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## CRISIS

# What's Behind the Rash of Alleged Toxic Workplaces and How Can Communicators Help?

Another day, another story of a toxic workplace. At least it seems that way. There's a litany of alleged toxic workplaces, including at **"The Ellen Show,"** the [Washington football team](#), **McDonald's**, [Hearst](#) and [Pinterest](#), to name just a few.

A variation on the age-old question: Are there more toxic workplaces now, or does it only *seem* that way because we're hearing about them more as a result of an activist media and social media?



**Jennifer Musselman**  
Psychotherapist/  
Executive Coach

We asked someone who would know. Jennifer Musselman spent two decades as a corporate communicator at **MTV** and **Nickelodeon**. She made a mid-career change to clinical psychology and executive coaching.

"[Toxic workplaces] are not new," she says. "I left the entertainment business 10 years ago. And I promise you, [toxic cultures] were around before I entered the business," says the CA-based former PR

pro who specializes in coaching start-ups on corporate culture and personnel issues.

## PARADIGM SHIFT

But we're not imagining things. We *are* hearing more about toxic workplaces, Musselman says. That's because there's been "a paradigm shift" in what staff are tolerating—or not—in the workplace, Musselman says. There are more toxic workplace stories in the media because people are coming forward to complain. They are speaking out, she says, because they've seen "serious strides in accountability," result-

ing in part from the #MeToo movement.

HR teams, she says, are no longer "forced to collude with the different toxic types of behavior, from micro-aggressions all the way to sexual harassment."

Staff upset with toxic workplace behavior "are tired...and now we're in the middle of a pandemic, so they're already worn down," she says.

From a mental health perspective, she adds, when you have frustrated staff who can't take it anymore *and* they've seen others effect positive change after reporting bad behavior, they are emboldened to come forward.

How can communicators help? We'll address this below.

## 'BE KIND' RUN AMOK

A common symptom of toxic cultures is that they depress the desire of staff to speak out. When employees see that raising issues is interpreted negatively, they adapt and learn to live in a toxic culture. Another characteristic common to toxic cultures is a leader who is disengaged with staff at various levels. Often, such leaders delegate conflict-resolution to HR.

In such cases, the CEO either doesn't know how to handle conflict, Musselman says, or fails to hold accountable those he or she put in charge of corporate culture.

Many CEOs say they have an open-door policy, but they're "not connecting and truly humanizing contact with employees at all levels," Musselman says.

The situation is similar to that of a parent who outsources the responsibility of child-rearing and schooling to a nanny and has little to no involvement in the child's life, Musselman

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says. "Employees," she adds, "need their leader the same way a child needs a parent."

While Musselman has not worked with Ellen DeGeneres or "The Ellen Show," she says reports indicate a common scenario. Ellen delegated responsibility for corporate culture to senior staff. In Ellen's case it was 3 executive producers. (They were fired recently.)

More important, neither Ellen nor **Warner Bros.**, the show's production company, oversaw this trio with much regularity. As a result, the executive producers began to act as if they had unlimited power. Things ran amok.

Had Ellen or Warner Bros. invested sufficient time and effort in their employees and probed staff, they might have discovered some of the allegedly awful allegations that came to light in recent media reports. An ugly public crisis might have been avoided.

Since they did not, mid-level and junior employees, who valued working at the highly successful show, decided to live within a culture where bullying and sexual promiscuity went unpunished and, in some cases, were rewarded (see [PRNEWS, Image Patrol, August 2020](#)).

## HAPPY PLACE TO UNHAPPY PLACE

Sometimes, the CEO is the toxin. In the case of McDonald's, the CEO also allegedly sought to crush HR, which might have picked up on toxicity in the corporate culture.

Last November, weeks before Thanksgiving, the board of McDonald's asked its highly successful CEO Steve Easterbrook to step down after an October investigation into his conduct. He was found to have engaged in a consensual text and video relationship with an employee.

A veteran of the iconic burger chain, Easterbrook was credited with overhauling the company's menu and restaurants. During his five-year tenure as CEO, shares nearly doubled, the **Wall Street Journal** reports.

At the time, it seemed like a crisis averted. In a memo to employees, Easterbrook admitted, "I engaged in a recent consensual relationship with an employee, which violated McDonald's policy... this was a mistake... I agree with the board that it is time for me to move on."

Easterbrook [was fired without cause](#). He left with a severance package [estimated at \\$70 million-\\$85 million](#).

## CASE CLOSED?

The incident seemed a vindication of PR 101

and crisis management. McDonald's investigated quickly, found compelling evidence and dismissed Easterbrook, who left quietly.

His departure grabbed a few headlines, but failed to make a significant dent in the news cycle. Most important for McDonald's, the departure did little to dent its reputation. Brand trust remained whole. Case closed. Well, not quite.

During the first days of January 2020, the *Wall Street Journal* reported new CEO Chris Kempczinski was [attempting to scrub a toxic corporate environment](#) "that tolerated partying and fraternizing between some senior managers and rank-and-file employees." Current and former employees described it as "an environment influenced by [Easterbrook's] late-night socializing...and flirtations with female employees."

## A RISK

This past July, the story re-emerged and became spicier. Board chair Rick Hernandez received a tip about Easterbrook. Next, McDonald's took a risk. It commenced another investigation knowing that it was re-heating a cold case and, as Katie Paine writes on page 4 (top box, right-hand column), potentially igniting headlines.

That's exactly what happened. Last month, the *Wall Street Journal's* Heather Haddon and Suzanne Vranica wrote four major articles about the fracas.

Moreover, critics now are chastising McDonald's board for [failing to dig deeply into Easterbrook's activities](#) during the first investigation.

The second investigation, which continues, alleges Easterbrook lied during the first investigation to protect his lucrative departure package. In addition to the online relationship, Easterbrook had three sexual relationships with employees, sources told Haddon and Vranica. He also made a stock grant to one of the employees worth hundreds of thousands of dollars, according to a legal suit brought by McDonald's against Easterbrook.

With details of the second investigation reaching the media, Kempczinski felt compelled to issue an obvious statement: "McDonald's does not tolerate behavior from any employee that does not reflect our values."

## TOXIC STRUCTURAL CHANGES

Most important for this story is that Easterbrook allegedly instituted HR changes that would make it less likely that misconduct, including his, would be probed. The HR changes were couched as ef-

Continued on page 8

# Strange Times Bring Big Changes to How PR Crises Need To Be Handled

In this month's column, the two organizations we examine, **Rio Tinto**, the global mining conglomerate, and **Liberty University**, the world's largest Christian university, couldn't be more different.

Both have sophisticated communication protocols designed, no doubt, to avoid the sort of scandals that are currently plaguing both of them. The problem is, in 2020, those strategies don't work.

## RIO TINTO AND CULTURAL HERITAGE

As a mining company, Rio Tinto has had its share of crises over the years. As a result, it has a large and sophisticated communication shop. That hasn't stopped protestors and opponents from calling for severe penalties for the company's recent destruction of a 45,000-year-old Australian Aboriginal heritage site so it could expand an iron ore mine.

The company's immediate response was straight out of a best practices crisis plan. It apologized profusely, conducted an internal investigation and posted results to its site. Then, it announced that it was knocking off \$5 million from the bonuses of bosses who were implicated in the report.

But in 2020, indigenous culture is more important than mining, and income inequality is why people are marching in the streets. So while the reduction in bonuses sounded good in the press release, [negative reaction was swift](#).

