to millions of contact lenses, all produced by J&J units.

The spate of highly publicized product problems cast a pall over the commodity that Johnson & Johnson had fought so valiantly to uphold in the face of the Tylenol murders 30 years earlier—its integrity.[1] Ultimately, the problems cost the company millions of dollars in profits, triggered a congressional inquiry, forced the senior executive in charge of its consumer businesses to leave, and hastened the ultimate departure of J&J's CEO William Weldon (Figure 2-1).

Such is the fragility of a public relations reputation.

Unlike accounting, economics, medicine, and law, the modern practice of public relations is still a young field, a little more than 100 years old.

Modern-day public relations is clearly a 20th-century phenomenon. The impetus for its growth might, in fact, be traced back to one man.

John D. Rockefeller Jr. (Figure 2-2) was widely attacked in 1914 when the coal company he owned in Ludlow, Colorado, was the scene of a bloody massacre staged by Colorado militiamen and company guards against evicted miners and their families. When a dozen women and small children were killed at the Ludlow massacre, Rockefeller called in journalist Ivy Ledbetter Lee to help him deal with the crisis.

Lee, whom we discuss later in this chapter, would go on to become "the father of public relations." His employer, John D. Rockefeller Jr., whose legendary father had always adhered to a strict policy of silence, would bear responsibility for the birth of a profession built on open communications.

The relative youthfulness of the practice of public relations means that the field is still evolving. It is also getting *stronger* and gaining more *respect* every day. The professionals entering the practice today are by and large superior in intellect, training, and even experience to their counterparts of decades ago (when nobody studied "public relations").

The strength of the practice of public relations today is based on the enduring commitment of the public to participate in a free and open democratic society. Several society trends have influenced the evolution of public relations theory and practice:

1. **Growth of big institutions.** The days of small government, local media, mom-and-pop grocery stores, tiny community colleges, and small local banks have

FIGURE 2-2
Pondering a crisis. John D. Rockefeller, Jr. (center) needed public relations help in 1914, when the Colorado coal company he owned was the scene of a massacre of women and children. *(Photo: Rockefeller Archive Center)*

largely disappeared. In their place have emerged massive political organizations, worldwide media and social networks, Walmarts, Home Depots, statewide community college systems, and nationwide banking networks. The public relations profession has evolved to interpret these large institutions to the publics they serve.

2. **Heightened public awareness and media sophistication.** First came the invention of the printing press. Then came mass communications: print media, radio, and television. Later it was the development of cable, satellite, videotape, videodisks, video typewriters, portable cameras, word processors, fax machines, and cell phones. Then came the Internet, blogs, podcasts, wikis, and, most prominently, social media that have helped fragment audiences. Fifty years ago, McGill University Professor Marshall McLuhan predicted the world would become a "global village," where people everywhere could witness events—no matter where they occurred—in real time. In the 21st century, McLuhan's prophecy has become a reality.
3. **Increasing incidence of societal change, conflict, and confrontation.** Minority rights, women's rights, senior citizens' rights, gay rights, animal rights, consumerism, environmental awareness, downsizings, layoffs, and resultant unhappiness with large institutions all have become part of day-to-day society. With the growth of the Web, activists have become increasingly more daring, visible, and effective. Today, anyone who owns a computer can be a publisher, a broadcaster, a motivator of others.
4. **Globalization and the growing power of global media, public opinion, and democratic capitalism.** While institutions have grown in size and clout in the 21st century, at the same time the world has gotten increasingly smaller and more interrelated. Today, news of a cyclone that ravages Myanmar or an earthquake that imperils China is broadcast within moments to every corner of the globe. The outbreak of democracy and capitalism in China, Latin America, Eastern Europe, the former Soviet Union, South Africa, and even, in recent years, in Middle East nations from Afghanistan and Iraq to Libya and Egypt has heightened the power of public opinion in the world. The process has been energized by media that span the globe, especially social media that instantaneously connect like-minded individuals. In China alone, there are 75 million blogs, often carrying—at great risk—criticisms of the government. Public opinion is a powerful force not only in democracies such as the United States but also for oppressed peoples around the world. Accordingly, the practice of public relations as a facilitator for understanding has increased in prominence.
5. **Dominance of the Internet and growth of social media.** Nearly 245 million of the world's people today use the Internet.[2] The extraordinary growth of the Internet and the World Wide Web has made hundreds of millions of people around the world not only "instant consumers" of communication but also, with the advent of social media, "instant generators" of communication as well. The profound change this continues to bring to society—and the importance it places on communications—is monumental.

Ancient Beginnings

Although modern public relations is a 20th-century phenomenon, its roots are ancient. Leaders in virtually every great society throughout history understood the importance of influencing public opinion through persuasion. For example, archeologists have found bulletins in Iraq dating from as early as 1800 B.C. that told farmers of the latest techniques of harvesting, sowing, and irrigating.[3] The more food the farmers grew, the better the citizenry ate and the wealthier the country became—a good example of planned persuasion to reach a specific public for a particular purpose—in other words, public relations.

The ancient Greeks also put a high premium on communication skills. The best speakers, in fact, were generally elected to leadership positions. Occasionally, aspiring Greek politicians enlisted the aid of sophists (individuals renowned for both their reasoning and their rhetoric) to help fight verbal battles. Sophists gathered in the amphitheaters of the day to extol the virtues of particular political candidates. Thus, the sophists set the stage for today's lobbyists, who attempt to influence legislation through effective communications techniques. From the time of the sophists, the practice of public relations has been a battleground for questions of ethics. Should a sophist or a lobbyist—or a public relations professional, for that matter—"sell" his or her talents to the highest bidder, regardless of personal beliefs, values, and ideologies? When modern-day public relations professionals agree to represent repressive governments, such as Iran or Zimbabwe or North Korea, or to defend the questionable actions of troubled celebrities, from Charlie Sheen and Floyd Mayweather to Mel Gibson and R. Kelly, these ethical questions remain a focus of modern public relations.

The Romans, particularly Julius Caesar, were also masters of persuasive techniques. When faced with an upcoming battle, Caesar would rally public support through published pamphlets and staged events. Similarly, during World War I, a special U.S. public information committee, the Creel Committee, was formed to channel the patriotic sentiments of Americans in support of the U.S. role in the war. Stealing a page from Caesar, the committee's massive verbal and written communications effort was successful in marshaling national pride behind the war effort. According to a young member of the Creel Committee, Edward L. Bernays (later considered by many to be another "father of public relations"), "This was the first time in U.S. history that information was used as a weapon of war."[4]

Even the Catholic Church had a hand in the creation of public relations. In the 1600s, under the leadership of Pope Gregory XV, the church established a College of Propaganda to "help propagate the faith." In those days, the term *propaganda* did not have a negative connotation; the church simply wanted to inform the public about the advantages of Catholicism. Today, the pope and other religious leaders maintain communications staffs to assist in relations with the public. Indeed, the chief communications official in the Vatican maintains the rank of Archbishop of the Church. It was largely his role to deal with perhaps the most horrific scandal ever to face the Catholic Church—the priest pedophile issue of 2002. In the aftermath of that scandal, the Vatican has launched a clear public relations effort to enact procedures and punishments dealing with such abuse.[5]

Early American Experience

The American public relations experience dates back to the founding of the republic. Influencing public opinion, managing communications, and persuading individuals at the highest levels were at the core of the American Revolution. The colonists tried to

persuade King George III that they should be accorded the same rights as English men and women. "Taxation without representation is tyranny" became their public relations slogan to galvanize fellow countrymen and countrywomen.

When King George refused to accede to the colonists' demands, they combined the weaponry of sword and pen. Samuel Adams, for one, organized Committees of Correspondence as a kind of revolutionary Facebook to disseminate anti-British information throughout the colonies. He also staged events to build up revolutionary fervor, such as the Boston Tea Party, in which colonists, masquerading as American Indians, boarded British ships in Boston Harbor and pitched chests of imported tea overboard—as impressive a media event as has ever been recorded sans television.

Thomas Paine, another early practitioner of public relations, wrote periodic pamphlets and essays that urged the colonists to band together. In one essay contained in his *Crisis* papers, Paine wrote poetically: "These are the times that try men's souls. The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of their country." The people listened, were persuaded, and took action—testifying to the power of early American communicators.

Later American Experience

The creation of the most important document in America's history, the Constitution, also owed much to public relations. Federalists, who supported the Constitution, fought tooth and nail with anti-Federalists, who opposed it. Their battle was waged in newspaper articles, pamphlets, and other organs of persuasion in an attempt to influence public opinion. To advocate ratification of the Constitution, political leaders such as Alexander Hamilton, James Madison, and John Jay banded together, under the pseudonym Publius, to write letters to leading newspapers. Today those letters are bound in a document called *The Federalist Papers* and are still used in the interpretation of the Constitution.

After its ratification, the constitutional debate continued, particularly over the document's apparent failure to protect individual liberties against government encroachment. Hailed as the father of the Constitution, Madison framed the Bill of Rights in 1791, which ultimately became the first 10 amendments to the Constitution. Fittingly, the first of those amendments safeguarded, among other things, the practice of public relations:

> *Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the rights of the people peaceably to assemble, and to petition the government for a redress of grievances.*

In other words, people were given the right to speak up for what they believed in and the freedom to try to influence the opinions of others. Thus was the practice of public relations ratified.[6]

Into the 1800s

The practice of public relations continued to percolate in the 19th century. Among the more prominent, yet negative, antecedents of modern public relations that took hold in the 1800s was press agentry. Two of the better-known—some would say notorious—practitioners of this art were Amos Kendall and Phineas T. Barnum.

