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Chapter 12

Best Practices for Excellence in Public Relations

How do we define and measure effectiveness and excellence in public relations management? This is a crucial question to the field because it allows us to know how to help our organizations achieve their goals and to be the most effective that they can be. Studying these factors of effectiveness and excellence tells us how public relations, ideally, should be conducted in order to achieve the best results.

12.1 Effectiveness and Excellence

For more than a decade, J. Grunig and his team of researchers studied this very question as part of a nearly half-million-dollar grant from the International Association of Business Communicators (IABC). Grunig's project is called the *Excellence Study*, and the results are known as the *excellence theory*. We will review those findings here in order to help you learn how to make your public relations efforts the most effective they can be and to help your organization or clients achieve excellence.

What is organizational effectiveness? We can say that organizational effectiveness is helping any type of organization be the most efficient at what it seeks to do and the most effective it can be in accomplishing its goals and mission. Organizational effectiveness can be defined in two primary ways:

1. The strategic constituencies perspective
2. The goal attainment perspective

The **strategic constituencies perspective**¹ holds that organizational effectiveness means that constituencies who have influence or power over the organization are at least partially satisfied with that organization. Those constituencies, such as consumers or regulatory agencies, have the power to decide whether the organization thrives or fails. When those constituencies are satisfied, an organization thrives. In this sense, organizational effectiveness means maintaining strategic relationships with constituencies that help an organization achieve its goals, such as profit, education, or continued existence.

In the **goal attainment perspective**², an organization sets clear goals that are measurable, such as rankings, market-share figures, or sales numbers. The organization knows that it has accomplished its goals when the actual figures match its stated goals. In this way, the organization is seen as effective when its stated goals are fulfilled.

An ineffective organization is termed one with “competing values” in which “the organization is unclear about its own emphases” or criteria for success. Robbins (1990), p. 77. This type of organization might change goals over time, have inconsistent or unclear goals, and therefore it flounders and fails to achieve effectiveness.

1. The viewpoint that organizational effectiveness is based on at least the partial satisfaction of the publics who have influence or power over the organization.
2. The setting of clear and measurable goals by an organization, such as rankings or sales numbers. When the stated goals are fulfilled, the organization is considered effective.

Organizational effectiveness involves the entire organization, not just the communication function. However, the management of communication is an important part of helping the organization as a whole achieve greater organizational effectiveness. Plus, the concepts of effective or excellent public relations can also be used to optimize the organization, structure, and management of the public relations function itself.

Grunig's *Excellence Study* identified numerous variables that contribute to organizational effectiveness. After many years of study, Grunig and the *Excellence Study's* of researchers distilled the most important variables for public relations in making contributions to overall organizational effectiveness. These variables were distilled through both quantitative and qualitative research. The variables that emerged from the data did not vary across cultures or national boundaries, or by size of organization, or industry, therefore they were termed **generic principles of excellence**³. The *Excellence Study* team identified 10 generic principles of excellent public relations:

1. Involvement of public relations in strategic management
2. Empowerment of public relations in the dominant coalition or a direct reporting relationship to senior management
3. Integrated public relations function
4. Public relations as a management function, separate from other functions
5. Public relations unit headed by a manager rather than a technician
6. Two-way symmetrical (or mixed-motive) model of public relations
7. Department with the knowledge needed to practice the managerial role in symmetrical public relations
8. Symmetrical system of internal communication
9. Diversity embodied in all rolesVercic, Grunig, and Grunig (1996), pp. 37–40.

And the team later added the last principle

10. Ethics and integrityVercic, Grunig, and Grunig (1996), p. 58.

These principles can be used to design the public relations function in an organization to structure its inner action with management and the rest of the organization, and to staff the public relations department in a way that predisposes it toward effectiveness. *The more of these factors that are present in a public relations function, the more excellent that function should be.* Another important consideration is that *the chief executive officer (CEO) must be aware of the contributions that public relations and communication in general can make toward the effectiveness of the overall organization.* He or she is probably aware of how reputation can impact the bottom

3. Variables related to overall organizational effectiveness that do not vary across cultures or national boundaries, or by organization size or industry type.

line of the organization, and that reputation can be enhanced and protected by the public relations function.