**The Australian Center for Corporate Responsibility** (ACCR), Australia's leading shareholder advocacy group, accused Rio Tinto of shifting blame to the indigenous groups and called the fines completely inadequate: "Tens of thousands of years of cultural significance get blown up and all that goes to show for it is \$7million of lost remuneration," ACCR's James Fitzgerald said.

In fact, the report revealed that the company prioritized gaining approval to conduct mining activities on the land over protecting Aboriginal heritage. Where Rio Tinto may feel the most pain is from institutional investors and the governments that regulate its operations.

Rio Tinto's CEO is going hat-in-hand, trying to explain the

company's actions to its largest investors. The problem is that no institutional investor who cares about Environmental, Social, Governance (ESG) scores is going to touch the stock. In addition, Australian regulators already are considering rule changes because it is clear the public backlash isn't going away.

## LIBERTY UNIVERSITY AND JERRY FALWELL, JR.

In terms of acting in a manner inconsistent with your brand, Ellen DeGeneres may be a pro (see [PRN, August 2020](#)), but she has nothing on Jerry Falwell, Jr.

A former real estate tycoon, Falwell is president of Liberty University, an institution famous (or infamous) for its strict (some say outdated) rules dictating how its 86,000 students can dress and what music and video games they are allowed to play—never mind prohibiting personal relationships they are allowed to have on campus.

The rules are detailed—along with penalties—in a binding document called "[The Liberty Way](#)." Any deviation can result in demerits, fines or expulsion.

The strict honor code prohibits students—and to a lesser extent, faculty and staff—from enjoying or using everything from freedom of speech to drugs, alcohol, and pretty much anything not rated PG. This makes the current revelations about its president problematic.

In an era where people are in the streets calling BS on politicians, the police and anyone else with authority and power, discovering hypocrisy in a powerful conservative religious figure is particularly enticing.

Giancarlo Granda, a former hotel pool boy turned business partner, decided it was time to spill the beans about his [long-term affair with the Falwells](#) to **Reuters** and **Politico**.

It was hardly the first scandal that revealed just how hypocritical Liberty's leader is. When Granda's story broke, Falwell already was on suspension owing to **Instagram** posts [showing himself and a young woman](#). Both had their pants unzipped. Hardly Liberty Way regulation dress.



*Continued on page 4*

# CRISIS INSIDER

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It wasn't the first brouhaha for Falwell. Earlier in the summer, he raised the temperature of students, faculty and alumni [with a racial scandal](#) on social that nearly cost him his job.

A big part of the Liberty Way deals with ethics and honesty. This is why insiders have questioned Falwell's leadership for years, resulting in leaks to Politico [and others](#) about the school's financial arrangements.

In an ongoing [investigation](#), Politico found a senior Liberty official willing to say: "We're not a school; we're a real

estate hedge fund...We're not educating; we're buying real estate every year and taking students' money to do it." On the other hand, some credit Falwell with rescuing Liberty financially. This might have figured into Liberty's crisis response.

Another [Politico exposé](#) revealed connections between an LGBT-friendly Miami flophouse conveniently located next to a liquor store. And, of course, there are photos of Falwell indulging in exactly the sort of behavior students are prohibited

## Rio Tinto

Criteria	Grade	Comments	Advice
Extent of coverage	D	We have to give Rio Tinto a little credit for the idea of docking executives' bonuses. It was a relatively unique response and the company probably got the pickup it wanted. If nothing else, it made it sound like Rio Tinto was taking action, and it took away a little of the attention from critics.	Taking prompt action in a crisis is critical these days. The worst thing you can do is look like you're asleep at the wheel or don't care enough to comment. The downside is that taking action may keep your crisis in the headline a bit longer.
Effectiveness of spokespeople	F	Rio Tinto's spokesperson, Iron Ore CEO Chris Salisbury, issued a standard apology, but he implied that the indigenous groups actually knew about, and agreed to, the plan. The groups contradicted him immediately. They said that they had informed Salisbury in March of their objections due to "the high significance of the site." They implied that Rio Tinto made a decision to prioritize its profits over the heritage concerns.	If you're trying to defend your reputation in a crisis, it's not a great idea to use the guy who pulled the trigger on whatever caused the crisis as your chief spokesperson. The media always wants to talk to the highest-ranking person. In this case, it should have been the local boss.
Communication of key messages	D	We'll give Rio Tinto half a point for sticking to the standard crisis-management playbook. It apologized and took action. That said, it didn't stand a chance on messaging. The opposition messaging was overwhelming. The photographs showing the damaged site, the ugly mine and words like "shelters nine times older than Stonehenge," were so much more compelling than, "it's important that this doesn't happen again."	In any crisis in 2020, your actions are your words. The only way you can break through with a message is via compelling action and visuals to prove you've actually done something.
Management of negative messages	F	There's no way to suppress the negativity of a message when you have indigenous people explaining, on camera, the value of the destroyed site to history and to their people, citing a direct connection to ancestors who lived in the caves.	In some crises, the negative messages are too compelling to mitigate. When that happens, in such cases, your best bet is to capitulate to the opposition and figure out how to make it right.
Impact on shareholders	F	When your country's largest investment fund calls your response "inadequate" and believes that your internal report "highlights profound systemic, operational and governance failings," you can bet that other investors are listening, and, in fact, other large investment portfolios currently are questioning Rio Tinto's business practices.	In today's environment, investors care about your Environment, Social Governance (ESG) score almost as much as they do your financial performance. Companies with higher ESG scores tend to outperform their peers. Doing things to destroy the environment or society tend to be unpopular with many investors. For PR departments charged with reputation management, you might want to put "don't destroy cultural heritage sites" into your plan.
Overall score	D-	We give Rio Tinto credit for releasing its report publicly and giving it a page on the corporate website. But in the end, the report and the company's crisis response revealed a flawed, mismanaged organization whose priorities and practices are out of synch with the times.	When you have a crisis, hire an outside, independent company to investigate how, what and why the failure happened. Publicize the findings every way you possibly can and quickly implement any changes the independent findings suggest. Then, and only then, can you brag about what you're doing. In the meantime, suspend or fire the people responsible. If money will fix it, spend lots of it. Then, calculate what you could have saved if you'd done the right thing in the first place.



from enjoying—going to clubs, dancing, drinking. Convicted Trump former attorney Michael Cohen also appears to have stories—and pictures—of Falwell’s misbehavior.

Since the Granda scandal broke, Liberty, normally tightly controlled with its messages, seems to be in chaos.

First, we heard that Falwell resigned, then he was back; now it’s clear that he was forced out. Nonetheless, Falwell’s wife Becki has taken to the talk show circuit to defend the family honor, ensuring that the story stays in the headlines.

Somewhere we’re sure Granda is negotiating movie rights.

If it had happened in another year, to any other high-profile family, it might not be a front-page story in every paper. But given the nature of the affair, Falwell’s ties to President Trump and the overwhelming hypocrisy of the situation, it’s a crisis that won’t be going away anytime soon. ■

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## Liberty University and Jerry Falwell, Jr.

