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# The Practice of Public Relations

THIRTEENTH EDITION

Fraser P. Seitel

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# The Practice of **PUBLIC RELATIONS**

**THIRTEENTH EDITION**

**GLOBAL EDITION**

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sport's 21st century steroids scandal. Formerly revered cyclist Lance Armstrong was disgraced when, after lying for years, he admitted that illegal doping gave him an unfair advantage.<sup>10</sup>

- In **entertainment**, one of America's most cherished television "role models," comedian Bill Cosby, was accused of sexual assault by more than 40 women, who came forward by 2015. Cosby vehemently denied the allegations but lost much of his popularity. (See Case Study at the end of this chapter.)
- In **education**, the president of Penn State University was drummed out in 2011 in the wake of the pedophilia scandal that also cost football coach Joe Paterno his job—and, some argued, his life. President Graham Spanier, whom all agreed did a superlative job in building Penn State's reputation, nonetheless was found wanting in covering up the awful Jerry Sandusky scandal.<sup>11</sup>
- Similar charges of sexual abuse embroiled the venerable **Catholic Church** in ethical scandals from the beginning of the decade under Pope John Paul II and later under his successor, Pope Benedict XVI. It was left to Pope Francis to clear the air to rid the Church of the aftertaste of ethical scandal.
- In the realm of **nonprofit organizations**, supposed to aid those less fortunate, ethical improprieties also weren't uncommon. For example, in 2012, CNN revealed that a charity designed to serve veterans with disabilities had instead squandered millions of dollars on marketing costs that benefited Disabled Veterans National Foundation's organizers.<sup>12</sup>
- As noted, not even the practice of **public relations** could escape serious ethical lapses, as the Fleishman-Hillard, Walmart, Lanny Davis, and other ethical scandals revealed.

Again, public relations professionals are expected to *do the right thing*. The cardinal rule of public relations is to *never lie*.

Nonetheless, in one startling survey at the turn of the century of 1700 public relations executives, it was revealed that 25% of those interviewed admitted they had "lied on the job," 39% said they had exaggerated the truth, and another 44% said they had felt "uncertain" about the ethics of what they did.<sup>13</sup>

While the industry never repeated that survey (Wonder why?), the PRSA did invest \$100,000 in revamping its code of ethics. The code (see Appendix A), underscored by six fundamental values that the PRSA believes vital to the integrity of the profession (**Figure 6-3**), demonstrates the significance of ethics to the practice of public relations.

## Doing the Right Thing

What exactly are ethics? The answer isn't an easy one.

The Josephson Institute, which studies ethics, defines ethics as *standards of conduct that indicate how one should behave based on moral duties and virtues*.

In general, ethics are the values that guide a person, organization, or society—concepts such as right and wrong, fairness and unfairness, honesty and dishonesty. An individual's conduct is measured not only against his or her conscience but also against some norm of acceptability that society or an organization has determined.

Roughly translated, an individual's or organization's ethics comes down to the standards that are followed in relationships with others—the real integrity of the individual

## **PRSA Member Code of Ethics 2000**

### **PRSA Member Statement of Professional Values**

This statement presents the core values of PRSA members and, more broadly, of the public relations profession. These values provide the foundation for the Member Code of Ethics and set the industry standard for the professional practice of public relations. These values are the fundamental beliefs that guide our behaviors and decision-making process. We believe our professional values are vital to the integrity of the profession as a whole.

#### **ADVOCACY**

We serve the public interest by acting as responsible advocates for those we represent. We provide a voice in the marketplace of ideas, facts, and viewpoints to aid informed public debate.

#### **HONESTY**

We adhere to the highest standards of accuracy and truth in advancing the interests of those we represent and in communicating with the public.

#### **EXPERTISE**

We acquire and responsibly use specialized knowledge and experience. We advance the profession through continued professional development, research, and education. We build mutual understanding, credibility, and relationships among a wide array of institutions and audiences.

#### **INDEPENDENCE**

We provide objective counsel to those we represent. We are accountable for our actions.

#### **LOYALTY**

We are faithful to those we represent, while honoring our obligation to serve the public interest.

#### **FAIRNESS**

We deal fairly with clients, employers, competitors, peers, vendors, the media, and the general public. We respect all opinions and support the right of free expression.

The Public Relations Society of America, 33 Irving Place, New York, NY 10003-2376

**FIGURE 6-3** PRSA's six values.

The values of advocacy, honesty, expertise, independence, loyalty, and fairness form the basis of the PRSA ethical code.

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or organization. Obviously, a person's ethical construct and approach depend on numerous factors—cultural, religious, and educational, among others. Complicating the issue is that what might seem right to one person might not matter to someone else. No issue is solely black or white but is rather a shade of gray—particularly in making public relations decisions.