Explaining the Generic Principles of Excellence

Here is a brief review of why each of the 10 generic principles of public relations is important to organizational effectiveness:

1. The involvement of public relations in the strategic management function allows for more inclusive decision making, better organizational policy from the perspectives of publics, and more enduring decisions. Higher levels of satisfaction with the relationship are reported by publics who were considered by an organization in its strategic management process.
2. The public relations function must be empowered to report directly to the CEO in order to advise on matters involving publics, values, and ethical decision making. Although the researchers posited that a direct reporting relationship to the dominant coalition would also enhance excellence in public relations, later research found that public relations is the most excellent when reporting directly to the CEO.
3. An integrated public relations function has access to and authority in all levels and functions of the organization. It is not isolated or pigeonholed, and it is not encroached upon or subsumed by marketing or other functions, but has its own degree of autonomy.
4. It is important for public relations to be a separate management function in the organization in order to prevent encroachment by marketing or legal departments into the role and responsibilities of communication management. When these areas are usurped by other organizational functions, it is common for smaller or less strategic publics to be ignored in organizational decision making.
5. The public relations unit should always be headed by a professional public relations manager, rather than someone who is simply adept in the technical skill of writing. Managers have the research knowledge necessary to collect information, to facilitate conflict resolution, to engage in issues management, to create budgets, to resolve ethical dilemmas, and to manage the staff of the public relations department. Technicians are normally specialists in writing or other technical aspects of production, but are not normally trained in management. Without a manager in charge of the public relations function, it is likely to be pigeonholed as media relations rather than as a true management function.
6. It is important for an excellent public relations department to use the two-way symmetrical model of public relations because a dialogue-

based approach has been shown more effective than any other in resolving conflicts, preventing problems, and to building and maintaining relationships with publics.

7. An excellent public relations department has the knowledge necessary to manage public relations symmetrically in that it can conduct sophisticated research to understand publics, and it can also engage in negotiation and collaborative problem solving.
8. Dialogue-based systems of internal communication are important for building teamwork, increasing employee morale and job satisfaction levels, and decreasing employee turnover. Issue research also allows issues managers to identify problems early so that they can be resolved before they escalate.
9. It is important for public relations departments to have diverse professionals in all roles of the function so that decisions and communications will be inclusive of varying viewpoints. Inclusivity breeds excellence because it lessens the feelings of alienation created by excluding or not soliciting the ideas and opinions of some publics. Vercic, Grunig, and Grunig (1996), p. 58.
10. The excellence researchers added ethics and integrity as important considerations 4 years after the publication of the *Excellence Study*, remarking that ethics is important enough to be a standalone principle of excellence. Vercic, Grunig, and Grunig (1996), p. 58. Bowen's research found that ethics were included in the decision making of the most successful organizations issues management, leading to higher levels of organizational effectiveness when ethics is planned, trained, and instilled throughout the organization. Bowen (2004b), pp. 311–324. She elaborated on ethics as the tenth generic principle of public relations, and indicated that the rational analysis of ethical dilemmas could be the most important facilitator of organizational effectiveness. Bowen (2004b), pp. 311–324.

How organizations measure excellence depends on the industry, the size of the organization, its goals, and whether those goals are measured through the satisfaction of strategic constituencies or through the goal attainment approach. However, the excellence study has shown that these generic principles of excellence apply to any type of organization, size of pursuit, any industry, and across cultures.

12.2 Best Practices Case: Entergy Responds to Hurricane Katrina

Entergy is a large-scale utility operating primarily along the Gulf Coast of the United States. In the late summer and early fall of 2005, Entergy weathered the two worst hurricanes in the company's history within the same 26-day period: Hurricanes Katrina and Rita. Case based on Entergy company documents and interviews with Art Wiese (personal communication, 2009). Information also based on Entergy's (2009) corporate Web site, <http://www.entergy.com>.

The one-two punch of these powerful storms devastated the region served by Entergy. Almost 2 million homes and businesses lost power during the height of the storms' wrath. Dozens of Entergy power generation plants were forced to close, and thousands of miles of transmission and distribution lines were downed. In all, more than 1,700 structures and 28,892 utility poles were destroyed or damaged by the storms. It was devastation without precedent in modern times.

For the communication team at Entergy, the crisis caused by Katrina and Rita was more severe than any they had ever experienced. The pressure to communicate quickly with Entergy employees, customers, communities, and other publics was intense. To add to this pressure, members of the communication team had themselves suffered losses from the storms. While they grappled with how to get their jobs done, they were also trying to cope with the loss of their own homes and the impact the hurricanes had caused in their own personal lives.