In 1829, President Andrew Jackson selected Kendall, a Kentucky writer and editor, to serve in his administration. Within weeks, Kendall became a member of Old Hickory's "kitchen cabinet" and eventually became one of Jackson's most influential assistants.

Kendall performed just about every White House public relations task. He wrote speeches, state papers, and messages, and he turned out press releases. He even conducted basic opinion polls and is considered one of the earliest users of the "news leak." Although Kendall is generally credited with being the first authentic presidential press secretary, his functions and role went far beyond that position.

Among Kendall's most successful ventures in Jackson's behalf was the development of the administration's own newspaper, the *Globe*. Although it was not uncommon for the governing administration to publish its own national house organ, Kendall's deft editorial touch refined the process to increase its effectiveness. Kendall would pen a Jackson news release, distribute it for publication to a local newspaper, and then reprint the press clipping in the *Globe* to underscore Jackson's nationwide popularity. Indeed, that popularity continued unabated throughout Jackson's years in office, with much of the credit going to the president's public relations advisor.*

Most public relations professionals would rather not talk about P. T. Barnum as an industry pioneer. Barnum, some say, was a huckster whose motto might well have been "The public be fooled." Barnum's defenders suggest that although the impresario may have had his faults, he nonetheless was respected in his time as a user of written and verbal public relations techniques to further his museum and circus.

Like him or not, Barnum was a master publicist. In the 1800s, as owner of a major circus, Barnum generated article after article for his traveling show. He purposely gave his star performers short names—for instance, Tom Thumb, the midget, and Jenny Lind, the singer—so that they could easily fit into the headlines of narrow newspaper columns. Barnum also staged bizarre events, such as the legal marriage of the fat lady to the thin man, to drum up free newspaper exposure. And although today's practitioners scoff at Barnum's methods, in this day of Paris Hilton, Lindsay Lohan, Donald Trump, and Al Sharpton, not to mention the Kardashians, there are still many press agents practicing the ringmaster's techniques. Indeed, when today's public relations professionals bemoan the specter of shysters and hucksters that still overhangs their field, they inevitably place the blame squarely on the fertile mind and silver tongue of P. T. Barnum.

Emergence of the Robber Barons

The American Industrial Revolution ushered in many things at the turn of the century, not the least of which was the growth of public relations. The 20th century began with small mills and shops, which served as the hub of the frontier economy, eventually giving way to massive factories. Country hamlets, which had been the centers of commerce and trade, were replaced by sprawling cities. Limited transportation and communications facilities became nationwide railroad lines and communications wires. Big business took over, and the businessman was king.

The men who ran America's industries seemed more concerned with making a profit than with improving the lot of their fellow citizens. Railroad owners led by William Vanderbilt, bankers led by J. P. Morgan, oil magnates led by John D.

*Kendall was decidedly not cut from the same cloth as today's neat, trim, buttoned-down press secretaries. On the contrary, Jackson's man was described as "a puny, sickly looking man with a weak voice, a wheezing cough, narrow and stooping shoulders, a sallow complexion, silvery hair in his prime, slovenly dress, and a seedy appearance." (Fred F. Endres, "Public Relations in the Jackson White House," *Public Relations Review* 2, no. 3 [Fall 1976]: 5–12.)

Outside the Lines

P. T. Barnum Redux

Kourtney, Kim, Khloé, and Kris and the Never-Ending Quest for Publicity

Self-respecting public relations professionals despise the legacy of P. T. Barnum, who created publicity through questionable methods. They lament, as noted in Chapter 1, that public relations communication should always reflect "performance" and "truth."

Ah, were it so.

Alas, Barnum's bogus methods are just as effective with 21st-century media as they were with 19th-century media.

Doubt it?

Then consider the Kardashians, those walking/talking/publicity-generating masters of media, who have parlayed their peculiar personal predicaments into reality-TV fame, public relations renown, and oodles of nonstop cash. P. T. Barnum never met publicity he didn't like, and neither have the Kardashians.

The Kardashian girls—Kourtney, Kim, Khloé, mother Kris Jenner (former wife of Los Angeles attorney Robert Kardashian and remarried to U.S. Olympic gold medalist Bruce Jenner), and younger sisters Kendall and Kylie—are celebutantes, famous for, well, being "famous."

The Kardashian girls parlayed their fame into a reality-TV series, *Keeping Up with the Kardashians*, which spawned the reality show *Khloé and Lamar* about Khloé and professional basketball-playing husband Lamar Odom. The Kardashians also cashed in on clothing lines, perfume franchises, a retail store in Las Vegas, and Kim's 72-day wedding to professional basketball player Kris Humphries.

While cynics doubted the staying power of the Kardashians, the media continued to report their every movement. Somewhere, P. T. Barnum is smiling (Figure 2-3).

FIGURE 2-3 Kardashian khaos. That was the moniker of both the new Las Vegas shop that Kourtney, Kim, Khloé, and Kris opened in late 2011 and also the hysteria that perpetually surrounded the Kardashians, who treasured publicity above all else. *(Photo: Raoul Gatchalian/starmaxinc.com/Newscom)*

Rockefeller, and steel impresarios led by Henry Clay Frick ruled the fortunes of thousands of others. Typical of the reputation acquired by this group of industrialists was the famous—and perhaps apocryphal—response of Vanderbilt when questioned about the public's reaction to his closing of the New York Central Railroad: "The public be damned!"

Little wonder that Americans cursed Vanderbilt and his ilk as "robber barons" who cared little for the rest of society. Although most who depended on these industrialists for their livelihood felt powerless to rebel, the seeds of discontent were being sown liberally throughout society.

Enter the Muckrakers

When the axe fell on the robber barons, it came in the form of criticism from a feisty group of journalists dubbed *muckrakers*. The "muck" that these reporters and editors "raked" was dredged from the supposedly scandalous operations of America's business enterprises. Upton Sinclair's novel *The Jungle* attacked the deplorable conditions of the meatpacking industry. Ida Tarbell's *History of the Standard Oil Company* stripped away the public façade of the nation's leading petroleum firm. Her accusations against Standard Oil Chair Rockefeller, many of which were unproven, nonetheless stirred up public attention.

Magazines such as *McClure's* struck out systematically at one industry after another. The captains of industry, used to getting their own way and having to answer to no one, were wrenched from their peaceful passivity and rolled out on the public carpet to answer for their sins. Journalistic shock stories soon led to a wave of sentiment for legislative reform.

As journalists and the public became more anxious, the government got more involved. Congress began passing laws telling business leaders what they could and couldn't do. Trust-busting became the order of the day. Conflicts between employers and employees began to break out, and newly organized labor unions came to the fore. The Socialist and Communist movements began to take off. Ironically, it was "a period when free enterprise reached a peak in American history, and yet at that very climax, the tide of public opinion was swelling up against business freedom, primarily because of the breakdown in communications between the businessman and the public."[7]

For a time, these men of inordinate wealth and power found themselves limited in their ability to defend themselves and their activities against the tidal wave of public condemnation. They simply did not know how to get through to the public. To tell their side of the story, the business barons first tried using the lure of advertising to silence journalistic critics; they tried to buy off critics by paying for ads in their papers. It didn't work. Next, they paid publicity people, or press agents, to present their companies' positions. Often these hired guns painted over the real problems of their client companies. The public saw through this approach.

Clearly, another method had to be discovered to get the public to at least consider the business point of view. Business leaders were discovering that a corporation might have capital, labor, and natural resources, yet be doomed to fail if it couldn't influence public opinion. The best way to influence public opinion, as it turned out, was through honesty and candor. This simple truth—the truth that lies at the heart of modern-day, effective public relations practice—was the key to the accomplishments of American history's first great public relations counselor.

Ivy Lee: The Real Father of Modern Public Relations

Ivy Ledbetter Lee was a former Wall Street reporter, the son of a Methodist minister, who plunged into publicity work in 1903 (Figure 2-4). Lee believed neither in Barnum's public-be-fooled approach nor Vanderbilt's public-be-damned philosophy. For Lee, the key to business acceptance and understanding was that the public be informed.

