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**The Anatomy of a Public
Policy Crisis**

by Richard J. Mahoney

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By the time business people try to shape public opinion on an important corporate issue, it's often too late.

Once the public's mind is made up—once its *opinion* becomes *belief*—it is virtually impossible to change it. Indeed, by then, it is often impossible to get the public even to listen. Yet many times, business people stir themselves into action *only* when the public's beliefs have *already* been translated into full-blown opposition when the business people face a public policy crisis.

As CEO of a company which I once described only half-jokingly as “a public affairs organization which makes products on the side,” I have learned most of my public policy lessons with on-the-job training. Sometimes painfully.

The company I led has been involved with public issues ranging from use of agricultural chemicals to biotechnology to pharmaceutical testing to novel foods to environmental preservation and many others in between—so I didn't have to look far for “learning experiences” in public policy debates—they found me!

I have watched public issues evolve in my own and other companies over the years, and have observed four distinct and escalating stages that the public goes through, if their concerns are allowed to remain unanswered. Each escalation is more costly in every respect.

Phase I for the public is **Awareness**. It is often expressed this way: “What's going on? I'm a little concerned about this problem and would like some answers to my questions.”

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Phase 2, if the issue is unanswered in Phase 1, moves to **Anger**: “Why isn’t anyone listening to me? I’m really getting worried and you only give me pat answers, half-truths, or worse—‘No comment.’ Are you hiding something? Don’t give me that we’re looking into stuff, because I know you’re just stalling, hoping we’ll go away.”

Phase 3 escalates from unsatisfactory handling in Phase 2 and brings **Outrage**: “Why are you lying to me? You’re profiting and we’re paying. We’re taking the risk while you cover up. I’ve been talking to others who feel just like I do and we’re not going to take it any more.”

Phase 4 is the ultimate step—**Opposition**: The formation of “People For, Against or Concerned With . . .” is often the response. The concerned public by now is saying: “We’ve mobilized to stop this affront to innocent people by heartless, greedy corporations. We are seeking legislators, lawyers, and media people to aid our ‘cause.’”

When Phase 4—opposition—arrives, the corporate public relations machinery usually turns on. Often no longer able to *persuade* the activists, they mount a major campaign to try to discredit them and to try to influence the media and the ultimate decisionmakers—legislators and regulators. Phase 4 is expensive, seldom completely successful, and almost always results in damage to corporate reputation. Credibility, always the company’s best defense, is usually diminished in the war of words, not only for the issue at hand, but also for the inevitable future issues.

The lessons I’ve learned, outlined below in “Ten Rules for Public Policy Management,” may seem at first to be logical and normal responses. Yet crisis is by definition an *abnormal* event. It is usually first faced in the critical formative stage by someone who didn’t participate in the last confrontation with public concern, the last “learning experience.”

If there are experienced crisis managers in the company, they usually get called on to participate in the later phases “after the body, if not already cold, is cooling rapidly.”

Ten Rules for Public Policy Management

1. Make your best public case *before* Phase I—before people are even raising questions. Explain the issue to those who

might have a stake in it and explain why you're taking your course of action. Offer to continue to provide more information if questions arise—and be prepared to do so. People always want *more* information when they feel they're not being told enough.

I can well recall, for example, the aftermath of the Bhopal, India tragedy in 1984 where many people died or were maimed by a chemical release into neighboring communities. Those living near chemical plants around the world were understandably concerned for their own safety. "Public interest groups" were mounting severe pressures to open chemical plants for inspection. The industry response was generally against any opening on the basis that "if we do that, we'll have trial lawyers seeking injury claims, competitors with cameras stealing our secrets"—and on and on.

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I felt that the public had a right to know what we were doing in their neighborhoods. We declared that we would open our Monsanto factories around the world—and provide interested people with a listing of

chemicals we handled, the hazards involved, and safety precautions we had in place—in short, what you as a neighbor of one of our plants would reasonably want to know. The decision to open our factories was greeted internally with less than complete enthusiasm for all the obvious security reasons—but particularly because it might inflame the already built-up public clamor, with unpredictable public consequences.

The surprise was that on the appointed day of factory opening, virtually no one showed up—anywhere. At one factory, a TV camera crew came to the gate—presumably to make a story out of being turned away (grist for the 10 o'clock news). The plant manager, delighted that *someone* had finally shown up after all his preparations, welcomed them in for a full factory tour.

The lesson? The forbidden fruit is often intoxicating. Opening up is a sign of confidence in what you're opening up to

public view. Of course, you'd better be sure of what you have confidence in!

We weren't always this smart. In the mid-1980s, our company planned to test what was among the first genetically engineered food products - a corn plant designed to resist insect attack. It was potentially a very environmentally friendly product since it reduced the need for sprayed-on chemicals. As we had done with all new agriculture products, we obtained appropriate permits and prepared for planting.

The local town council, however, was caught unprepared and, stirred up by the people, became outraged. The "corn that ate Missouri" was the characterization from the opposition. After heavy local pressure, we withdrew the tests, losing a full crop year in the process.

The following year we planned to test virus-resistant tomatoes in neighboring Illinois. We had learned our lesson.

This time we held local meetings well before planting time, explained the whole process, the safe-

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guards and benefits, and had strong local support. Indeed, the discussion generated great interest in our bio-engineered tomatoes as a possible new crop for local farmers. We were able to successfully run our tests with that local support.