Arthur Wiese Jr., Entergy's vice president of corporate communications, noted that "major storms are more than just an operational crisis for a utility company. They also pose major communications hurdles, directly impacting corporate reputation and the company's relationship with its employees, its shareholders, and its customers."

In Entergy's headquarters city, New Orleans, the damage was catastrophic. Thousands were dead or missing; tens of thousands were homeless. Electrical power was virtually nonexistent; the gas distribution system was inundated with corrosive saltwater; 1,500 displaced Entergy employees were scattered across the nation—from Los Angeles to Boston—after the company's evacuation on August 27. It was hard to know where to begin.

In the hours after the winds subsided and the scope of the damage became clear, Entergy faced multiple challenges. The company had to assemble the largest restoration workforce in its history to safely begin repairing the worst damage ever

incurred to its system. To do this, Entergy had to address the logistical needs of its workers, providing a constant supply of food, water, and medication. It had to find shelter for the workforce, many of whom had lost homes. Entergy improvised a system to get workers their paychecks and to communicate with them in the absence of cell service, computers, and other traditional channels. In addition to meeting these basic human needs, Entergy needed to continue to manage its business, despite the fact that its corporate headquarters was shut down.

The communication team had actually begun preparing for Katrina long before the storm hit. As Katrina began bearing down on New Orleans, Entergy activated its system command center in Jackson, Mississippi, and moved a multidisciplinary team there on August 27, which was 2 days before Katrina made landfall. The command structure included additional transmission centers in Jackson and New Orleans, and distribution operations centers at utility operations headquarters in Louisiana, Mississippi, Texas, and Arkansas.

At these headquarters, personnel began coordinating preparation efforts, recruiting outside restoration help through mutual assistance agreements with other utilities, and lined up safe staging areas for materials and crews. Additionally, customers as well as crews in the suspected impact zone were put on alert as arrangements were being made to support the lodging of crews once the restoration began.

The company had learned some valuable lessons in the aftermath of Hurricane Ivan, which had struck its service area the previous year. Hurricane Ivan was the strongest hurricane of the 2004 Atlantic hurricane season, and it had forced Entergy to mount a full company evacuation, which had not been done before. Employees were confused about their own responsibilities during the evacuation versus those that belonged to the company. For example, Ivan demonstrated the limits on the company's ability to provide evacuation lodging, which many employees had been expecting. Through the experience with Ivan, Entergy learned how important it was to communicate clearly with employees about the differences between the company's responsibilities and the individual's responsibilities in a catastrophe.

Entergy assembled a cross-functional team in the spring of 2005 to address the lessons learned from the Ivan evacuation. The team found several key areas that posed problems for the company. The past practice of individual business units independently implementing evacuation policies resulted in chaos, including internal competition for lodging. Many employees did not fully appreciate the potential danger of a major hurricane, since the area had not experienced a direct strike in decades.

The communications team targeted these areas of confusion and implemented a new communications plan. The goal was to educate employees on the company's new evacuation policies and procedures and to provide them with information to help them prepare their own individual hurricane evacuation plans. This approach emphasized the severity of the danger posed by a major hurricane and the need to plan ahead. The company needed to explain why it was implementing more consistent storm policies, and how these changes would help Entergy's ability to implement the storm restoration plan for customers.

Communication began with supervisors, who were sent talking points and an overview of materials that would be mailed to employees in June 2005. They were also invited to attend a Webcast that provided an overview of the changes and an opportunity to ask questions. These supervisors were asked to meet with their employees within 2 weeks to explain these changes and to distribute a communications packet outlining the new procedures.

The communications team also developed a new Web site titled "IEStormNet." This Web site was designed to communicate important information before, during, and after a natural disaster. This site was made available to both employees and their families and promotional fliers were distributed that highlighted the information available through the site.

Entergy also wanted to make sure its customers were better prepared. In May 2005, Entergy constructed a corporate communications plan that aimed to help customers better appreciate the challenges it would face in restoring service in the event of a major storm. Ivan had demonstrated how difficult it would be for Entergy to restore service quickly and the company wanted customers to better understand the challenges it would face in getting them back on line. Although Ivan was a serious storm, the company had no idea at the time just how bad the 2005 hurricane season would be.