Lee disdained the press agents of the time, who used any influence or trick to get a story on their clients printed, regardless of the truth or merits. By contrast, Lee firmly believed that the only way business could answer its critics convincingly was to present

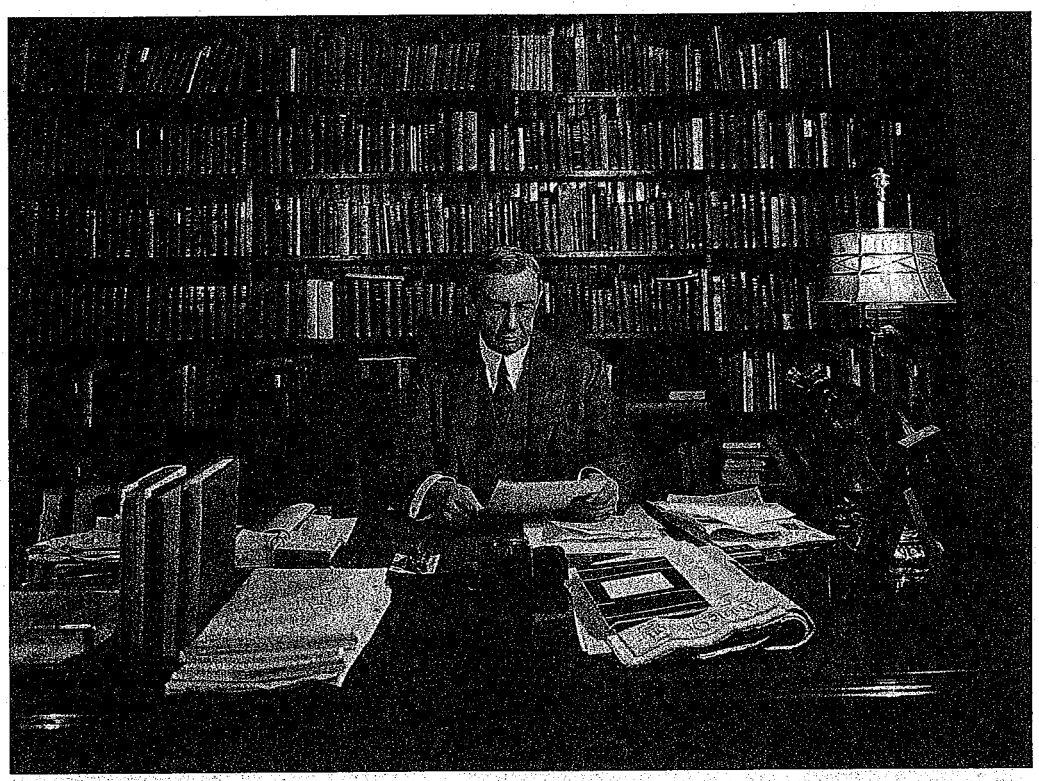


FIGURE 2-4 Father of public relations.
Ivy Lee. *(Photo: Courtesy of Seely G. Mudd Manuscript Library, Princeton University Library, Ivy Lee Papers, Public Policy Papers, Department of Rare Books and Special Collections)*

its side honestly, accurately, and forcefully. Instead of merely appeasing the public, Lee thought a company should strive to earn public confidence and goodwill.

In 1914, John D. Rockefeller Jr., son of one of the nation's most maligned and misunderstood men, hired Lee to assist with the fallout from the Ludlow massacre, which was affecting his Colorado Fuel and Iron Company. Lee's advice to Rockefeller was simple:

> *Tell the truth, because sooner or later the public will find it out anyway. And if the public doesn't like what you are doing, change your policies and bring them into line with what the people want.*[8]

Despite the tragedy of Ludlow, Lee encouraged Rockefeller to create a joint labor–management board to mediate all workers' grievances on wages, hours, and working conditions. It was a great success. The mine workers—and the public—began to see John D. Rockefeller Jr. in a different light. Most important, he began to see them in a new light as well. As Rockefeller's youngest son, David, recalled nearly a century later, "My father was changed profoundly by his meetings with the workers. It was a lesson that stayed with him throughout the rest of his life and one of the most important things that ever happened to our family."[9]

In working for the Rockefellers, Lee tried to "humanize" them, to feature them in real-life situations such as playing golf, attending church, and celebrating birthdays. Simply, Lee's goal was to present the Rockefellers in terms that every individual could understand and appreciate.

Ironically, even Ivy Lee could not escape the glare of public criticism. In the late 1920s, Lee was asked to serve as advisor to the parent company of the German Dye Trust, which, as it turned out, was an agent for the policies of Adolf Hitler. For his involvement with the Dye Trust, Lee was branded a traitor and dubbed "Poison Ivy" by members of Congress investigating un-American activities. Ironically, the smears against him in the press rivaled the most vicious ones against any of the robber barons.[10]

Ivy Lee's critics cite his unfortunate involvement with the Dye Trust and even his association as spokesperson for John D. Rockefeller Jr. as proof that his contributions weren't particularly profound. They argue that Lee "was not someone who was particularly effective at getting business to change its behavior."[11]

Ivy Lee's proponents, on the other hand (and your author is one of them), argue that Lee was among the first to counsel his clients that "positive public relations starts with action, with performance" and that positive publicity must follow positive performance.[12] This is why Ivy Lee is recognized as the individual who began to distinguish "publicity" and "press agentry" from "public relations" based on honesty and candor. For his seminal contributions to the field, Ivy Lee deserves recognition as the *real* father of public relations.

The Growth of Modern Public Relations

Ivy Lee helped to open the gates for modern public relations. After he helped establish the idea that high-powered companies and individuals have a responsibility to inform their publics, the practice began to grow in every sector of American society.

Government

During World War I, President Woodrow Wilson established the Creel Committee under the leadership of journalist George Creel. Creel's group, composed of the nation's leading journalists, scholars, and public relations leaders, mounted an impressive effort to mobilize public opinion in support of the war effort and to stimulate the sale of war bonds through Liberty Loan publicity drives. Not only did the war effort get a boost, but so did the field of public relations. The nation was mightily impressed with the potential power of publicity as a weapon to encourage national sentiment and support.

During World War II, the public relations field received an even bigger boost. The Office of War Information (OWI) was established to convey the message of the United States at home and abroad. Under the directorship of Elmer Davis, a veteran journalist, the OWI laid the foundations for the U.S. Information Agency as America's voice around the world.

World War II also saw a flurry of activity to sell war bonds, boost the morale of those at home, spur production in the nation's factories and offices, and, in general, support America's war effort as intensively as possible. By virtually every measure, this full-court public relations offensive was an unquestioned success.

The proliferation of public relations officers in World War II led to a growth in the number of practitioners during the peace that followed. One reason companies saw the need to have public relations professionals to "speak up" for them was the more combative attitude of President Harry Truman toward many of the country's largest institutions. For example, Truman's seizure of the steel mills touched off a massive public relations campaign, the likes of which had rarely been seen outside the government.

Later in the century, the communications problems of President Richard Nixon, surrounding the "cover-up" of the Watergate political scandal, brought new criticism

of public relations. It didn't matter that Nixon was surrounded by alumni of the advertising industry, rather than public relations professionals. The damage to the field's reputation was done. But the administration of the "great communicator" Ronald Reagan reaffirmed the value of public relations. And later, the communications skills of President Bill Clinton—before a nasty scandal in the Oval Office submerged him in scandal—added to the importance of the practice in government. In the 21st century, the masterful communications ability of President Barack Obama reinforced the power of communication in the White House, especially early in his first term.

Counseling

The nation's first public relations firm, the Publicity Bureau, was founded in Boston in 1900 and specialized in general press agentry. The first Washington, D.C., agency was begun in 1902 by William Wolff Smith, a former correspondent for the *New York Sun* and the *Cincinnati Enquirer*. Two years later, Ivy Lee joined with a partner to begin his own counseling firm.

The most significant counselor this side of Ivy Lee was Edward L. Bernays, who began as a publicist in 1913 and was instrumental in the war bonds effort. He was the nephew of Sigmund Freud and author of the landmark book *Crystallizing Public Opinion* (see interview at the end of this chapter).

Bernays was a giant in the public relations field for nearly the entire century. In addition to contributing as much to the field as any other professional in its history, Bernays was a true public relations scholar. He taught the first course in public relations in 1923 and was also responsible for "recruiting" the field's first distinguished female practitioner, his wife Doris E. Fleischman.

Fleischman, former editor of the *New York Tribune*, was a skilled writer, and her husband was a skilled strategist and promoter. Together they built Edward L. Bernays, Counsel on Public Relations into a top agency. In many ways, Fleischman was the "mother" of public relations, paving the way for a field that is today dominated by talented women (Figure 2-5).

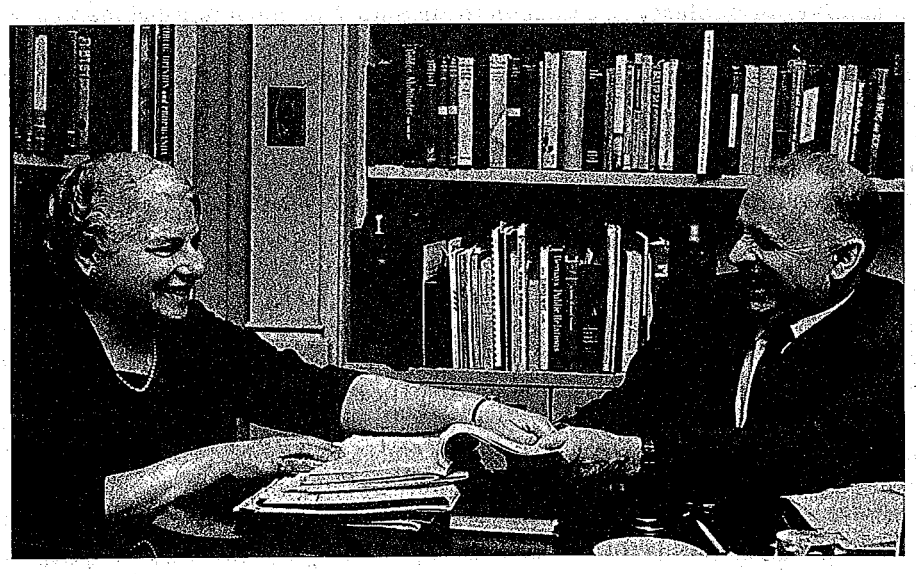


FIGURE 2-5
Dynamic duo.
Edward L. Bernays and his wife, Doris Fleischman, formed the 20th century's greatest public relations tandem.
(Photo: Courtesy of the Museum of Public Relations, www.prmuseum.com)

Bernays's seminal writings in the field underscored the importance of strategic communications advice for clients. For example, Bernays wrote:

> *At first we called our activity "publicity direction." We intended to give advice to clients on how to direct their actions to get public visibility for them. But within a year we changed the service and its name to "counsel on public relations." We recognized that all actions of a client that impinged on the public needed counsel. Public visibility of a client for one action might be vitiated by another action not in the public interest.*[13]

Due to his background, Bernays was fascinated by a wide range of psychological theories and practices beginning to emerge in society. One of his major contributions to the practice of public relations was transforming the practice from a purely journalistic-based approach to one underpinned by psychology, sociology, and social-psychology to reach individuals in terms of their unconscious desires, fears, and needs.[14]

After Bernays's pioneering counseling efforts, a number of public relations firms, most headquartered in New York, began to take root, most notably among them Hill & Knowlton, Carl Byoir & Associates, Newsom & Company, and Burson-Marsteller. One of the earliest African American counselors was D. Parke Gibson, who authored two books on African American consumerism and advised companies on multicultural relations.