That is not to say that classical ethical distinctions don't exist. They do. Philosophers throughout the ages have debated the essence of ethics.

- *Utilitarianism* suggests considering the “greater good” rather than what may be best for the individual.
- To Aristotle, the *golden mean of moral virtue* could be found between two extreme points of view.
- Kant's *categorical imperative* recommended acting “on that maxim which you will to become a universal law.”
- Mill's *principle of utility* recommended “seeking the greatest happiness for the greatest number.”
- The traditional *Judeo-Christian ethic* prescribes “loving your neighbor as yourself.” Indeed, this golden rule makes good sense as well in the practice of public relations.

Because the practice of public relations is misunderstood by so many—even including some of those for whom public relations people work—public relations people, in particular, must be ethical. They can't assume that ethics are strictly personal choices without relevance or related methodology for resolving moral quandaries. Public relations people must adhere to a high standard of professional ethics, with truth as the key determinant of their conduct.

Indeed, ethics must be the great differentiator between public relations practice and other functions. Public relations people must always tell the truth. That doesn't mean they divulge “everything” about those for whom they work. But it does mean that they should never, ever lie. All one has in public relations is his or her reputation. When you lie, you lose it. So a high sense of ethical conduct must distinguish those who practice public relations.

Professional ethics, often called *applied ethics*, suggests a commonly accepted sense of professional conduct that is translated into formal codes of ethics.

The essence of the codes of conduct of both the PRSA and the International Association of Business Communicators is that honesty and fairness lie at the heart of public relations practice. Indeed, if the ultimate goal of the public relations professional is to enhance public trust of an organization, then only the highest ethical conduct is acceptable.

Inherent in these standards of the profession is the understanding that ethics have changed and continue to change as society changes. Over time, views have changed on such issues as discrimination, the treatment of women and minorities, pollution of the environment, concern for human rights, acceptable standards of language and dress, and so on. Again, honesty and fairness are two critical components that will continue to determine the ethical behavior of public relations professionals.

Boiled down to its essence, the ethical heart of the practice of public relations lies, again, in posing only one simple question to management: *Are we doing the right thing?* In posing that critical question, the public relations officer becomes the “conscience” of the organization.

Often the public relations professional will be the only member of management with the nerve to pose such a question. Sometimes this means saying no to what the boss wants to do. Public relations professionals must be driven by one purpose—to preserve, defend, sustain, and enhance the health and vitality of the organization. Simply translated, the bottom-line for public relations professionals must always be to counsel and to do what is in the best long-term interests of the organization.

## **2 Ethics in Business**

For many people today, regrettably, the term *business ethics* is an oxymoron. Its mere mention stimulates images of disgraced CEOs being led away in handcuffs after bilking their shareholders and employees out of millions of dollars. In one period alone, the 2012 “summer of shame,” a dizzying array of corporate executives was charged with ethical violations.

- The summer began with Irving H. Picard, the trustee overseeing the liquidation of Bernard Madoff’s investment advisory firm, receiving permission to “claw back” profits from those Madoff rewarded in his Ponzi scheme that bilked investors out of some \$7.3 billion—the most costly swindle in investing history.
- The Madoff number was just slightly more than high-flying Texas financier R. Allan Stanford who was convicted of swindling out of investors over a two-decade scam involving 30,000 investors in 113 countries.
- In June, the conviction of Rajat Gupta was perhaps the most shocking scandal of all. Gupta, former McKinsey CEO and a member of the board of premier investment banker Goldman Sachs, was an eminently respected business leader. But he also turned out to be a common criminal, feeding insider information to convicted hedge fund felon Raj Rajaratnam.

Gupta’s conviction culminated a wave of insider trading cases that yielded 66 indictments and 60 convictions over two-and-a-half years. These followed business scandals earlier in the decade that exposed subprime lenders as crooks, banks and other financial institutions as less-than-responsible stewards of public wealth, and CEOs as suspect in terms of ethics and credibility. With venerable companies such as Bear Stearns and Lehman Brothers going out of business and other less venerable ones like Washington Mutual and Countrywide Mortgage meeting the same fate, the early part of the 21st century was not a stellar period for business credibility.

No wonder confidence in business has deteriorated. One survey by the Ethics Resource Center found that although employees seemed more ethical in their own jobs, more employees had negative views of the ethics of their supervisors. Confidence in senior leadership fell to 62% in 2011, matching the historic low of 2000 and down six points from just two years earlier. One-third of U.S. employees said their own managers “didn’t exercise ethical behavior.”<sup>14</sup>

Indeed, many believed “crooked CEO” was redundant. One book, written by former management consultants, described CEOs thusly:

*Among the more than 14,000 publicly registered companies in the U.S. and the even larger number of privately held companies there is a class of people who will lie to the public, the regulators, their employees and anyone else in order to increase personal wealth and power.*<sup>15</sup>



## A Question of Ethics

### Sorry for Your Loss but .... Nice Bag

In the last half of the second decade of the 21st century, celebrity sells.

