

PR in a “Closed Open” World

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Since the rise of the Internet and Web, can anyone keep a secret?

Yes, many do, and in fact, it might be easier to keep secrets now because we increasingly work in a “closed open” world.

The Internet has expanded accessibility to human knowledge, but data abundance has exaggerated a paradox –an appearance of openness rather than real disclosure. It is an environment in which data floods often disguise secrecy. “Closed openness” is not new, and it has always been a factor in communications, but the Internet amplifies it.

With powerful search engines like Google and good search techniques, one can find a great deal about individuals and organizations. Web sites groan with information -- company histories, financial data, press releases, bios, product and service specifications, etc. Secondary information promotes understanding of and credibility for an organization. But, it does not tell one what an organization does day-in and day-out. And, there is a disconnect between openness of data abundance and the closed actuality of truth. Companies like Enron and HealthSouth seemed to tell everything about themselves except the truth.

Before the Internet, when we knew less about companies, we accepted ignorance as a condition of business. Now, we think we know more when we don't. In fact, one can achieve deep secrecy while maintaining a public stance. Consider:

- When a company plans a merger or acquisition, the news of the plan and targets are kept in the strictest confidence. Few know beyond the CEO and a tight coterie around him what is happening. It is rare that acquisition or merger plans leak to a web site although they have a tendency to leak on Wall Street.
- During the conflict in Iraq, openness did not guarantee accuracy or truth. Administration officials used faulty or wrong intelligence. Embedded reporters, confused by chaos on the battlefield, provided conflicting reports. While data flooded newsrooms, viewers and readers, there wasn't an accurate picture of what was happening. Efforts to explain events inadvertently disguised them. A correct picture of what happened is still emerging.
- Corporations for decades have run large public businesses in deep background. Lockheed, now Lockheed Martin Aeronautics Company, runs its famous “Skunk Works,” in strict secrecy while promoting itself vigorously in public. Lockheed designed and built some of the best-known US spy airplanes in ordinary looking hangars at the Burbank, California, airport. Several companies run secret programs for defense and intelligence purposes. One can look up the company's Web page, but not know what they really do.

- Democratic governments are paradigms of “closed openness.” Area 51, the secret U.S. government airbase in southern Nevada has been the subject of intense speculation for decades, but few know what happens there, even though there are panoramic views of the base available on the Internet. (http://www.dreamlandresort.com/index_en.html). Vandenberg Air Force Base is where nearly all spy satellites for U.S. intelligence are launched, but you won’t find that information on the base’s Web site. (<http://www.vandenberg.af.mil/>). In both cases, observers and satellites watch both facilities, but just because one can see buildings doesn’t mean one knows the secrets within them. Area 51 has been turned into myth by UFO seekers and believers, and gained an aura that it does not deserve.

The nature of “closed openness” poses problems for PR practitioners committed to credible communication. It is an enduring challenge that the Internet has made more difficult because of its seemingly all-knowing view. Two key questions emerge from exacerbation of “closed openness.” How open should one be? What is the advantage of openness and honesty?

There are numerous scenarios in which one cannot be open to the public by law and because of competition or security. We mentioned acquisitions and mergers, but there are also personal privacy, company marketing strategies, financial projections, product development and more. Moreover, some companies choose secrecy because they can maneuver around competitors and interest groups more easily.

“Closed openness” can be far more closed than open. Some organizations choose to disappear to all but customers or clients. Even in an Internet era, they keep remarkably well to themselves, and should they put up a Web page, it is hardly communicative. It doesn’t take much searching to find companies that don’t tell you much about themselves. Try Commercial Energy of Montana (<http://www.commercialenergy.net/>), ranked 44 on the Inc 500 of private companies or MidAmerica Auto Glass (<http://www.midamericaautoglass.com/>) ranked 485 on the same list

A first lesson PR practitioners learn is that openness is selective. Practitioners who believe all organizations should be open at all times are soon disappointed. CEOs, and not PR practitioners, determine the extent to which a company is open. Practitioners recommend but may not implement independently for long. The real world doesn’t work that way. It never has and never will. The second lesson is that society doesn’t care if some organizations are open or closed when there is no perceived self-interest in knowing what the organizations do.