For many years, Hill & Knowlton and Burson-Marsteller jockeyed for leadership in the counseling industry. One early counselor, Harold Burson (see From the Top in Chapter 1), emphasized marketing-oriented public relations "to help clients sell their goods and services, maintain a favorable market for their stock, and foster harmonious relations with employees." In 2000, Burson was named the most influential PR person of the 20th century.[15]

In the 1990s, the counseling business saw the emergence of international super-agencies, many of which were merged into advertising agencies. Indeed, both Hill & Knowlton and Burson-Marsteller were eventually merged under one corporation, WPP, which also included the J. Walter Thompson and Young & Rubicam advertising agencies. Another mega-communications firm, Omnicom Group, owned seven major public relations firms, including Fleishman-Hillard, Porter Novelli, and Ketchum. With the growth of such large agencies, occasional lapses in ethical standards confronted the profession (see PR Ethics Mini-Case in this chapter). Despite these communications conglomerates, most public relations agencies still operate as independent entities. And local agencies, staffed by one or several practitioners, dominate the industry.

In the 21st century, then, the public relations counseling business boasts a diverse mix of huge national agencies, medium-sized regional firms, and one-person local operations. Public relations agencies may be general in nature or specialists in everything from consumer products to entertainment to health care to social media and technology.

Corporations

After World War II, as the 20th century rolled on, the perceptual problems of corporations and their leaders diminished. Opinion polls ranked business as high in public esteem. People were back at work, and business was back in style.

Smart companies—General Electric, General Motors (GM), and American Telephone & Telegraph (AT&T), for example—worked hard to preserve their good names through both words and actions. Arthur W. Page became AT&T's first public relations vice president in 1927. Page was a legendary public relations figure—memorialized in today's Arthur Page Society of leading corporate and agency public relations executives—helping to maintain AT&T's reputation as a prudent and proper corporate citizen.

PR Ethics Mini-Case

Burson Fumbles Facebook Flap

As noted, there is no more respected individual in the practice of public relations than Harold Burson. The agency he founded, Burson-Marsteller, has a long and proud tradition of ethical practice. (Your author, himself, is a proud alumnus of the firm.)

But in the spring of 2011, Burson-Marsteller was caught red-handed in an embarrassing scheme to make a client's competitor look bad. The fact that the client was Facebook and the competitor was Google—two of the most powerful names in the social media world—only added to Burson's dilemma (Figure 2-6).

It all started when two Burson staff members—both former journalists—approached daily newspapers and Internet bloggers about authoring articles critical of a feature on Google's Gmail service called "Social Circle." The social media feature, said the Burson representatives, was guilty of trampling the privacy of millions of users and violating federal fair trade rules.

When the bloggers pressed Burson to reveal its client, Burson refused. One blogger was so enraged with the Burson whispering campaign that he posted Burson's entire pitch online. The blogger reported that Burson offered to ghost write an op-ed column, let the blogger sign his name to it, and then help get it published in the *Washington Post*, *Politico*, *The Hill*, *Roll Call*, and *The Huffington Post.*

This led to a chain reaction in the media. *USA Today* ran a Money section front-page story, "PR Firm's Google Attack Fails," exposing the two former journalists, one former CNBC news anchor Jim Goldman and the other, former *National Journal* political columnist John Mercurio, as the surreptitious leakers.

Meanwhile, Google began fielding media calls about the little-known service and issued its own statement: "We have seen this email reportedly sent by a representative of the PR firm Burson-Marsteller. We're not going to comment further. Our focus is on delighting people with great products."

Facebook quickly came out to separate itself from its public relations agency. Said a Facebook spokesperson, "No 'smear' campaign was authorized or intended," adding that it hired Burson to "focus attention on this issue, using publicly available information that could be independently verified by any media organization or analyst."

A chastened Burson said Facebook asked to be anonymous but acknowledged that the misguided effort was "not at all standard operating procedure and is against our policies."

The public relations industry was quick to denounce the clumsy "fake news" efforts of Burson and the two reporters-turned–public relations professionals. Said the chair of the Public Relations Society of America, "This reflects poorly upon the global public relations profession. Burson took the road of misleading and not disclosing who they were representing. In the essence of the public relation code of ethics 101, that's a no-no."*

No-no.

Questions

1. How should Burson have handled its Facebook assignment?
2. Should a public relations client always be identified?

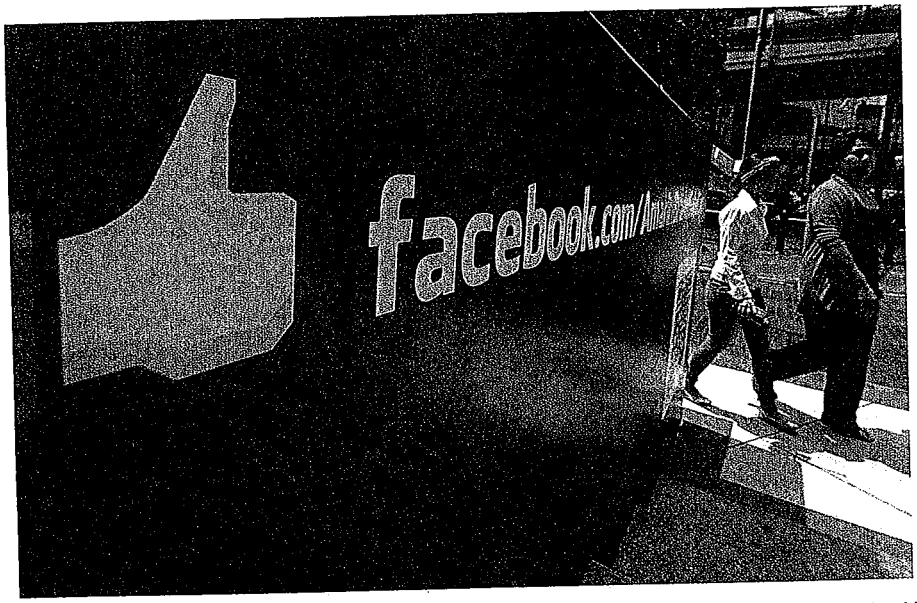


FIGURE 2-6 Thumbs down. Facebook was caught with egg on its face(book) as a result of the sneaky campaign of its public relations agency to plant incriminating stories about its competitor, Google. *(Photo: PORNCHAI KITTIWONGSAKUL/AFP/ Getty Images/Newscom)*

*For further information, see Bryon Acohido and Jon Swartz, "PR Firm's Google Attack Fails," *USA Today*, May 10, 2011, pp. B-1, 2; and Greg Hazley, "Burson Becomes Target in Facebook Flap," *O'Dwyer's*, June 2011, p. 10.

Page also was one of the few public relations executives to serve on prestigious corporate boards of directors, including Chase Manhattan Bank, Kennecott Copper, Prudential Insurance, and Westinghouse Electric.[16]

Page's five principles of successful corporate public relations are as relevant now as they were in the 1930s:

1. To make sure management thoughtfully analyzes its overall relation to the public
2. To create a system for informing all employees about the firm's general policies and practices
3. To create a system giving contact employees (those having direct dealings with the public) the knowledge needed to be reasonable and polite to the public
4. To create a system drawing employee and public questions and criticism back up through the organization to management
5. To ensure frankness in telling the public about the company's actions[17]

Another early corporate public relations luminary was Paul Garrett. A former news reporter, he became the first director of public relations for mighty GM in 1931, working directly for GM's legendary CEO Alfred Sloan. Garrett once reportedly explained that the essence of his job was to convince the public that the powerful auto company deserved trust, that is, "to make a billion-dollar company seem small." Ironically, as good as Garrett was, according to the late maestro of management Peter Drucker (see From the Top in Chapter 5), he nevertheless reflected the universal public relations complaint, still common today, of "never feeling like an insider" within his organization. Drucker, who counseled CEO Sloan, said that because Garrett was a "communications professional" and not a "car man," GM executives often treated him with wariness.[18]

One would think that companies today all recognize the importance of proper public relations in the conduct of their business. Most do. But, as the corporate financial scandals of the first decade of the 21st century—that torpedoed entrenched firms such as Lehman Brothers, Bear Stearns, Countrywide, and Washington Mutual and laid low the respected names of Goldman Sachs, Morgan Stanley, Merrill Lynch, Bank of America, and Citigroup—show, CEOs don't know everything. The point is that in a day dominated by social media and cable TV, smart corporate leaders more than ever need to seek out the counsel of trained public relations professionals in dealing with their key constituent publics.