On August 29, Katrina made landfall near New Orleans. Approximately 1,500 Entergy employees were forced to evacuate. They were scattered across the nation and hard to reach since cell phone circuits were overrun and conventional telephone service was wiped out.

The company had to utilize other methods to locate, mobilize, and inform the large restoration workforce. Entergy CEO J. Wayne Leonard sent out daily e-mails to over 14,000 employees, including those unaffected by the storm. An employee information line was kept up to date with recorded messages and detailed information. The recently created IEStormNet produced daily online newsletters, which were also printed and distributed at crew staging sites. Entergy posted toll

free numbers on its Web site and broadcast public service announcements on the radio asking employees to call in for information.

Maintaining employee morale during the restoration process was a major objective. Many employees had lost family members and friends to the storm. Their homes and possessions were damaged or destroyed by the winds and flood waters. These same men and women were being asked to work 18-hour shifts in hot, humid conditions, surrounded by unimaginable tragedy and destruction.

Slowly, conditions for the restoration force began to improve. By September 7, the company had set up tent cities in seven locations throughout Louisiana and Mississippi equipped with cots, food, water, and medical supplies for all of its workers. Entergy continued to pay workers until it found them jobs within the firm because it recognized the need to offer devastated employees incentives to come back to work.

Entergy CEO Leonard posted letters on IESTormNet and asked for supervisors to deliver them to crews at campsites and even in remote areas where they were working. These letters focused on the progress of the restoration efforts. In one letter, just days after Katrina hit, Leonard wrote, "Please work safely and know that this organization of caring people is working night and day to help you pull your life back together." IESTormNet Update. Entergy New Orleans and city council agree to modest, phased-in rate plan (2006, October 27).

Just days after Katrina, Entergy established the Power of Hope Fund, which aimed to help employees and customers rebuild their lives after the storms, with an initial corporate investment of \$1 million. To spread news of the Power of Hope Fund, Entergy embarked on a 2-week media campaign and spread the word via television, radio, print, and the Internet. Over the period of a few months, the fund received over \$4 million in donations from around the world.

Entergy also established *Operation ReSTORE Hope*. This project had both distribution centers and a virtual store where people could donate clothes, furniture, and household supplies for employees. Entergy employee volunteers and retirees staffed the distribution centers, which benefited more than 2,000 employees whose lives had been affected by the hurricanes.

The company provided redeployment coordinators in each major hub where displaced employees and their families would be relocating. These coordinators helped displaced employees and their families make a smooth transition to new

work locations. They helped to provide valuable information on schools, neighborhoods, churches, local services, and resources available in the area.

Only 26 days after Katrina, just as restoration was beginning to take hold, Hurricane Rita made landfall on September 24 as a Category 3 hurricane near the mouth of the Sabine River on the Texas-Louisiana border. Rita caused even greater damage to Entergy's transmission system, severing the ties between generating plants and customers, and plunging the area from Conroe, Texas, to Jennings, Louisiana, into darkness. Over 400 substations were knocked out of service. Rita brought damaging winds to the territory of all five utility subsidiaries in the Entergy system and interrupted service to over 750,000 customers. This second storm further complicated Entergy's efforts to restore service to customers, care for the human needs of its employees, and maintain its viability as a public company.

Throughout the Katrina and Rita restoration, Entergy made every effort to maintain a mutually beneficial relationship with the media. Winning the media's support was critical to winning the support of public officials and Wall Street. Through past experience, the company had come to understand that the media's perceptions would be shaped in large measure by how well Entergy took care of its employees and customers.

Entergy used a strategy it called "One Voice" to work with the media. This strategy was effective in keeping the messages coming from all company representatives consistent and accurate during the restoration, thus minimizing any confusion about progress.

To achieve this objective, the company gave all company spokespersons, including the 45 communicators in its corporate communications department who were working on the storm restoration effort, the same sets of talking points up to four times a day to keep them informed. Entergy issued over 50 news releases and held multiple news conferences and media conference calls throughout the restoration.

Communication officials produced and managed over 40,000 radio ads, 15,000 television ads, and 700 newspaper ads. They participated in more than 300 conference calls or meetings and held dozens of coordination calls of its own to ensure the proper coordination of all messages being dispersed, both internally and externally. Entergy, Hurricanes Katrina and Rita Final Executive Summary Report (2005, October 18).

Reporters were looking for complete access and unique story angles regarding Entergy's restoration process. The media had been highly critical of the

government's response to Katrina at the federal, state, and local levels. Entergy thus had to deal with individuals who were already skeptical of how the situation was being managed.

