

Speech to the Continental Oil Company March 1951

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Summary

Page addresses Continental Oil Company on the value of public opinion and the role of public relations in securing favorable attitudes about the company.

Engendering favorable public opinion takes more than producing goods at a reasonable cost. The fundamental way to elicit a flattering public opinion is to deserve it. A company's reputation is not necessarily built on being a good distributor of products and services, but rather on being a good citizen. Public relations should focus on gauging internal and external public opinion, publicizing the company's good works, and working to improve the company's image and reputation. Employees play a vital role in stimulating public opinion and should be carefully managed.

Key topics

Reputation Good Corporate Citizenship

Internal Relations

Public Relations - PR functions
Public Opinion
Publicity

Page Principles

Prove it with action

Manage for tomorrow

Realize a company's true character is expressed by its people

Speech

Continental Oil Company March 26, 1951

SPEECH

The Continental Oil Company was chartered by public authority on the assumption that it would serve the public's needs for petroleum products. The theory was that its self-interest would insure its activity and competition would keep its products and services and its prices satisfactory.

That is still the main basis of Continental's relation to the public. It is still a fact that the company was set up under public authority to benefit the public, and public authority can at any time limit its functions, its methods or abolish it al together.

So we, like all other companies, live by public approval and roughly speaking, the more approval you have the better you live.

This is the fundamental reason for seeking public approval.

The fundamental way of getting it is to deserve it.

For a long time business men figured that if they produced goods at a price that the public would buy that was ample evidence that they deserved and had public approval.

But it turned out not to be as simple as that.

Business found it could lose public approval by having trouble with labor, by being unpopular in its hometown, by using selling methods that didn't suit the government, and by an infinite number of other things, some of them seemingly quite harmless.

So it has become generally accepted that a Corporation must be a good citizen in all kinds of ways besides a good producer and distributor.

Failing to meet an ever-changing and sometimes whimsical definition by the public of what is a good corporate citizen may be the biggest hazard a company runs.

So it is worth while to put some first-class effort on the somewhat nebulous job of being a good citizen. And having done this it is just common sense to let your light shine where it can be seen.

Publicity is the art of telling a good story well.

If the story isn't good fundamentally there is no one who can tell it well, and it is a waste of money to try.

So our public relations are mostly what we do, but if what we do isn't exposed to view we may not get the benefit of it.

Now, how do we organize to deserve the public favor?

We are already highly organized to do the basic job of giving the public goods and services.

Then comes the job of organizing that somewhat nebulous job of being a good citizen.

I suppose the first thing to do, is to see if we can find out what our reputation is now.

An important body of public opinion is our employees. Like everybody else they talk shop all the time. If they are talking on the side of Continental Oil, it will be known allover the oil country that Continental is a good place to work. That is the main criterion by which half the population judges any company.

If our people are on our side, the more they know about the company the more pride they will have in it and the more good they will do us. Remember, they talk all the time, and in their own circles they are pretty nearly the final authority. If we advertise that we are good and they say we are bad, our reputation will be bad in their circles. In this discussion, when I say "employees" I mean everybody on the payroll or on contract.

The next group to study, I suppose, is our customers—big and little. This is done pretty carefully by our sales force.

The next group is the general public and their representatives in government and various organizations.

Now, before anyone can go to work intelligently on this job, he will have to sit down and make a careful study of Continental's record from a great number of angles. and likewise write out Continental's policy—what it is trying to do for the country in general, for its employees, its owners, the communities and states in which it works, its responsibilities for progress in its technical and human operations, and many other things.

Having the record of what has been done and what the Company is trying to do pretty well developed, the Public Relations department is in a position to see whether performance meets intentions, and also to explain to anybody and everybody what performance and intentions are.

Now you meet question no. 1.

Do you want someone of capacity in the Company whose business it is to critically survey the public reactions to what the operating people do? Lots of people don't like this idea. Yet, if it is intelligently done, it can be of great assistance to the operating people, for whatever they do that produces friction is a handicap to the smooth performance of their job.

If this is not desired, the Public Relations function is limited to exposing to the public what is done. This is a very considerable job in itself because the public is busy about its own affairs and it takes some skill to get their attention.

If the Public Relations Department is allowed to use all personnel on this job that is a great help.

If Public Relations is largely confined to the written word, that is a great limitation.

Nevertheless, this limited job can be a very active and useful one—and to tell you the truth this is what most companies do.

Many succeed very well with this limited objective because even when burdened with the regular functional duties, most good men in business have fundamentally good instincts about the public.

Yet this hasn't sufficed in a good many instances and in those cases after the trouble is well started, measures are taken to regain lost ground. DuPont, for instance, is vigorously in that stage now.

There are then very fundamental questions to decide, and after they are decided and a policy formed, it takes quite a long time to achieve results. You have to remember that even under the most favorable conditions mass education is an exceedingly slow affair. The conditions of our problem are not unduly favorable. We can't put our audience into a schoolroom and lecture them. Our written matter isn't required reading. We have to get our audience by skill and ingenuity on the wing of occasions.

But I believe that the money and brains that can be effectively organized on public relations on its larger basis are cheap insurance against calamity and a positive advantage to all concerned—the public, the employees and the stockholders.

So far as I know there are no fixed rules about organizing this effort. It can start small and grow. It can start fully organized and learn by trial and error. I still have some beliefs as to how it should be done, but I have had to modify my ideas every few years one way or another and I am reminded from time to time of the old saying that there are a lot of ways of skinning a cat. On the other hand, I am more convinced each year of the value of working on the job in a serious and well-organized manner.