Public Relations Comes of Age

As noted, public relations came of age largely as a result of the confluence of five general factors in our society:

Growth of Large Institutions

Ironically, the public relations profession received perhaps its most important thrust when business confidence suffered its most severe setback. The economic and social upheaval caused by the Great Depression of the 1930s provided the impetus for corporations to seek public support by telling their stories. Public relations departments sprang up in scores of major companies, among them Bendix, Borden, Eastman Kodak, Eli Lilly, Ford, GM, Standard Oil, and U.S. Steel. The role that public relations played in regaining post-Depression public trust in big business helped project the field into the relatively strong position it has enjoyed since World War II.

Today, businesses of every size recognize that aggressively communicating corporate products and positions can help win public receptivity and support and ward off government intrusion. The best companies in the 21st century are those that have learned, as Ivy Lee preached, that proper action results in the best public relations.

Heightened Public Awareness and Media Sophistication

In the 1970s and 1980s, companies were obligated to consider minority rights, consumer rights, environmental implications, and myriad other social issues. Business began to contribute to charities. Managers began to consider community relations a first-line responsibility. The general policy of corporations confronting their adversaries was abandoned. In its place, most large companies adopted a policy of conciliation and compromise.

This new policy of corporate social responsibility (CSR) continued into the 1990s. Corporations came to realize that their reputations are a valuable asset to be protected, conserved, defended, nurtured, and enhanced at all times. In truth, institutions in the 1990s had little choice but to get along with their publics. The general prosperity of the 1990s, fueled by enormous stock market gains, helped convey goodwill between organizations and their publics.

By 2012, 98% of American homes had television, more than 50% of Americans subscribed to basic cable, and 273 million North Americans used the Internet.[19] Where once three television networks—ABC, CBS, and NBC—dominated America's communication nexus, now a plethora of channels and cable networks, talk radio stations, as well as millions of blogs and social media outlets cater to every persuasion, enabling media consumers to choose what they want to view.

As a result of all this communication, publics have become much more fragmented, specialized, and sophisticated.

Societal Change, Conflict, and Confrontation

Disenchantment with big institutions peaked in the 1960s, coincident with an unpopular Vietnam War.

The social and political upheavals of the 1960s dramatically affected many areas, including the practice of public relations. The Vietnam War fractured society. Movements were formed by various interest groups. An obscure consumer advocate named Ralph Nader began to look pointedly at the inadequacies of the automobile industry. Women, long denied equal rights in the workplace and elsewhere, began to mobilize into activist groups such as the National Organization for Women (NOW). Environmentalists, worried about threats to the land and water by business expansion, began to support groups such as the Sierra Club. Minorities, particularly African Americans and Hispanics, began to petition and protest for their rights. Homosexuals, AIDS activists, senior citizens, birth control advocates, and social activists of every kind began to challenge the legitimacy of large institutions. Not since the days of the robber barons had large institutions so desperately needed professional communications help.

By the 21st century, such movements had morphed into established, well-organized and powerful interest groups. Nongovernmental organizations (NGOs), united by the Internet, proliferated around the globe. By the presidential election of 2008, public disapproval of the Iraq War, concerns about energy supplies and prices, climate chang

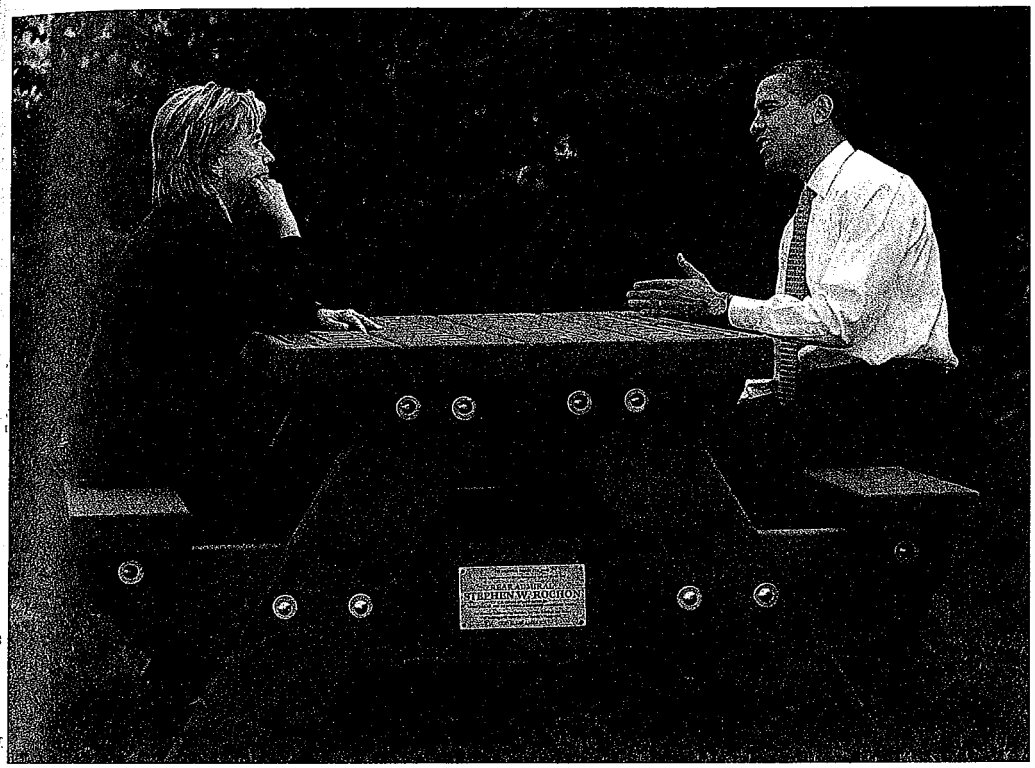


FIGURE 2-7 Meet the new bosses.
Hillary Clinton and Barack Obama not only shared a bench in 2008, they represented the evolving leadership of minorities throughout society, as Obama was elected president and Clinton was named his first Secretary of State. *(Photo: White House photo by Pete Souza)*

and global warming, and a host of other issues, as well as renewed disenchantment with those in charge of government and business, generated a new round of activism. Women rallied around the candidacy of Senator Hillary Clinton. The enthusiasm, among young people, generated by Senator Barack Obama and his call for "hope and change" was illustrative of the mood. When Senator Obama was elected the nation's first African American president and Senator Clinton was named his secretary of state in 2009, it was clear that traditional times in America had, indeed, "changed" (Figure 2-7).

Globalization and Growth of Global Media, Public Opinion, and Capitalism

In the 21st century, democracy and capitalism, as someone once said, have "broken out everywhere."

In recent years, significant events to spur democracy—all conveyed in real time by pervasive global media—have been breathtaking.

- In 2005, after the defeat of Saddam Hussein signaled the potential for a democratic Iraq, an astounding 10 million citizens—70% of eligible voters—went to the polls to elect new leaders.
- In 2008, Kosovo declared its independence from Serbia in a stunning signal of freedom. Also, democratic revolutions in Georgia and Ukraine challenged Russian dominance.

- In 2011, the political uprising that swept through the Middle East represented the most significant challenge to authoritarian rule since the collapse of Soviet communism. Champions of democracy demanded that tyrants cede power as the "Arab Awakening" extended into totalitarian nations such as Syria well into the winter of 2013.

While the world remains a troubled place, the growth of democracy remains an inexorable force that can't be denied. Even in nations that aren't democracies, like China, the spirit of capitalism, of individuals free to earn a living based on their own industriousness and entrepreneurship, pervades. Moreover, with the world near-completely "wired," the power of communication and public relations to bring down tyrants and build up democracy is profound.

Dominance of the Internet and Growth of Social Media

In the 21st century, true two-way communication has arrived largely as a result of the growth of online access. Social media, cable, satellite, mobile, instant messaging, pagers, bar code scanners, voice mail systems, videodisk technologies, and a multitude of other developments revolutionized the information transmission and receiving process. The emergence of the Internet and the World Wide Web radically intensified the spread of communications even further.

The Internet began during the cold war in 1969 as a U.S. Department of Defense system (and not, as Nobel Prize winner but failed U.S. presidential candidate Al Gore may have intimated, as his invention!). In 2000, 22% of Americans had bought a product online. The rate grew to 49% in 2007. Revenues from Internet purchases grew from $7.4 billion in the third quarter of 2000 to an estimated $34.7 billion in the third quarter of 2007. And today, with close to 70% of online adults connected to social media platforms, sales via social commerce alone are expected to reach $30 billion.[20]

The impact of the Internet on public relations practice has been phenomenal. Email dominates internal communications. Journalists, like many other Americans, regard the Internet as their primary choice of most organizational communications. In the 21st century, knowledge of and facility with the Internet—from Facebook to Twitter, from Instagram to Pinterest to mobile apps of every variety—has become a front-burner necessity for public relations practitioners.

Public Relations Education

As the practice of public relations has developed, so too has the growth of public relations education. In 1951, 12 schools offered major programs in public relations. Today, well in excess of 200 journalism or communication programs offer concentrated study in public relations, with nearly 300 others offering at least one course dealing with the profession.

The last major study of public relations education was done more than a decade ago by the Commission on Public Relations Education, chartered by the Public Relations Society of America. This commission recommended a public relations curriculum imparting knowledge in such nontraditional but pivotal areas as relationship building, societal trends, and multicultural and global issues.[21]

While public relations education isn't generally incorporated into most business schools, it should be. As noted, the practice has become an integral part in the daily workings and ongoing relationships of most organizations—from companies to churches, from governments to schools. Therefore, business students should be exposed to the discipline's underpinnings and practical aspects before they enter the corporate world.

Likewise, in journalism, with more than 70% of U.S. daily newspaper copy—and 80% of UK newspaper copy—estimated to emanate from public relations–generated releases, journalists, too, should know what public relations is all about before they graduate.[22]

Last Word

From humble beginnings 100 years ago, the practice of public relations today is big business around the world.