Today, Monsanto is considered a leader in commercializing genetically modified crops. But the whole enterprise came close-too close-to being fatally delayed due to faulty communications.

2. If Phase 1-Public Awareness-is already upon you, act immediately to:

- Provide a credible information source. A known, trusted, preferably local face, easily beats an unfamiliar public relations person from corporate headquarters. Worse yet is a sterile press release.

Over the years, companies (including mine) too often have provided spokespersons in wood-paneled offices, or people in scary white lab coats for scientific issues-or no spokesper-

son at all! There is no better person to tell your story than a regular employee saying, “I live here and I won’t permit my family to take risks.” This is not exploitation; no one could coerce that person to make such a statement and the public knows that.

There are other people who can speak for you. Several years ago, Monsanto established public oversight groups at most of our factory locations to review our behavior in the community. These are local people—vigorous and demanding, but interested and fair. When we have a proper story to tell to the public, they will usually do it well and credibly. They’re also very independent; they will criticize privately and publicly if they disagree with what the company is doing.

- Tell the truth! There is absolutely no substitute for straight talk. If you don’t tell the unvarnished truth, sooner or later someone will tell it *for* you! (See Watergate and all the other “gates.”) The offense almost is always less important than the cover-up.

Well, maybe *your* company would never actually *lie*, but just see how the public perceives a carefully worded, legally defensive statement that your lawyers *love* because it can protect you from future litigation. Unfortunately, the public will often *hate* the statement the lawyers love because it smacks of “lying with fancy words.” Indeed, the lawyerly language may be a self-fulfilling prophecy, ultimately actually hastening the lawsuit by angering the potential plaintiff into action.

- Describe what you are doing about the concern and where that action will lead. When public concern is already a fact of life, it is probably too late to argue that the concern is unfounded; people now want results—or at least assurances with outcomes that can be tracked.

- Offer to continue the dialogue with the opposition. Too often, companies feel that addressing an issue once is enough. It never is!

- Then faithfully continue the dialogue.

3. Do not expect miracles even in Phase 1. People increasingly want to live a life that is *benefit-rich* but *risk free*. They will take some risks for benefits *they* perceive to be worthy. Not surprisingly, they will not knowingly take *any* risk for your benefit.

4. If you’ve ignored Phases I and 2 and people are outraged

and getting mobilized, get set for a long siege. The fight has likely gone beyond the point of easy resolution. And worse, if the issue is interesting enough, organized outside activists may join the locals to *ensure* its longevity. Dialogue is always worth trying—but at this point it usually only inflames, because *belief* has set in, ignited by *outrage*.

5. Don't expect to win by attacking the opposition as the "lunatic fringe," as so many have tried. Other people see the "anti's" as people more like themselves than you are. Your only hope in the debate at this point is to continue arguing with facts and honesty that your position is the reasonable one—and with trustworthy people telling your story.

6. Before you decide to turn this issue into World War III, ask yourself, "What's the worst thing that can happen if the opposition succeeds?" If you can live with that outcome, it's often better to just let it happen or even *agree* to let it happen. For damage control, the earlier this agreement comes the better. And, of course, it may just be that *they're* right- and *you're* wrong. Churchill said, "Never do battle unless you have a reasonable chance of winning." But be sure the battle is *worth* winning.

7. If you can't stand "the worst that can happen"—if it's truly a critical company issue—and your position is fully defensible, then defend it with all the firepower available. Instead of continued incremental escalation which can be costly and ineffective, confront the problem all at once. This sounds sensible, but many times the company defense ratchets up only in increments because "expert advice" says: "Lees play it down. If we answer, we'll just get more Press and make matters worse." The reality is, you'll often get more Press anyway, so the media might as well have your best arguments registered early and forcefully in the public debate.

8. Handling major public policy issues is not just the province of the public affairs people. If the issue is important enough, it deserves the highest level of attention—right away! Senior management will be drawn into the fray eventually, so they should participate early on, when they have the best chance to influence results.

9. Make sure that what you're asking the public to accept will pass the test of reasonable public policy. If it won't, don't try to force it through anyway.

10. See rule 9 above and keep repeating it over and over.

Conclusion

Sensitive management of public policy issues need not be mysterious—it can be learned and carried out effectively. I've seen it handled poorly and handled well and the results are worlds apart.

These 10 “R’s” derive from the “10 Rules for Public Management” listed above and in my view they should become “Corporate Dogma”:

- Respond early
- Recruit a credible spokesperson
- Reply truthfully
- Respect the opposition’s concerns
- Revisit the issue with follow-up
- Retreat early if it’s a loser
- Redouble efforts early if it’s a critical company issue
- Reply with visible top management
- Refuse to press for what is not good public policy
- Repeat the prior statement regularly

As I recite these “10 R’s,” I only wish I had already acquired them when I first became involved in public policy issues. Some practices came by instinct and naturally. Some were learned only after a while - and I paid for the late education. Fortunately, sooner or later they came.

Getting the whole company trained to deal with public policy is difficult and expensive. But paraphrasing what the car repairman said in the TV commercial, “You can pay now or pay a lot more later.” Now is infinitely better for everyone! 🍷

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