The more celebrities that can be seen wearing our product, the more our sales will increase. So there's nothing unusual about a high-end fashion company promoting itself with photos of a Hollywood actress wearing its clothes or carrying one of its couture handbags. So why all the fuss in the winter of 2014 when Valentino sent the following e-mail, with photo, to the media:

*"We are pleased to announce Amy Adams carrying the Valentino Garavani Rockstud Double bag from the Spring/Summer 2014 collection on Feb. 6 in New York."*

Here's why.

Adams, dressed in black and escorted by her husband, was carrying the Valentino bag to the funeral of Adams's film co-star Philip Seymour Hoffman, Oscar winner and father of three, who died of a drug overdose (**Figure 6-4**).

Almost immediately, Adams's representative quickly distanced the actress from Valentino and said she had no idea the photo would be used that way.

A chagrined Valentino also wasted little time in responding, after Web sites and tabloids pointed out the bad taste photo. Said the company:

*"We sincerely regret releasing a photo to the media...of Amy Adams with a Valentino Bag. We were not aware the photograph was taken while she was attending the wake of Philip Seymour Hoffman. It was an innocent mistake and we apologise to Ms Adams who was not aware, or a part of, our PR efforts."*

#### Questions

1. How would you assess Valentino's reaction to the publicity surrounding its promotional e-mail?
2. What might the company do to avoid a similar ethical public relations lapse in the future?



**FIGURE 6-4**

#### **Bereavement bag.**

Actress Amy Adams and her husband arrive at the New York City funeral of Philip Seymour Hoffman, unaware that the Valentino bag the actress carried would be at the heart of a public relations firestorm.

Photo: infusny-69/141/240/Mauceri/MacFarlane/INFphoto.com/Newscom

\*For further information, see Luke O'Neill, "Fashion Label Uses Philip Seymour Hoffman's Wake as PR Opportunity," *Gawker* (February 9, 2014) and Matt Wilson, "Valentino Apologizes After Promoting Handbag with Photo from Celebrity Wake," *Ragan PR Daily* (February 10, 2014).

To stem the feeling that chief executives and their companies weren't acting ethically, a number of firms increased their efforts to make their activities more transparent to the public. Companies from Coca-Cola to Amazon.com to General Electric announced plans to make accounting procedures more understandable. One CEO, Henry Paulson of investment banking giant Goldman Sachs, called on his fellow CEOs, in a memorable speech, to reform before regulation forced them to do so: "In my lifetime, American business has never been under such scrutiny. To be blunt, much of it is deserved."<sup>16</sup> Paulson's call for business ethics helped secure his selection as Secretary of the Treasury under President George W. Bush; where later he presided over the meltdown and eventual recovery of the U.S. financial system.

## Corporate Codes of Conduct

By the second decade of the 21st century, most organizations devoted an increasing amount of time and attention to corporate ethics.

The vast majority of companies conducted periodic risk assessments, with more than half doing so annually. Three-quarters of all companies conducted training in such areas as sexual/workplace harassment, conflicts of interest, and protecting confidential information. Many firms devoted upwards of \$500,000 a year, exclusive of personnel costs, for ethics and compliance programs.<sup>17</sup>

Most organizations also adopted formal codes of conduct to guide their activities. A code of conduct is a formal statement of the values and business practices of a corporation. A code may be a short mission statement, or it may be a sophisticated document that requires compliance with articulated standards and that has a complicated enforcement mechanism. Whatever its length and complexity, the corporate code of conduct dictates the behavioral expectations that an organization holds for its employees and agents.

Formal codes of conduct can help accomplish a number of public relations purposes.

- **To increase public confidence.** Scandals, credit crises, product recalls, etc., have all shaken investor confidence and have led to a decline of public trust and confidence in business. Many firms have responded with written codes of ethics.
- **To stem the tide of regulation.** As public confidence has declined, government regulation of business has increased. Some estimated the cost to society of compliance with regulations at \$100 billion per year. Corporate codes of conduct, it was hoped, would help serve as a self-regulation mechanism.
- **To improve internal operations.** As companies became larger and more decentralized, management needed consistent standards of conduct to ensure that employees were meeting the business objectives of the company in a legal and ethical manner.
- **To respond to transgressions.** Frequently, when a company itself is caught in the Web of unethical behavior, it responds with its own code of ethics.

Ralph Waldo Emerson once wrote, "An organization is the lengthened shadow of a man." Today, many corporate executives realize that just as an individual has certain responsibilities as a citizen, so, too, does a corporate citizen have responsibilities to the society in which it is privileged to operate.