- The U.S. Bureau of Labor Statistics reports that close to 320,000 individuals practice public relations across the country.[23]
- The Public Relations Society of America, organized in 1947, boasts a growing membership of 21,000 in 100 chapters nationwide.
- The Public Relations Student Society of America, formed in 1968 to facilitate communications between students interested in the field and public relations professionals, has more than 10,000 student members at close to 300 college chapters in the United States and one in Argentina.
- The International Association of Business Communicators boasts 15,000 members in more than 80 countries.
- More than 5,000 U.S. companies, 2,100 trade associations, 189 foreign embassies, and 350 federal government departments, bureaus, agencies, and commissions have public relations departments.[24]
- More than 3,000 public relations agencies exist in the United States, with more than 700 public relations firms residing in 80 foreign countries.[25]
- Top communications executives at major companies and agencies draw six-figure salaries, and more than a few make in excess of a million dollars a year.

The scope of modern public relations practice is vast. Media relations, government relations, Web relations, employee communications, public relations counseling and research, local community relations, audiovisual communications, contributions, interactive public relations, and numerous other diverse activities fall under the public relations umbrella. This may be one reason public relations is variously labeled *external affairs, corporate communications, public affairs, corporate relations,* and a variety of other confusing euphemisms.

Just as the name of the field generates confusion, so too does its purpose. Specifically, public relations professionals lament that the practice is still often accused of being a haven for snake oil salespeople peddling cosmetics, subterfuge, and spin. What many fail to understand is that proper public relations—the kind that builds credibility—must begin and end with one important commodity: *truth.*

Indeed, there is no more important characteristic for public relations people to emulate than the candor that comes from high ethical character. The field's finest ethical moment, in fact, occurred when the Johnson & Johnson Company, in the wake of unspeakable tragedy brought about by its lead product Tylenol, didn't hesitate to choose the ethical course. As the case study at the conclusion of this chapter suggests, the handling of the Tylenol tragedy was public relations' most shining hour. (And as the J&J example at this chapter's commencement indicates, positive public relations must be refortified all the time.)

Despite the stereotypes that still overhang the field, with hundreds of thousands of men and

women in its practice in the United States and thousands more overseas, public relations has become solidly entrenched as an important, influential, and professional component of 21st-century society.

Discussion Starters

1. What societal factors have influenced the spread of public relations?
2. Why do public relations professionals think of P. T. Barnum as a mixed blessing?
3. What is the significance to the practice of public relations of American revolutionary hero Samuel Adams?
4. What did the robber barons and muckrakers have to do with the development of public relations?
5. Why are Ivy Lee and Edward Bernays considered two of the fathers of public relations?
6. What impact did the Creel Committee and the Office of War Information have on the development of public relations?
7. What was the significance of Arthur Page to the development of corporate public relations?
8. Where should the practice of public relations be situated in a university?
9. What are some of the yardsticks that indicated that public relations had "arrived" in the latter part of the 20th century?
10. What are some of the issues that confront public relations in the 21st century?

Pick of the Literature

A Century of Spin: How Public Relations Became the Cutting Edge of Corporate Power (paperback)

David Miller and William Dinan, London, England: Pluto Press, 2008

Two British sociology professors present a not-so-flattering view of how public relations developed and became the powerful societal force it is today.

The authors' bias is that public relations was hatched by covertly political types, interested in "spinning" propaganda to forward their purposes. It traces these roots to modern-day British politicians, right up to British Prime Minister David Cameron.

The book begins by calling public relations one of the world's most powerful forces, conceived by corporations to impose business interests on public policy. The notion of "public relations ethics" is an oxymoron, according to these professors.

Worth reviewing, at least to see how the naysayers think.

read

Case Study The Tylenol Murders

Arguably, the two most important cases in the history of the practice of public relations occurred within four years of each other to the same product and company.

For close to 100 years, Johnson & Johnson Company of New Brunswick, New Jersey, was the epitome of a well-managed, highly profitable, and tight-lipped consumer products manufacturer.

Round I

That image changed on the morning of September 30, 1982, when Johnson & Johnson faced as devastating a public relations problem as had confronted any company in history.

That morning, Johnson & Johnson's management learned that its premier product, extra-strength Tylenol, had been used as a murder weapon to kill three people. In the days that followed, another three people died from swallowing Tylenol capsules loaded with cyanide. Although all the cyanide deaths occurred in Chicago, reports from other parts of the country also implicated extra-strength Tylenol capsules in illnesses of various sorts. These latter reports were later proved to be unfounded, but Johnson & Johnson and its Tylenol-producing subsidiary, McNeil Consumer Products Company, found themselves at the center of a public relations trauma the likes of which few companies had ever experienced.

Tylenol had been an astoundingly profitable product for Johnson & Johnson. At the time of the Tylenol murders, the product held 35% of the $1 billion analgesic market. Throughout the years, Johnson & Johnson had not been—and hadn't needed to be—a particularly high-profile company. Its chairperson, James E. Burke, with the company for almost 30 years, had never appeared on television and had rarely participated in print interviews.

Caught by Surprise

Johnson & Johnson's management was caught totally by surprise when the news hit. The company recognized that it needed the media to get out as much information to the public as quickly as possible to prevent a panic. Therefore, almost immediately, Johnson & Johnson made a key decision: to open its doors to the media.

On the second day of the crisis, Johnson & Johnson discovered that an earlier statement that no cyanide was used on its premises was wrong. The company didn't hesitate. Its public relations department quickly announced that the earlier information had been false. Even though the reversal embarrassed the company briefly, Johnson & Johnson's openness was hailed and made up for any damage to its credibility.

Early on in the crisis, the company was largely convinced that the poisonings had not occurred at any of its plants. Nonetheless, Johnson & Johnson recalled an entire lot of 93,000 bottles of extra-strerigth Tylenol associated with the reported Chicago murders. In the process, it telegrammed warnings to doctors, hospitals, and distributors and suspended all Tylenol advertising.

But what about all those millions of dollars worth of Tylenol capsules on the nation's shelves?

The company was convinced such a massive recall wasn't warranted by the facts. It was convinced that the tampering had taken place during the product's Chicago distribution and not in the manufacturing process. Further, the FBI was worried that a precipitous recall would encourage copycat poisoning attempts. Nonetheless, five days later, when a copycat strychnine poisoning occurred in California, Johnson & Johnson did recall all extra-strength Tylenol capsules—31 million bottles—at a cost of more than $100 million.

Although the company believed it had done nothing wrong, Johnson & Johnson acted to assuage public concerns. It also posted a $100,000 reward for the killer or killers. Through advertisements promising to exchange capsules for tablets, through thousands of letters to the trade, and through statements to the media, the company hoped to put the incident into proper perspective.

Loyal Users but . . .

At the same time, Johnson & Johnson commissioned a nationwide opinion survey to assess the consumer implications of the Tylenol poisonings. The good news was that 87% of Tylenol users surveyed said they realized that the maker of Tylenol was "not responsible" for the deaths. The bad news was that 61% still said they were "not likely to buy" extra-strength Tylenol capsules in the future. In other words, even though most consumers knew the deaths weren't Tylenol's fault, they still feared using the product.

But Chairperson Burke and Johnson & Johnson weren't about to knuckle under to the deranged saboteur or saboteurs who had poisoned their product. Despite predictions of the imminent demise of extra-strength Tylenol, Johnson & Johnson decided to relaunch the product in a new triple-safety-sealed, tamper-resistant package (Figure 2-8). Many on Wall Street and in the marketing community were stunned by Johnson & Johnson's bold decision.

FIGURE 2-8 New packaging.
The triple-safety-sealed, tamper-resistant package for Tylenol capsules had (1) glued flaps on the outer box, (2) a tight plastic neck seal, and (3) a strong inner foil seal over the mouth of the bottle. A bright yellow label on the bottle was imprinted with a red warning: "Do not use if safety seals are broken." As it turned out, all these precautions didn't work. *(Photo: Courtesy of Johnson & Johnson)*