Criteria	Grade	Comments	Advice
Extent of coverage	F	A pool boy, Jerry Falwell’s son, a cheating wife, a controversial non-profit and ties to President Trump? Even though we are in the middle of an election cycle and a global pandemic, the media was bound to cover this story wall to wall and around the globe.	Never underestimate the power of a sex scandal, especially when there is hypocrisy involved. It’s human nature to want to read titillating gossip, and those clicks sell ads. So, if your crisis involves anything lewd or lascivious, the only thing that will divert the media is another, better sex scandal.
Effectiveness of spokespeople	F	There were none, other than Granda, who was very happy to speak on the record to anyone who would listen. On the eve of publication of the original Reuters story, Falwell issued a denial and has had little to say since. Liberty University has yet to make a formal statement on the record, using people on background to confirm Falwell’s departure. Granda filled the void, dropping as many juicy tidbits as the media could possibly want to suck up. Becki Falwell then chose to do a round of media interviews, but rather than quell the furor, her remarks exacerbated it.	If your brand is involved in a scandal of any sort, you should immediately bring out your crisis plan, haul out your spokespeople, craft your message and stay on it. Even if the lawyers are telling you not to speak, you still need a consistent voice that the media can turn to quickly. ‘No comment’ will lead to more comments that you really don’t want to see in the media.
Communication of key messages	F	With no one really talking, Granda filled the vacuum with all the lurid details anyone wanted to cover. Making things worse, Falwell’s departure reignited old questions about his questionable handling of the University’s finances.	If you don’t have a spokesperson, your accuser is going to take up all the oxygen, and whatever messages you might want to communicate won’t make it into the media.
Management of negative messages	F	Liberty University and Falwell had a lot of clouds over their heads, and all those past negative messages reappeared. The good news is that most of the coverage centered on the sex scandal and only a few media outlets dredged up the past.	If this is your first crisis, congratulations, the media might find it difficult to dredge up dirt from your past. But if you’ve had any trouble previously, the media is guaranteed to remind all its readers and viewers of everything you’ve ever done wrong.
Impact on employees and students of Liberty	D-	Interviews with students revealed something of a gender split. Women wanted to protest Falwell and were delighted in his removal. Male students mostly ignore it—at least that’s what they told the media. Faculty and staff, on the other hand, seemed to welcome Falwell’s departure.	If the leader of your organization steps down as a result of a scandal, there will be a rift in the employee community. With luck, those who supported him/her will leave as well. If not, a lot of serious rebuilding will be required to get those supporters on board with a new regime.
Overall score	F	A classic case of how not to handle a crisis, but also a good argument for allowing free speech and criticism in an organization. If staff complaints had been allowed to surface earlier, much of the trauma Liberty is going through now might have been avoided.	If your leadership culture is one that tries to control the thoughts, words and behavior of all of your employees, it will only obscure problems that exist in every human endeavor. The more open dialogue there is, the more you avoid future crises.

# Ryder's New Campaign is Based on Listening to Customers and Acting on What They Say

**[Editor's Note:** Many companies say they listen to their customers, but how many do? And do they act on what they've heard? In an interview, **Ryder** CMO and EVP Karen Jones told us the idea that led to a marketing effort debuting this month, *Ever Better World of Logistics*, came directly from the mouths of customers.]

**PRNEWS: First, are you in your offices?**



**Karen Jones**  
CMO and EVP  
Ryder

**Karen Jones:** We're not in our corporate offices. Ryder's [non-corporate employees are] considered essential, so we have 800 facilities throughout the US [where 30K frontline employees are working]. We've done all the proper [coronavirus] protocols.

**PRN: OK. Ryder hasn't done a campaign this size since 2014. Why launch *Ever Better World of Logistics* in the middle of a pandemic and an historic economic downturn?**

**Jones:** We planned it in 2019, partly around our growth strategy for our supply chain and dedicated business.

People know Ryder, they know us for our rental trucks and leasing business. Trucks are about \$5 billion of a \$9-billion business. But the other \$4 billion is the supply chain and logistics products and services.

People don't really know that we're in this business. There is an awareness issue, because trucks overshadow the logistics and supply chain side of the business.

**PRN: How did you come up with the idea?**

**Jones:** The genesis of it came from our Customer Advisory Boards, where we invite about 20 customers twice a year to participate. We show them products and capabilities, talk about our offerings and what's important to them, how they're navigating their business. The resounding comment we got over the years was, 'You have a best-kept secret. We had no idea you did all these other things.' Maybe they thought of endpoint solutions.

Fast-forward to a time when we wanted to grow our business strategically, and we said, 'Supply chain is really poised for growth opportunity' mostly because of the rise of e-commerce. **[Note:** E-commerce has exploded in the US during the pandemic, according to **McKinsey**.] This was just prior to the rise of COVID-19.

I thought it was time for us to come out and share [our other products] with the world...and make sure the awareness level is high.

We planned to do the campaign in the beginning of the year and then we all got shut down [by the pandemic]. The

strange thing is that COVID-19 accelerated [the topic of supply chains].

So, I call it 'The Perfect Storm,' because [COVID-19] is a storm, make no mistake, nobody wants it. But we were prepared to start touting our e-commerce capability and our supply chain and logistics business.

So, [the pandemic] makes this campaign *more* relevant. We laughed because we said consumers didn't know what a supply chain was and now [because of the coronavirus] it's a household word. Not that consumers are our target. It's aimed at business-to-business decision makers who make choices on their supply chain logistics capability.

**PRN: Tell us more about the Customer Advisory Boards.**

**Jones:** Those boards are like a big research group for us, with B2B customers—everything from Fortune 50 down to 500, a lot of VPs, EVPs of supply chains—across the entire business. They come in for two days. This gives us a chance to hear what's keeping them up at night and put new products and product ideas and services in front of them. They do a taste test for us. More importantly, we hear what's going on in their world. We figure if those 20 customers are experiencing something, probably the rest of our thousands of



**Always Say Ever: Ads from Ryder's Ever Better logistics push, which sprang from customers' input. Source: Ryder**

customers are going through the same thing. All our senior executives participate in it as well as our CEO. We really want to know what our customers are thinking.

**PRN: How long has Ryder been doing Customer Advisory Boards?**

**Jones:** We've done these for about six years. The attendees love it. We bring them in on a Wednesday night. They have

a full-day of meetings on Thursday and a half day on Friday. They craft the agenda; it's member-led. We do pre-interviews with them to find out their issues, what's working, what's not. In addition, we bring in subject-matter experts to speak, and we also do peer-to-peer exchange.

It's like therapy. They're talking to people with the same problems. For us, it's great because we get to hear what they're thinking.

**PRN: As a result of the pandemic, supply chains and logistics are part of the zeitgeist. But how do you make them sexy and reduce them to a 60-second TV ad?**

**Jones:** [Deadpan] Very carefully. [Laughter]

**PRNEWS:** [Laughter]

**Jones:** It's difficult. Remember, we're advertising to people hopefully who are in the industry, so it's not as difficult.

Our challenge was more insuring they understood the portfolio of products. This is an awareness campaign, but also a lead generation campaign.

At the TV level, though, it was more about the rallying cry from our customers who said, 'You gotta tell more people that you do all this stuff.' So, it's really about telegraphing our solutions.

late to it, industry people would be able to. The feedback was useful. It led us to change the script a little bit to make things clearer. As a communicator you're always wondering, 'Am I being effective with what I'm communicating?'

**PRNEWS: Pull back the curtain a bit. You did this campaign entirely in house. Did you do it all during the pandemic?**

**Jones:** Yes, we filmed this during COVID-19, with much of the filming at our facilities. We had really strict guidelines... about distancing, etc. It created an extra level of complexity.

**PRNEWS: Tell us about why you did this in-house.**

**Jones:** In the past, we've used agencies and we had success with some of them. But, over the past 2 years we've built a talented communication team that does internal and exter-

nal, almost like an in-house agency.

We decided if we want to do this quickly, we realized we didn't have a lot of time to re-educate an agency. So, for us, it was cost effective and we controlled the situation. I felt my team was able to handle it because they know the business so well.