Using its "one voice" strategy, Entergy opened up its doors to the media. The company aggressively pushed its story with reporters and did virtually every interview that was requested. The company invited reporters to tour the command center and even to visit crews in the field. (The first to do so were from the *New York Times*, the *Associated Press*, and *USA Today*.) When Entergy used helicopters to assess the damage, a seat was usually reserved for a photographer or journalist.

Such transparency affected how the public and the government perceived Entergy's restoration efforts by making available a steady flow of information to media outlets. The resulting media exposure in many cases boosted employee moral by projecting Entergy's workers as heroes.

After Katrina, Entergy New Orleans, Inc. (ENO), the smallest of Entergy's subsidiary companies, not only faced major damages to its infrastructure, but also a drastic reduction to its customer base in the city. Almost 2 months after Katrina, only 24% of Entergy's New Orleans customers had returned.

To protect its customers from drastic rate increases and to ensure continued progress in restoring power and gas service to New Orleans, Entergy Corporation filed a voluntary petition for bankruptcy reorganization on September 23, 2005. It also asked for federal funding to alleviate its financial situation.

Entergy faced opposition from the Bush Administration when asking for this federal funding. ENO had hoped to be included in a \$17.1 billion package passed by Congress in October 2005 for Katrina relief, but the request was denied. In the administration's view, federal aid for damage incurred in natural disasters rarely goes to private, for-profit companies such as Entergy. A long, bitter public struggle ensued over getting federal assistance that would enable ENO to limit rate hikes to its customers in New Orleans. By November 2006, some federal funding began to appear. However, rate hikes for ENO customers were inevitable.

When funding from the federal government was in question, Entergy made predictions in June 2006 that they would have to increase utility rates for its customers by 25%. However, by October 2006, the Louisiana Recovery Authority had approved block grants the company sought to obtain with the Chapter 11 "Ethics, Leadership and Counseling, and Moral Analyses" filing. At the same time, improving conditions in the city had contributed to faster population growth. These factors

led to a much more modest rate increase of 7.5%. Built into the rate increase was a plan to create a \$75 million storm reserve for future hurricanes. IESTormNet Update. Entergy New Orleans and city council agree to modest, phased-in rate plan (2006, October 27).

Entergy has learned a number of lessons from the Katrina and Rita restoration that have aided in the further development of its disaster response protocol. The company better understands that employees are its most important public, surpassing even customers. If employees do not perform, company messages to other publics are diminished. Entergy has also learned that it must anticipate significant emotional strain with its employees when they are faced with such difficult personal impacts.

As a company, Entergy was reminded of the importance of having detailed operational, communications, and business continuity plans and learned that they should conduct frequent drills to test these plans. When a major storm is approaching, it is vital to get communicators to a pre-equipped command center quickly.

Entergy also learned how important it was to make its own evacuation decisions, and not rely solely on the government. In reacting to the approach of Katrina, Entergy got a head start in relocating its hurricane command center—and ultimately its whole headquarters—to Jackson, Mississippi. This decision proved to be pivotal in allowing the restoration process to begin as quickly and effectively as possible.

Entergy also learned the value of having backup communication tactics with IESTormNet. When conventional communication systems were down, this internal Web site helped Entergy and its employees communicate much more effectively.

Finally, the company learned the importance of taking calculated risks, especially in dealing with the media. By opening its doors to the media and demonstrating the tangible steps it was taking with both employees and customers, Entergy was able to restore trust that had been damaged in the immediate aftermath of the storm. The focus on one voice, the accessibility of key executives, and the recognition that its employees were the most critical public for communication all enabled Entergy to emerge from the chaos of Katrina and Rita and regain its footing as a profitable and sustainable organization.

12.3 Chapter Summary

This chapter briefly reviewed the core knowledge of regarding what it takes to make public relations the most effective or “excellent” that it can be, based on the findings of the IABC *Excellence Study*. Grunig, J. E. (1992). Being excellent is contributing to organizational effectiveness, whether that effectiveness is defined through goal attainment perspectives, strategic constituency building, or continued growth and survival. The 10 principles of excellence reviewed in this chapter are said to be “generic” because they apply across cultures, industries, types of organizations, and sizes of pursuit. The more of these factors that an organization has, the more effective its public relations function should be.