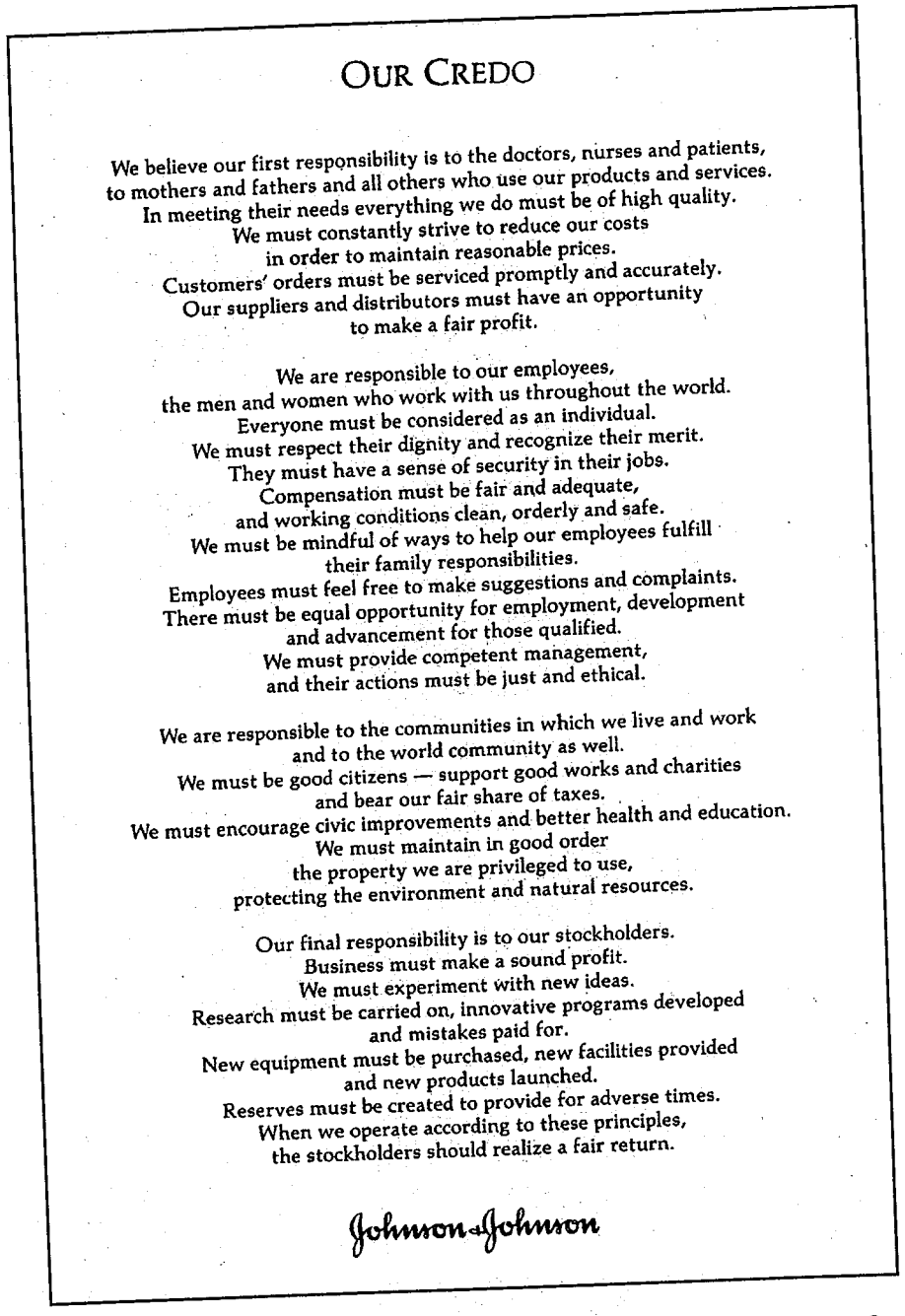
So confident was Johnson & Johnson's management that it launched an all-out media blitz to make sure that people understood its commitment. Chairperson Burke appeared on television shows and in newspaper interviews.

Welcoming *60 Minutes*

The company even invited the investigative news program *60 Minutes*—the scourge of corporate America—to film its executive strategy sessions to prepare for the new launch. When the program was aired, reporter Mike Wallace concluded that although Wall Street had been ready at first to write off the company, it was now "hedging its bets because of Johnson & Johnson's stunning campaign of facts, money, the media, and truth."

Finally, on November 11, 1982, less than two months after the murders, Johnson & Johnson's management held an elaborate video news conference in New York City, beamed to additional locations around the country, to introduce the new extra-strength Tylenol package.

In the months that followed Burke's news conference, it became clear that Tylenol would not become a scapegoat. In fact, by the beginning of 1983, despite its critics, Tylenol had recaptured an astounding 95% of its prior market share. Morale at the company, according to its chairperson, was "higher than in years." It had acted true to the "Credo," which spelled out the company's beliefs (Figure 2-9). The euphoria lasted until February 1986 when, unbelievably, tragedy struck again.



OUR CREDO

We believe our first responsibility is to the doctors, nurses and patients,
to mothers and fathers and all others who use our products and services.
In meeting their needs everything we do must be of high quality.
We must constantly strive to reduce our costs
in order to maintain reasonable prices.
Customers' orders must be serviced promptly and accurately.
Our suppliers and distributors must have an opportunity
to make a fair profit.

We are responsible to our employees,
the men and women who work with us throughout the world.
Everyone must be considered as an individual.
We must respect their dignity and recognize their merit.
They must have a sense of security in their jobs.
Compensation must be fair and adequate,
and working conditions clean, orderly and safe.
We must be mindful of ways to help our employees fulfill
their family responsibilities.
Employees must feel free to make suggestions and complaints.
There must be equal opportunity for employment, development
and advancement for those qualified.
We must provide competent management,
and their actions must be just and ethical.

We are responsible to the communities in which we live and work
and to the world community as well.
We must be good citizens — support good works and charities
and bear our fair share of taxes.
We must encourage civic improvements and better health and education.
We must maintain in good order
the property we are privileged to use,
protecting the environment and natural resources.

Our final responsibility is to our stockholders.
Business must make a sound profit.
We must experiment with new ideas.
Research must be carried on, innovative programs developed
and mistakes paid for.
New equipment must be purchased, new facilities provided
and new products launched.
Reserves must be created to provide for adverse times.
When we operate according to these principles,
the stockholders should realize a fair return.

Johnson & Johnson

FIGURE 2-9
The Johnson & Johnson credo.
(Photo: Courtesy of Johnson & Johnson)

Round II

Late in the evening of February 10, 1986, news reports began to circulate that a woman had died in Yonkers, New York, after taking poisoned capsules of extra-strength Tylenol.

Unbelievably, the nightmare for Johnson & Johnson was about to begin again.

And once again, the company sprang into action. Chairperson Burke addressed reporters at a news conference a day after the incident. A phone survey found that the public didn't blame the company. However, with the discovery of other poisoned Tylenol capsules two days later, the nightmare intensified. The company recorded 15,000 toll-free calls at its Tylenol hotline. Once again, production of Tylenol capsules was halted. "I'm heartsick," Burke told the press. "We didn't believe it could happen again, and nobody else did either."

This time, the firm decided once and for all to cease production of its over-the-counter medications in capsule form. It offered to replace all unused Tylenol capsules with new Tylenol caplets, a solid form of medication that was less tamper-prone (Figure 2-10). The withdrawal of its capsules cost Johnson & Johnson more than $150 million after taxes.

Once again, in the face of tragedy, the company and its CEO received high marks. As President Reagan said at a White House

A special message from the makers of TYLENOL® products.

If you have TYLENOL capsules, we'll replace them with TYLENOL caplets.

And we'll do it at our expense.

As you know, there has been a tragic event. A small number of Extra-Strength TYLENOL® Capsules in one isolated area in New York have been criminally tampered with.

This was an outrageous act which damages all of us.

Both federal and local authorities have established that it was only capsules that were tampered with.

In order to prevent any further capsule tampering, we have removed all our capsules from your retailers' shelves. This includes Regular and Extra-Strength TYLENOL capsules, CO-TYLENOL® capsules, Maximum-Strength TYLENOL® Sinus Medication capsules, Extra-Strength SINE-AID® capsules, and DIMENSYN® Menstrual Relief capsules.

And Johnson & Johnson's McNeil Consumer Products Company has decided to cease the manufacture, sale, and distribution of all capsule forms of over-the-counter medicines.

If you're a regular capsule user, you may be wondering what to use instead. That's why we'd like you to try TYLENOL caplets.

The caplet is a solid form of TYLENOL pain reliever, which research has proven is the form most preferred by consumers. Unlike tablets, it is specially shaped and coated for easy, comfortable swallowing. And the caplet delivers a full extra-strength dose quickly and effectively.

So, if you have any TYLENOL Capsules in your home, do one of the following:

1. Return the bottles with the unused portion to us, together with your name and address on the form below. And we'll replace your TYLENOL capsules with TYLENOL Caplets (or tablets, if you prefer). We'll also refund your postage. Or...

2. If you prefer, you can receive a cash refund for the unused capsules by sending the bottle to us along with a letter requesting the refund.

We are taking this step because, for the past 25 years, over 100 million Americans have made TYLENOL products a trusted part of their health care.

We're continuing to do everything we can to keep your trust.

Send to:
TYLENOL® Capsule Exchange
P.O. Box 2000
Maple Plain, MN 55348
Please send my coupon for free replacement caplets or tablets to:
Please print
Name_____
Address_____
City_____
State_____ Zip_____
Offer expires May 1, 1986

(Courtesy of Johnson & Johnson)

FIGURE 2-10
A special message.
(Photo: Courtesy of Johnson & Johnson)

reception two weeks after the crisis hit, "Jim Burke of Johnson & Johnson, you have our deepest appreciation for living up to the highest ideals of corporate responsibility and grace under pressure."

Today, 30 years after the first customers were murdered after ingesting Tylenol capsules, the Tylenol case study stands as a model in how to conduct positive public relations—honestly, openly, transparently—even in the face of unspeakable tragedy.

Questions

1. What might have been the consequences if Johnson & Johnson had decided to "tough out" the first reports of Tylenol-related deaths and not recall the product?
2. What other public relations options did Johnson & Johnson have in responding to the first round of Tylenol murders?

3. Do you think the company made a wise decision by reintroducing extra-strength Tylenol?
4. In light of the response of other companies not to move precipitously when faced with a crisis, do you think Johnson & Johnson should have acted so quickly to remove the Tylenol product when the second round of Tylenol murders occurred in 1986?
5. What specific lessons can be derived from the way in which Johnson & Johnson handled the public relations aspects of these tragedies?
6. What was the media environment when the Tylenol crises occurred? How might the results have differed if the crises occurred today?
7. See what information Johnson & Johnson offers for its customers on the Tylenol website (www.tylenol.com). Follow the links to the Care Cards, House Calls, and FAQ sections. How do these sections demonstrate Johnson & Johnson's concern for customers? How do you think Johnson & Johnson would use this website to communicate with the public if new health scares surfaced?