**PRNEWS: What did you learn?**

**Jones:** We had to do all this virtually, drafting the scripts, getting approvals, work with **Sony**. We did all this on Microsoft Teams. We learned 'If there's a will, there's a way.' We leveraged every ounce of [Microsoft] Teams.

We learned it's important to have great customers who will stand up and be part of your campaign and allow you to film at their facility.

And the research [was a lesson], making sure your message resonates in a customer environment. As communicators, we know we should [test messages], but sometimes we feel we should draft them and send them out there.

So, it was a great reminder [of a best practice] when we tested our messages [before releasing them publicly], including exposing them to people who really didn't know us.

**PRNEWS: What metrics are you using to measure success with this campaign?**

**Jones:** I have two metrics. One is awareness. On television, we are testing a control group and an exposed group to see if brand awareness resonated. We do that mid-way through the campaign and at the end of the campaign.

Then, we also have a 'show me the money,' a lead generation [metric]. We have come up with a specific number on leads generated from this campaign. We track that weekly with a sophisticated program with **Salesforce**.

We know exactly where leads are coming from. With our business, it's a long sales cycle. So, nine months to a year from now I may get an actual sale. So, in the short term, it's all about the lead, the opportunity, the size of the opportunity and the beginning of getting a customer back to pitch them and hopefully get a sale. We set up a few different metrics. ■

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iciency updates. “They included a change to performance reviews that allowed for less employee feedback about concerns, former managers said,” [Haddon and Vranica wrote](#).

The *Journal* reported that former managers said that HR leaders under Easterbrook downplayed reports of misconduct. In addition, similar to the Ellen situation, employees feared retribution for reporting misconduct to HR. The HR chief has since been fired for cause.

As mentioned above, the second investigation’s findings led McDonald’s to sue Easterbrook, seeking to claw back millions from his departure package. Of course, this move also is a calculated risk, re-living what was a dormant situation and exposing the brand to a court case. Easterbrook has responded, claiming McDonald’s board knew of the [three relationships](#) when it fired him.

### WHAT’S A COMMUNICATOR TO DO?

Admittedly, the McDonald’s case is a difficult variant of the toxic culture scenario since the CEO and the HR chief are the alleged toxic sources. In Musselman’s opinion, HR needs to be empowered to help root out misconduct. In McDonald’s case, of course, HR appears to have been weakened.

In more common toxic scenarios, Musselman says, communicators should approach the CEO *with* HR, if possible. Obviously, this can be a difficult encounter for the communicator, Musselman acknowledges. “It can become a ‘Kill the Messenger’ situation, she says. Still, the communicator’s job is to protect the brand externally and be the voice of internal stakeholders. Action, then, seems required. “The communicator needs to tell leaders what they need to hear,” she says.

### APPROACHING THE C-SUITE

So, you’ve decided to approach leadership. Let the CEO’s character inform your presentation, she says. If the CEO is more left-brained, bring statistics showing how many strong employees have left the company because of a toxic culture.

Encourage “a cultural deep dive...not just a dog-and-pony” show that “will be a one-time thing” to show employees that you care. Think transformational not transactional change.

And, instead of blaming the C-suite, say to leaders, “This isn’t working...We need to work to ensure company values are being lived” at all levels.

Musselman advises that it may take time, and several encounters, before the C-suite acknowledges there might be systemic issues with the company’s culture. Avoid hitting the CEO with your entire case all at once, she says.

More lasting measures that communicators can suggest, she says, include instituting consistent, transparent and authentic communication between the C-suite and all levels of employees.



**Marisa Long**  
EVP

*Inspire PR Group*

“Companies tackling toxic work environments need to start with a strong internal communication plan that includes recognition of wrongdoing and apologies when appropriate,” says Marisa Long, EVP, **Inspire PR Group**. “Establishing a process for open

### A Deadly Mix? COVID-19, Silence and Toxic Workplaces

As we saw in the page 1 story, staff may retreat into silence when they’re fearful of speaking out about a toxic workplace. Sometimes, though, an employer mandates silence, ordering staff not to speak to anyone, including fellow workers or members of the media. Often this is so during a crisis.

Ordering staff to remain silent is a delicate dance for communicators, who most of the time espouse transparency and authenticity. Certainly, keeping workers silent may contribute to what some deem a toxic workplace.

For example, during last month’s hubbub over Postmaster General Louis DeJoy and the **US Postal Service**, postal employees were sent memos warning them about talking to members of the public. The danger, the memos said, is that some members of the public could be journalists in disguise. **Vice’s** Motherboard [obtained two of the memos](#).

In one, “Guidelines for Handling Local Media Inquiries,” postal workers, according to Motherboard, were told, “Avoid the temptation to ‘answer a few questions...’ keep in mind that, while most media representatives will identify themselves up front, sometimes they do not. If you are dealing with a customer, especially one who asks a series of questions, it is perfectly appropriate to ask, ‘Are you a member of the media?’ Asking this specific question will help ensure your interaction is not used as the basis for any kind of ‘official’ Postal Service statement or position.”

A single voice needs to speak for the Postal Service, the memos argue. An issue, of course, is that members of the public are concerned about the post office’s future. Some will ask a lot of questions of employees. It could become a difficult situation.

Managing the message during a traditional crisis is one thing, but what happens when the issue staff members are discussing concern fellow employees who’ve tested positive for the coronavirus?

For example, let’s say you test positive. You’re home, beginning what you hope is a recovery period. Would you want to shield your condition from fellow workers? Perhaps they worked near you, or you were in meetings with them recently?

Is forbidding staff to discuss the deadly coronavirus in-

*Continued on page 11, bottom*

and honest two-way communication, and the simple acts of showing empathy and listening, can go a long way,” she adds.

In addition, the CEO must get involved, monitoring those responsible for culture and conflict resolution.

Another suggestion is to engage an outside consultant to observe culture and conduct difficult conversations about the workplace. A third party sometimes makes it easier for employees to open up about sensitive issues. ■

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# Communicator's Headache: Keep Track of Changing Privacy Regulations



When I wrote a column on the nexus between [communications and privacy](#) last year, I figured I'd be providing an update. What I did not expect was to be writing it from my basement home office during a global pandemic.

Though the world is a much different place than it was just six months ago, the debate about privacy—what it means and how much it is valued as a commodity—continues. Moreover, the laws and regulations about what can be done with personal data evolve almost daily.

## CCPA WAS THE BEGINNING, NOT THE END

Companies around the country, indeed the world, scrambled to develop privacy programs that would be compliant with the California Consumer Privacy Act (CCPA) before the July 1, 2020, enforcement date. The CA attorney general issued [draft regulations earlier this year](#) that are fully in effect now. But lacking complete regulations did not stop enforcement action against companies. And remember, this law has teeth in terms of fines and even a private right of action (*aka* you can be sued) for data breaches.

What does this mean for PR? If you have data from CA residents, you need to know what you have, where you keep it and what you do with it. Under this law, CA consumers can ask you for their data, correct it if it's wrong and demand that you delete it. Pay particular attention if you sell, share or trade data with a third party. That's considered a sale under the law and you have to disclose that and offer Californians the option of *Do Not Sell*.

Some companies have found it easier to allow consumers not in CA to exercise rights under CCPA, finding it's good for the brand to be a privacy leader. It's also easier to have privacy by design when working with data instead of trying to bolt on privacy compliance on the back end.

But, as the man on TV says, 'Wait, there's more.'