Astoundingly, this is the case with utilities and the essential services they provide. Most people don’t care how a utility runs as long as they can turn on lights or a water tap and have garbage picked up. They become concerned when they cannot do these things or when cost rises to a burdensome level. From personal experience, I can say that major issues affecting US electrical grids gain almost no attention from reporters. Hearings on

approval of new generation capacity scarcely merit mention in daily newspapers and get little readership unless there is an allied issue such as environmentalism or NIMBY (Not in My Back Yard) arguments over plant siting.

Yet, the success and health of an electrical utility lies in generation and transmission. An episode of a rolling blackouts because of power shortage might bring momentary concern, but after the blackouts are over, who remembers it for long? Beat reporting returns to more interesting topics: Householders eventually turn air conditioners up.

So, if a utility has what the resources it needs and sees no major issues arising that would require its garnering public attention, is it important for the utility to remain open? The PR argument is, “Yes, because you never know when you need public support.” The utility CEO’s argument can be, “No, because it is a waste of money for little or no return. All we have to do is to keep the lights on and to explain how soon we’ll get them back on when they go out.” Communication about generation capacity and transmission requirements can be reserved for the semi-public forum of a Public Utility Commission. The PUC is semi-public because although its hearings are open, few media cover them other than industry insiders and occasional activists. They are an example of “closed openness.”

If one is hidden in plain view, what is the requirement for telling a factual rather than managed story? Put it another way. Should a utility project a perception that everything is under control when it isn’t? We know that did not work at Three Mile Island when the nuclear reactor core melted, but most plants are coal-fired in America and use well-understood technology. Moreover, when generators trip offline, utilities have reserve power waiting.

CEOs may say that informing the media when a generator is taken offline for any reason is silly and unwarranted. The media would say the same unless there is an environment like the California energy crisis where every offline generator worsened an acute shortage. But there are bands of acceptability, and utilities can lean toward disaster without sliding into it. In fact, that happened in the California crisis. There was a known shortage of power before the crisis hit, but no one worried much. In fact, if one looks for stories in the 1997- 1998 time period when the shortage developed, there was only one I could find in the Factiva database – in **Megawatt Daily**, hardly a major publication. (“Northwest planners study predicted power shortage,” **Megawatt Daily**, 4 September 1998, 468 words). Should utility PR departments have raised a red flag to consumers in 1998 before the actual shortage hit in 2000? I doubt many did. There wasn’t much advantage in doing so. And, it is likely utility PR practitioners were told by their superiors there was nothing to worry about.

This is not much different from the loss of the space shuttle Columbia, in which NASA knew that foam insulation hit the space ship’s wing but in the end the space agency discounted the event as meaningless and made little effort to inform the public or its own organization at large.

These two cases are extreme. News management occurs daily in many different ways. One simply doesn't tell whole stories for reasons that are both self-interested and protective of the reputation of individuals and institutions. There is little reason to worry that hidden facts will suddenly appear and create a problem.

Despite what we say in PR, we are rarely open. We always know more than we can say. What we do is provide best-effort disclosure to satisfy questions and maintain credibility without giving away ugly aspects of a story. If we have to do so, we might persuade the CEO to disclose everything. We do this because we are pressed by events, and it is a matter of preserving fast-fraying credibility. Otherwise, we temper remarks and facts to our client's advantage. We preach openness but we are closed. We don't see a contradiction because everyone accepts the premise of "closed openness."

There is no answer to "closed openness." The paradox will continue to grow in importance as more information appears online and more people have the impression they understand an organization when they have, in fact, little idea about it. At some point, it seems to me, PR practitioners will need to address the gap between what is known about an organization and the truth of its existence. That day doesn't seem to be here yet.

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