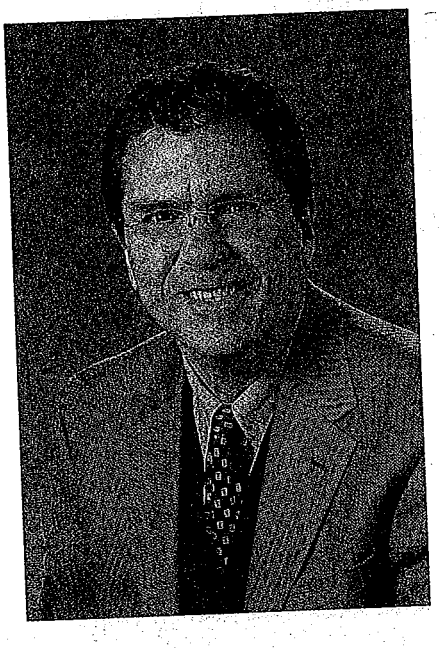
For further information on the first round of Tylenol murders, see Jerry Knight, "Tylenol's Maker Shows How to Respond to Crisis," *Washington Post* (October 11, 1982): 1; Thomas Moore, "The Fight to Save Tylenol," *Fortune* (November 29, 1982): 48; Michael Waldholz, "Tylenol Regains Most of No. 1 Market Share, Amazing Doomsayers," *The Wall Street Journal* (December 24, 1982): 1, 19; and *60 Minutes,* CBS-TV (December 19, 1982).

For further information on the second round of Tylenol murders, see Irvin Molotsky, "Tylenol Maker Hopeful on Solving Poisoning Case," *The New York Times* (February 20, 1986); Steven Prokesch, "A Leader in a Crisis," *The New York Times* (February 19, 1986): B4; Michael Waldholz, "For Tylenol's Manufacturer, the Dilemma Is to Be Aggressive—But Not Appear Pushy," *The Wall Street Journal* (February 20, 1986): 27; and "Tylenol II: How a Company Responds to a Calamity," *U.S. News & World Report* (February 24, 1986): 49.

For an overall view of Johnson & Johnson and Tylenol, see Lawrence G. Foster, *Robert Wood Johnson: The Gentleman Rebel.* State College, PA: Lillian Press, 1999.

From the Top

An Interview with Ray Jordan



Ray Jordan is Senior Vice President of Corporate Affairs at Amgen. For nine years, he was Corporate Vice President, Public Affairs and Corporate Communication for Johnson & Johnson, responsible for public relations and corporate communication for the broadly based, diversified global health care company. He oversaw the public affairs responsibilities and activities of the company's more than 250 operating companies in 57 countries around the world. This interview is based on his tenure at J&J, which ended in 2012.

What was your primary mission as Johnson & Johnson's chief communications officer?
Our function had a clear vision and strategy, broad enough to be relevant and applicable to all our businesses, and my principal role was to drive that throughout the organization. Our mission involved three primary components: (1) maintaining and enhancing the reputation of the company and our businesses, (2) ensuring our core values, and (3) improving the environment for growth.

How did you manage the worldwide J&J communications network across international borders?
We managed more than 200 people around the world, including those who reported up through various solid and dotted lines. We didn't have communications people in all of our countries. Our corporate team was about 20 professionals. We operated through a council of senior communications officers, responsible for each of our four primary groups: (1) consumer, (2) pharmaceuticals, (3) surgical care, and (4) comprehensive care.

How did you influence perceptions in different geographies?
At Johnson & Johnson, our *Credo* was the galvanizing element across all geographies and businesses. That was at the core of driving reputation externally and our behavior inside the company.

Has the Tylenol case influenced the way J&J conducts itself around the world?
Yes. It's a powerful story and representation of how J&J thinks as a company. Those stories, like Tylenol, and the people who have lived and carry them are powerful influencers in the J&J culture.

How important is it for communications officers to interact constructively with corporate lawyers?
To be effective in my job, this is essential. Our lawyers are "facilitators," not "roadblocks." One obligation we have as communicators is to help ensure that our company's actions are consistent with who we are. That means we need to reflect on how other constituencies might react to a particular corporate action—before we take it. Lawyers are always engaged around potential actions. So a good relationship with lawyers means they will bring us into an assessment of whether an impending action may have consequences for other stakeholders. We were fortunate that at the corporate level of Johnson & Johnson, the communications group was always invited into discussions of this sort. And I lobbied our communications staff around the world to build strong working relationships with their senior lawyer—and also their senior finance officer. It's curious that many communications people tend to wither in terms of dealing with legal or finance groups. But they are both critically important for a communicator to get to know and work with.

How do you measure your success in your job?
Measurement in our business has always been a conundrum. My CEO gave me good guidance early on. He suggested focusing on a five-year mission at any given time. You need that much time to make meaningful "change" in terms of realizing a particular mission. So we managed our group in terms of "priorities" over the next five years. We assessed progress against these larger objectives clearly embraced by management. We met each fourth quarter with our senior executives to review what, if anything, we needed to change in our framework, what environmental factors will weighed on our priorities, and what commitments we planned to make for the year ahead. We used these updates to strike the theme for all subsequent communications—annual report, internal town hall meetings, analyst meetings, etc. In this way, our communications messages were consistent across geographies and businesses. And we could track progress in conveying these messages.

What qualities do you value most in a communications professional?
I look for three things:

1. *Business acumen is vital.* You must be able to relate to business leaders on the basis of what the business is and how to think about it.
2. *Excellent writing or editing capacity.* This is still vitally important in what we do.
3. *Tenacity to help the business operate in "the right way" is third.* You've got to possess a passion for this.

Public Relations Library

Bernays, Edward L. *Crystallizing Public Opinion.* New York: Liveright, 1961. The original 1923 version was the first significant book in the field. It deserves to be read for its historical value as well as for the amazingly progressive ideas that its author forwarded about the modern practice for which he was so responsible.

Bernays, Edward L. *Public Relations.* Norman: University of Oklahoma Press, 1963. This book offers an informative history of public relations, from Ancient Sumeria through the 1940s, and includes Bernays's view of what public relations ought to stand for.

Bernays, Edward L. *The Later Years: Public Relations Insights, 1956–1986.* Rhinebeck, NY: H & M, 1987. Essentially, this is a series of columns that Edward Bernays authored for the late *Public Relations Quarterly.*

Boorstin, Daniel J. *The Image: A Guide to Pseudo Events in America.* New York: Harper & Row, 1964. A not-very-flattering account of America's emphasis on image over reality, written 40 years ago by one of the nation's most eminent 20th-century thinkers.

Burson, Harold. "A Decent Respect to the Opinion of Mankind." Speech delivered at the Raymond Simon Institute for Public Relations (Burson-Marsteller, 866 Third Avenue, New York, NY 10022), March 5, 1987. This speech highlights public relations activities that have influenced the United States from colonial times to the present day.

Burson, Harold. *E Pluribus Unum: The Making of Burson-Marsteller.* New York: Burson-Marsteller, 2004. This 166-page memoir traces the life of one of the patriarchs of public relations, Harold Burson, from newspaperman in Memphis through war correspondent to founding his legendary public relations firm.

Chomsky, Noam. *Necessary Illusions: Thought Control in Democratic Societies.* Boston: South End Press, 1989. A contrary view to Bernays's concept of public relations, this book, written by a well-known social critic, expresses all "that is wrong" about the media and attempts to persuade the public.

Cutlip, Scott M. *Public Relations History from the 17th to the 20th Century.* Hillsdale, NJ: Lawrence Erlbaum Associates, 1995. A one-of-a-kind historical reference.

Cutlip, Scott M. *The Unseen Power—Public Relations, A History.* Hillsdale, NJ: Lawrence Erlbaum Associates, 1994. This 800-page book is perhaps the definitive history of public relations in the 20th century. And it's not always "positive," either.

Marchand, Roland. *Creating the Corporate Soul: The Rise of Public Relations and Corporate Imagery in American Big Business.* Berkeley and Los Angeles: University of California Press, 2001. An important part of public relations, the work in Corporate America.

Nevins, Allan. "The Constitution Makers and the Public, 1785–1790." An address before the Conference of the Public Relations Society of America, November 13, 1962. Reprinted as "At the Beginning . . . A Series of Lecture-Essays." Gainesville, FL: The Institute for Public Relations Research and Education, 1997.

Olasky, Marvin N. "Roots of Modern Public Relations: The Bernays Doctrine." *Public Relations Quarterly,* Winter 1984. Olasky wages a spirited defense of Bernays as a more pragmatic and effective public relations representative than Ivy Lee.

Slater, Robert. *No Such Thing as Over-Exposure: Inside the Life and Celebrity of Donald Trump.* Upper Saddle River, NJ: Prentice Hall, 2005. If you've ever wondered about the phrase "a legend in his own mind," read this book and find out what it means.

Tedlow, Richard S. *Keeping the Corporate Image: Public Relations and Business, 1900–1950.* Greenwich, CT: JAI Press, 1979. An analytical and comprehensive history of corporate public relations in the first half of the 20th century.

Tye, Larry. *The Father of Spin: Edward L. Bernays and the Birth of Public Relations.* New York: Henry Holt, 1998. The author's background as a *Boston Globe* journalist, not a public relations practitioner or professor, both limits the depth of this biography and offers the refreshing viewpoint of an "outsider."