CCPA was only the beginning, not the end, of the privacy debate in California. CCPA-like laws are being proposed in many states. And now in CA, an expansion of privacy rights will be on the ballot in November. The California Privacy Rights Act of 2020 (CPRA) would expand rights under CCPA, create a category of sensitive information, form a state privacy agency for enforcement and bring CA even more in line with the **European Union** (EU) and GDPR.

Is that good for PR? It depends on whom you ask.

## WHAT DO WE DO WITH EU DATA NOW?

Until July, many of us in communication probably were not familiar with the EU/US data transfer mechanism, Privacy Shield. Well, it's gone now as a result of a lawsuit brought before the **European Union Court of Justice**. Companies that the **US Department of Commerce** certified under the Privacy Shield program could transfer data from the EU to the US.

The Court, however, ruled that the US does not provide

adequate protection for EU data (remember Eric Snowden?); EU citizens do not have effective redress if their data is shared with government authorities. As a result, the Privacy Shield was deemed invalid. So, what does that mean for communicators and their global operations? Though the Court ruled Privacy Shield invalid, Washington has told businesses operating under its guidelines they still must comply.

There are, however, other Court-approved ways to move data from the EU...sort of. One way is via Standard Contractual Clauses. These EU-approved agreements explain how data can be moved and protected. The court, however, called these into question because the same concerns about Privacy Shield also apply to them—nothing can stop US intelligence agencies from grabbing data on national security grounds.

Confused yet? You are not alone. Businesses around the world are scrambling to find a solution to this problem with many recognizing that data transfers are in a state of limbo. EU authorities have offered some guidance, but no one knows yet how this will play out. US and EU officials have started work on an agreement to replace Privacy Shield. Without a strong federal privacy law in the US, it remains to be seen how a replacement would pass EU legal muster and not end up in court all over again.

## COOKIES AND COOKIE WALLS

Does your company's website use cookies? Most do, but if it is in the EU or offering goods/services to EU citizens, you need to be careful about how you use cookies and what you do when a website visitor declines to allow them.

Remember, under GDPR you cannot deny access or degrade service when someone refuses to allow cookies. You must tell them what the cookies are used for and how long they last. In addition, you must seek their consent and it must be explicit. Regulatory authorities have offered [guidance](#), like the **European Protection Board**, but the best advice is to seek consent for cookies, and don't be surprised when a visitor says no. Do not build a cookie wall because that will get noticed and GDPR fines can be substantial.

There is much happening in the world of privacy that touches on PR. If you don't have someone monitoring regulations, you should. The penalties under a lot of these laws can be severe and no one wants protracted litigation with the brand damage and costs that go along with it.

But please remember, I am not an attorney. The views in this column are mine and the advice I give is not a replacement for legal counsel. In the words of the late, great Warren Zevon, "Send lawyers, guns and money. The *stuff* has hit the fan!" Stay safe. ■

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# Big and Small Groups Use Digital Tools to Offer Help to Needy Communities



Corporate social responsibility (CSR) works best when local communities benefit. The key is knowing how to best reach communities in need. Some of the smallest organizations are making great strides using digital channels, such as **reddit** and **Instagram**.

There are a number of great examples of community relations providing opportunities for CSR programs, particularly during COVID-19 and social unrest.

There's plenty to learn from start-up and established organizations about reaching communities to make a difference.

## NFL'S COMMUNITY FITNESS INITIATIVE

**National Football League** may look a bit different this year, as 20+ teams will start the season **without fans** in the stands. Some, like the **Chicago Bears**, **Las Vegas Raiders** and the **Washington Football Team**, have said there will be no fans for the entire season. Others are TBD.

Yet a successful program the NFL is famous for, which benefits children in local communities, NFL PLAY 60, will return. The League's national youth health and wellness campaign, PLAY 60 encourages kids to be active for at least 60 minutes daily.

It is implemented nationally and locally through the 32 NFL teams, as part of in-school, at-home/after-school and team-based programs. Communities have embraced it. PLAY 60 has implemented programs in more than 73,000 schools and constructed more than 265 youth fitness zones nationwide—giving more than 38 million children an opportunity to boost their physical activity levels, according to the NFL.

## GETTING IN ON A LOCAL LEVEL

Megan Mendoza, a community relations manager for the NFL, says the League takes a “team-based approach” when implementing this initiative. Schools and students serve as primary stakeholders, but partnerships with national and local nonprofits and organizations also play a role.

“The 32 NFL teams hold a unique relationship with their local school districts and teachers,” she says. “That relationship...is a key factor in successfully bringing our program to life in an impactful way.” These local partnerships are joined with the NFL's national partners throughout the year and during key tentpole timeframes, including: Kickoff, Pro Bowl, Super Bowl, Draft, and Combine. Over the past decade, the NFL has partnered with academic, nonprofit and youth-focused organizations, including the **American Heart Association**, **National Dairy Council**, **Special Olympics**, **GoNoodle**, **Shriners Hospitals for Children**, **St. Jude** and the **United Way**, to help children of all abilities lead healthier, active lives.

## NFL DELIVERS ON COMMITMENT

Since the NFL operates on a national level, it is impera-

tive that it address the needs of each of its 32 markets individually. Mendoza says program deliverables are pushed out through three key focus areas: in-school, at-home and in the community. This has helped during the pandemic, as many in-school events might not be a possibility.

“What has helped us continue to communicate to our teacher, parent and student audience through the pandemic is our approach to be more innovative, [which started] a few years ago with our program offerings,” Mendoza says. “We began working with the American Heart Association through a collaboration with **Discovery Education** to provide teachers and parents with quick digital-based physical activity break content and lesson plans to implement in classrooms and at-home settings free of charge.”

The content included fun, education-based online resources featuring NFL players, cheerleaders and mascots to get the kids moving. The free services are accessible to anyone who can access the internet.

For 2020, PLAY 60 joined the American Heart Association and GoNoodle to create virtual content that teachers and parents can incorporate in students' lives to help meet the physical activity need.

The program, **Fuel Up to Play 60**, releases new content every Thursday, and beginning mid-September the group will provide digital content through the end of March 2021 on **GoNoodle**.

## MINI FRIDGE MOVEMENT EMBRACES DIGITAL

On the opposite end of the spectrum, a grassroots movement is bringing much-needed resources to strapped communities. Around the streets of New York, for example, fully-stocked **mini fridges** with food for the taking abound. Some New Yorkers may be cynical, but a **Google** search offers the needy with information needed to participate.

“Community-led, free-food refrigerators, sometimes nicknamed ‘friendly fridges,’ have been popping up on city sidewalks since February,” according to the **New York Times**.

Area volunteers stock the fridges, helping to curb many of the food needs emerging from the economic pitfalls and health challenges of the pandemic.

Local mutual-aid networks like **In Our Hearts** and **Astoria Fridge** distribute information regarding fridge locations and donation and volunteer needs through social channels such as **Instagram**. On the **In Our Hearts** Instagram profile, a saved story highlights locations of fridges around the city.

Through the power of Instagram, followers can spread the word, sharing posts on their stories, eventually branching out to other platforms like community sub-reddits and **NextDoor**. **Freeledge.org** was created as a global directory for neighborhood mini fridges around the world, demonstrating that some

community movements may start with a simple social media post—no budget, paid ads or partnerships needed.

## PROVIDING COMMUNITY RELATIONS GUIDELINES

Some larger entities have noted the need for community relations tools and guidance, particularly for those looking to make a splash for a new initiative or serious fundraising impact. Organizations like **Do Something** and **Facebook** provide tools and strategic counseling for community projects.

For 27 years, Do Something has been providing young people with the means and guidance to get social good initiatives off the ground. It utilizes a digital platform to get more than 5 million young people involved in volunteering and launching programs to help others. Campaigns include everything from voter registration to cleaning up cigarette butts from streets.

Do Something became so successful that in 2013 it launched **Do Something Strategic**, a social impact consultancy that is “100% focused on young people.” DSS helps create engagement strategies that help brands build relationships with socially conscious people. It has worked with Microsoft on **YouthSpark**, to get students interested in computer science, and **Jed Foundation**, to launch a mental health platform for new college students.

Facebook also launched a series of tools under its **Social Good platform**. It provides guidelines and free courses on tools to help with charitable giving, crisis response, health and mentorship. Any organization that uses Facebook can

*Continued from page 8*

ternally an indicator of a toxic workplace? More than that, is it a safety violation? What about an employee at home, recovering, mentioning she is positive on social? Can companies silence this sort of speech? These are far from theoretical questions.

A slew of well-known brands is forbidding staff to speak internally and externally about the virus, a report from **Bloomberg Businessweek** alleges. Brands include **Amazon**, **McDonald's** and **Target**. Several deny these allegations.

“In the past few months, U.S. businesses have been on a silencing spree,” Bloomberg’s Josh Eidelson writes. “Hundreds of U.S. employers... have told workers not to share information about COVID-19 cases or even raise concerns about the virus,” he writes. Some schoolteachers also are under gag rules.

The article begins with a scenario similar to the one posed above: a manager at the **Cheesecake Factory** tells waitress Lindsay Ruck that one of her colleagues tested positive. She shares that information with fellow workers, but later is told to stop talking to staff about the virus.

Concerned, Ruck took off work, got tested. She was negative. Needing money, she returned to work, exposing her young children and an elderly parent. “It suddenly feels a lot tougher to trust that the company...will keep me safe,” she says.

For Meredith L. Eaton, director, N. America, **Red Lorry Yellow Lorry**, coronavirus transcends some aspects of internal

## Tools for Community Outreach

Many digital tools are available if you for fostering a better connection between campaigns and communities. In this time of virtual relationship-building, these tools can get the word out anywhere to and from anywhere.

- ▶ Social Good at Facebook
- ▶ NextDoor
- ▶ Facebook Groups
- ▶ WhatsApp
- ▶ Instagram
- ▶ Reddit

sign up to access the tools and knowledge base, which facilitates relationship building.

Community help is needed on a grand scale. The more individuals taking charge and getting involved with community relations and social responsibility, the better. ■

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communication protocol. “I understand the desire to curb misinformation and panic internally,” she says, “but with COVID-19, we’re beyond that.”

Eaton adds, “Immediate transparency is key to keeping people safe. Anything less could be considered negligent, especially if it contributes to others getting sick.”

External communication, Eaton acknowledges, is different. “There needs to be more of a balance” as well as guidelines for external communication.

Eaton’s earlier point, about potential negligence, is astute. Communicators are urged to consult attorneys to understand law and regulations in circumstances where communication and limits on employees’ free speech rights mix with health and safety concerns. It can be a confusing area.

Employers are gagging staff citing HIPA. Yet Businessweek argues HIPA does not require companies to silence employees on safety matters. In addition, OSHA and NLRB rules “guarantee” employees the right to communicate about and protest their job conditions, Businessweek says. ■

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# In Buyer's Market, Second Wave and Stimulus Uncertainty are Concerns

**[Editor's Note:** What is PR's financial future? In late June, we asked Rick Gould, managing partner of **Gould + Partners**, for his views on M&As and weathering the economic morass of the pandemic.]

**PRNEWS:** Rick, what do your phone calls sound like these days? What challenges are PR firms asking you about?

**Rick Gould:** The number-one concern is fear of a second wave of the pandemic. Most consider the uptick in several states as part of the first wave. The uncertainty about a second wave makes many C-suite executives cautious with major investments such as acquisitions, executive compensation increases, hiring and new offices.

A second major concern is whether or not we will get another stimulus, such as the Payroll Protection Plan (PPP) and Economic Injury Disaster Loan Program.

PPP was a savior for a majority of PR firms but, as could have been predicted, firms used up the PPP funding in the eight weeks of the program on retaining employees...they still lack the revenue to continue keeping staff on the payroll.

**PRNEWS:** One of your specialties is M&As. Has there been much activity during the pandemic? Should firms be considering M&As now?

**Gould:** There is activity, but mainly transactions that were in discussion prior to March 16, the date that all transactions came to a grinding halt.

There is new activity, but not at the aggressive pace that we were seeing prior to the pandemic. And that makes total sense because of the uncertainty with a possible second wave, the economy and the November election.

On the other hand, owners who want to sell are lowering their expectations on valuation, especially if they lost substantial revenue. So, buyers with a decent war chest can acquire firms at a discounted price. It is definitely a buyer's market and, I believe, will be for the foreseeable future.

Buyers can also be more selective since there will be more available sellers as a result of the boomer generation, who are ready to sell, and [there will be] financial pressures on many smaller firms.

**PRNEWS:** You've written about recession-proofing a PR firm. You suggest managing by the numbers, keeping labor costs at 50 percent of net revenue, operating/rent at 25 percent and adding specialties, among other things. We're five months into the pandemic. What are you recommending now?

**Gould:** My recommendation is to continue to have the above as goals. For the first six months of 2020, most firms had

labor costs in excess of 50 percent of net revenue because of a loss of net revenue as a result of the pandemic. But I would not change goals.

**PRNEWS:** Let's say I'm running a small or medium-size firm and I've not done what you recommended above. What are the first things you'd tell me to do now?

**Gould:** I would advise you to regroup, get your infrastructure and organization chart in place and very carefully watch labor costs. If there is not a second round of payroll protection stimulus, then layoffs will need to be the answer so the labor cost can support the revised revenue forecasts.

**PRNEWS:** When you issue data, you divide firms into large, medium and small based on net revenue. Is any category of firm surviving the pandemic better than the others?

**Gould:** Consistently, firms of \$10-\$25 million have been the sweet spot in both net revenue growth, profitability and billing rates, as well as maximum valuation. That seems to be the point where firms have infrastructure in place and their labor costs do not rise at the same rate with increased revenue.

When firms are larger than \$25 million, we find the profitability percents decreasing, due to increased numbers of offices and the need for higher level, more expensive executive leadership.

We are presently tabulating our 2020 survey. I believe that will still be the case, based on data submitted to date.

**PRNEWS:** Some PR pros see a small silver lining in that the pandemic has demonstrated the need for communicators. How are firm owners thinking about the future? Are they optimistic or pessimistic?

**Gould:** I would say cautious optimism is the best description of the mood of the industry. PR owners are inherently optimistic, but they received a reality check with the pandemic. They need to plan for the worst but hope for the best. They need to manage for growth and profitability. They need to run their firm as if they plan on selling it to receive maximum valuation.

They also need to be laser-focused on the issue of diversity and inclusion, which has become an increasing concern for the PR firm C-suite. This has been a hot issue for the past 20 years but, unfortunately, little has been done. I believe this will be the year that all firms will finally focus on making the industry more diverse and inclusive. ■

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# The Most Captivating Path to PR-ROI: Making the PR-to-Sales Connection



The most alluring PR-ROI option is quantifying PR's influence on sales. To illustrate, we examine how **Ford Motor Company's** launch of the Ford Mustang Mach-E generated media coverage, awareness and sales.

The Ford Mustang Mach-E was unveiled in November 2019. It is Ford's first vehicle designed from the ground up as an electric vehicle and marked the first time in 55 years that Ford expanded its Mustang family beyond sports coupes. It also represented another milestone: customers could reserve their Mach-E on Ford.com. The business put a premium on driving customers to Ford's website and converting visits into reservations for car orders.

In addition to conversion, it was crucial to protect the Mustang brand with its fans. It was vital for the car's performance figures, green credentials and innovative technology to appear across targeted earned and social media.

Ford's Insights team—global manager Michael Young and analyst Ben Kocsis—collaborated with the communication team to craft a number of measurable objectives.

## CAMPAIGN OBJECTIVES

Business outcomes included driving demand (online reservations) and attaining an earned media conversion rate of 0.7 percent or higher, via attribution analysis.

Outtakes included delivering high message retention and company recall, particularly among opinion elites and younger audiences as quantified via surveys. In addition, the team wanted to elevate Ford's reputation as an environmentally responsible company, achieve a top-10 search ranking on **Google Trends** and reach record levels of site traffic for a new vehicle's landing page.

Outputs included generating 1 billion in media reach with more than 30 percent in positive tone; raising industry-average readership among females to 37 percent and delivering strong message penetration in target media.

## STRATEGY AND TACTICS

The data and insights team provided research-backed recommendations to hit these targets. The insights team focused on two primary areas.

The first, an optimized and targeted media list, included demographic analysis identifying optimal media with the highest penetration among target audiences, media segmentation informing multiple event strategies and social media/influencer identification, ensuring the media conversation spilled into organic social media.

Organic SEO was utilized to direct consumers to Ford.com, 'steal' search share from electric vehicle titans and apply SEO data to select earned media partners with the highest credibility around the electric vehicle conversation.

Ford's Data and Insights team utilized analytic tools and research to support communication strategy. Tactics includ-

ed organic SEO, an optimized media target list and engagement across social media.

The team leveraged SEO to discover the most frequently searched keywords connected to *electric vehicles*, analyzed opportunities for organic keywords, implemented keywords to increase search visibility, identified earned media outlets with the highest authority in organic search around electric vehicles and analyzed keywords competitors 'owned' to assess risk/reward of coopting them.

To best optimize the media target list, the team searched for outlets with highest reach/frequency devoted to electric vehicle topics; analyzed reach potential, particularly factoring differences between reach of homepage vs. automotive/technology focused subpage; and applied reader demographics with existing audience/customer profiles to ensure that intended Mach-E messages resonated with target audience.

Finally, the team engaged with social media by identifying outlets and headline keywords that drove the highest engagement across social platforms around electric vehicles and added data-informed insights and guidance into recommendations.

## PR DRIVES RESULTS

By leveraging data-driven analysis and guidance, the communication team accomplished a number of its results against its objectives. Business outcomes included filling First Edition Mach-E reservations, which is as good as it gets. Additionally, the team saw a conversion rate of .99 percent, besting its target of .7 percent.

The team also saw successful outtakes. For those aware of the Mach-E launch, nearly 70 percent of respondents associated the vehicle with Ford. About 60 percent of respondents reacted positively to the Mach-E launch, chiefly among Gen Z and so-called Opinion Elites. It ranked among top 10 topics in Google Search during launch, and generated 2.5M site visits in first two months.

In terms of outputs, the campaign generated 2 billion in potential media reach after the first week. The intended message penetration reached 72 percent (goal: 70 percent).

Beyond the launch, Ford's data and insights team continues to inform communication strategy for Mach-E.

Not every PR campaign results in sold-out inventory and not every organization has Ford's resources. But even if some of us never experience the opportunity to calculate PR's power to drive sales, it's important for PR practitioners to know that what we believe in our hearts to be true is, in fact, true: PR drives business results. And yes, we can prove it. ■

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# PR Urged to Monitor Foreign Agents Registration Act

Many PR firms, media companies and advertising agencies have noticed the **Department of Justice** (DOJ) increasingly is targeting these sectors for enforcement under the Foreign Agents Registration Act (FARA).

These include high-profile, Robert Mueller-led investigations and prosecutions, government efforts to force a radio station to register as a foreign agent for selling airtime to a foreign news outlet, and numerous efforts to require registration of foreign, state-owned media groups operating in the US.

In addition, outside of public view, there have been other media-focused FARA investigations that have yet to result in public enforcement actions. In this environment, every PR firm, media company or advertising agency dealing with foreign clients or business partners needs to consider FARA.

## BACKGROUND ON FARA

FARA was enacted in 1938 to force public disclosure of Nazi and other foreign propagandists working in the US in the run-up to World War II.

The statute uses sweeping language intended to capture anyone trying to influence US public opinion on behalf of foreign interests. But it also captures activities outside the US: foreign individuals, corporations, associations and others.

Activities relevant to PR and media include a statute triggered by acting as a “Public Relations counsel,” which is very broadly defined to include “informing, advising, or in any way representing” an entity “in any Public Relations matter.”

Being a “public agent” also triggers the statute; this is anyone who publishes or disseminates “...matter of any kind,” including “advertising, books, periodicals, newspapers, lectures, broadcasts, motion pictures, or otherwise.”

## PUBLIC OPINION CAN TRIGGER FARA

Additional triggers cover activity that is intended to influence public opinion on matters of foreign or domestic policy, and the act of publishing nearly any information about a foreign country, organization or company.

With these broad activities within the statute’s scope, the practical effect of the law often hinges on the applicability of one or more exemptions from the statute’s registration requirements.

That is, even though activities are within the statute’s scope, companies and individuals engaged in those activities are exempt from the statute’s registration requirements. For example, the statute has exemptions for certain commercial activities. So, a PR firm that develops messages or commercials to sell products of a foreign corporation within the US generally is exempt from the registration requirement.

## NOT ALL PR ACTIVITIES ARE EXEMPT

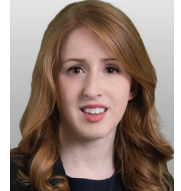
Importantly, though, not all media, PR and advertising activities fit within the law’s commercial exemptions. For example,



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the commercial exemptions cannot be used for activities that “directly promote” the interests of a foreign government.

## TOURISM PR AS A TARGET

Some years ago, the DOJ determined that advertising and PR related to tourism promotion for a foreign country was more closely related to promoting the foreign government’s interest than promoting the commercial interests of companies engaged in tourism. Accordingly, the government required ad agencies and others to register to work on behalf of foreign governments’ tourism boards.

More recently, the DOJ has taken this position with respect to some activities promoting foreign direct investment on behalf of foreign sovereign wealth funds in the US.

Conversely, there may be activities that seem commercial but that the government has concluded require registration because they are intertwined with foreign policy issues.

For example, the DOJ required registration for efforts designed to develop a commercial banking relationship for foreign banks because sanctions that were part of US foreign policy prohibited the commercial relationship. In another example, a firm was required to register as it attempted to influence commercial sourcing decisions of US companies. DOJ concluded that encouraging sourcing raw materials from a country was in the interest of the foreign government.

## CHANGE IN ENFORCEMENT

In March 2019, the DOJ announced that it was changing its approach to enforcement of the statute. Although it had, for years, limited enforcement to only the most egregious violations of the statute—failure to register in situations that clearly required it—the new policy focuses on administrative enforcement in more routine cases.

In this context, DOJ has been confronting a variety of edge cases and making determinations regarding the statute’s applicability. These cases have revealed a trend in which Washington is reading triggers more broadly, exemptions more narrowly and limitations on the exemptions more strictly. Overall, DOJ is applying the statute to a variety of activities that had previously been considered outside the statute’s scope.

Companies and their counsel should carefully reexamine their compliance posture with respect to the law. As noted above, application of the statute often depends on specific facts, with small changes in the facts often leading to large changes in the application of the law. ■

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# PR Pros Miss Out When They Skip the Profession's Rich and Diverse History

Theodore Roosevelt said, "The more you know about the past, the better prepared you are for the future." This maxim has been somewhat lost in the education and practice of PR.

Four years ago, the **Museum of Public Relations** and the **American Educators of Journalism and Mass Communications** surveyed PR professors to find out how much of their curriculum was spent on history. Professors said only 2 percent of the semester was spent on history-related topics.

Even the Accreditation in Public Relations (APR) exam includes just a few PR history questions in a section with communication models and theories. The section makes up only 8 percent of the exam.

Too many professors and practitioners don't see how the history of PR "has relevance to the practice today," says Shelley Spector, founder of the Museum of Public Relations. "The chief reason they find so little value in it is because they haven't studied it."

Indeed, PR history is a treasure trove of case studies, insights and big ideas that should inform how we work today.

For instance, **Edward Bernays**, the father of PR and a relative of **Sigmund Freud**, had a deep understanding of psychology and other disciplines that informed his work. PR is more than working with the media, practitioners must understand behavioral economics, business administration and a host of other disciplines to find success.

Sharing insights like these is the Museum of PR's main mission. Much of it is accomplished through publishing arm **PRMuseum Press** and partnerships with educators.

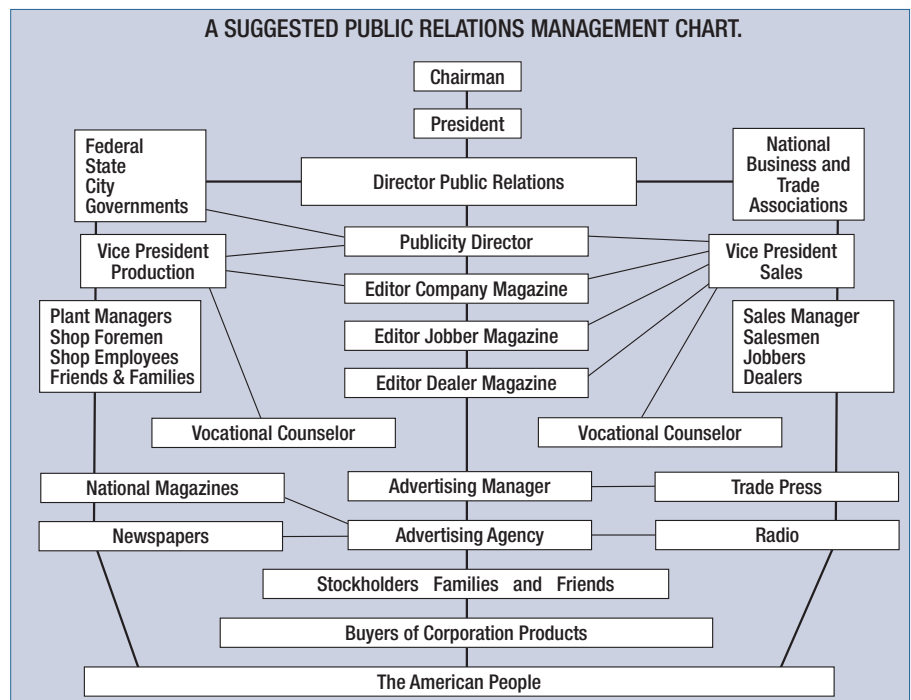
The latest book is Dick Martin's "**Marilyn: A Woman In Charge**," which chronicles Marilyn Laurie, the first female CCO. Laurie headed an 800-person PR staff at AT&T.

Yet many practitioners probably don't know of her inspirational life because the little PR history taught focuses heavily on seminal figures of the 19th and early 20th century, such as Ivy Lee and Edward Bernays. That's a limited view. It diminishes PR's diverse, storied past and leaves an incorrect perception.

"The historiography of modern PR posits that PR was invented and practiced by white men," says Dr. Denise Hill, assistant professor of strategic communications at **Elon University** [see photo 3 on page 1]. "PR has been practiced since the beginning of time. Women and minorities were practicing PR at the same time..." So, our industry's historiography is incorrect. Hill urges remembering the hidden figures of PR history. "Doing so," she says, "allows students and practitioners to see that there were PR pioneers who looked like them."

The lack of understanding about the profession goes even deeper, including where PR started and its importance. This has left practitioners debating where the PR function falls within a corporation's hierarchy. In 1938, that debate seemed a little clearer. A suggested hierarchy from a magazine in the Museum's collection [see diagram below] placed the PR director just under the president, an enviable slot many of us seek today.

This hidden history reminds practitioners about the importance of giving back to PR and leaving a legacy for future generations.



**A Heartbeat Away: This diagram from a 1938 edition of 'Public Relations' magazine affords PR an enviable position.** Source: Museum of PR

The wonders of PR history aren't limited to new professionals. Even scholars sometimes are caught off guard. Dr. Karen Russell, associate professor of PR at the **University of Georgia**, gained insights from writing "**Promoting Monopoly: AT&T and the Politics of Public Relations, 1876-1941**."

"Looking at current practice in historical context can give us a much deeper understanding of the industry," she says.

That depth is essential to advancing the profession.

With his new book, "Public Relations History: Theory, Practice, and Profession," **VA Tech** professor Dr. Cayce Meyers hopes readers will see that PR has "deep historical roots, and the field developed in multiple sectors simultaneously." ■

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## DATA

# It's Good to be The King: Lakers' Twitter Feed Dominates First Seven Months of 2020

Arguably today's greatest basketball player, LeBron James, also has a dominant **Twitter** feed. @KingJames has 47.2 million followers as we write. That's more than his employer, the **Los Angeles Lakers**, and the **National Basketball Association** (9 million followers and 31 million followers, respectively), according to data supplied to PRNEWS exclusively by [Shareablee](#). Undoubtedly, the King's following and the tragic Jan. 26 death of former great Kobe Bryant helped the Lakers

amass the top ranking in consumer engagement, a combination of Likes, Comments and Retweets, seen in the chart as *Actions*. The Lakers topped other professional teams and leagues in both Likes and Retweets for 2020's first seven months. Social-savvy organizations the NBA and the **National Football League** topped the list of Twitter followers. Interestingly, followers of **WWF**, the wrestling group, best **Major League Baseball** and the **National Hockey League**. ■

## TOP 10 PROFESSIONAL SPORTS TEAMS/LEAGUES ON TWITTER

RANK	TEAMS/LEAGUES		ACTIONS 🐦	RETWEETS 🐦	LIKES 🐦	FOLLOWERS 🐦
1	Los Angeles Lakers		25,852,008	3,644,022	22,207,986	9,022,704
2	NBA		19,240,016	2,782,842	16,457,174	30,789,953
3	WWE		18,052,511	2,827,507	15,225,004	10,965,040
4	NFL		10,892,456	1,666,318	9,226,138	25,343,664
5	Ultimate Fighting Championship - UFC		9,485,183	1,387,762	8,097,421	7,684,979
6	MLB		7,411,560	1,057,362	6,354,198	8,606,182
7	The Kansas City Chiefs		6,889,006	876,284	6,012,722	1,569,827
8	PGA TOUR		4,447,872	412,195	4,035,677	2,372,911
9	NHL		4,196,694	514,801	3,681,893	6,261,894
10	Golden State Warriors		4,154,224	481,093	3,673,131	6,456,812

Source: Sharablee, 1/1/20-7/31/20