LIVING IN A NEWSOCRACY: ALL THE NEWS ALL THE TIME

Louis Banks

WP 1134 - 80*

August 1980

LIVING IN A NEWSOCRACY: ALL THE NEWS ALL THE TIME

Louis Banks

WP 1134 - 80*

August 1980

* This paper is a substantial revision of WP 1119-80

LIVING IN A NEWSOCRACY: ALL THE NEWS ALL THE TIME

By Louis Banks

Abstract

Evidence accumulates that the media is becoming the prime influence in the public perception of other American institutions, notably including the corporation. The U. S. may be moving toward what could be called a "newsocracy". If true, this puts additional importance on the relationships between those institutions and the media, and in business terms suggests the need for a corporate "interface" strategy.

Louis Banks
Adjunct Professor
Rm. E52-556
Alfred P. Sloan School of Management
Cambridge, Massachusetts 02139

LIVING IN A NEWSOCRACY: ALL THE NEWS ALL THE TIME.

Viewers who chanced to switch to Washington's Channel Four (WRC-TV) on the evening of March 28, 1979, found themselves looking down the barrel of an ordinary hand-held hair dryer. "This is not a gun, and it doesn't shoot bullets," said the voice-over. "But what comes out can be just as deadly". The program was the result of nine month's investigating by WRC's "Consumer Action" team, and for the extraordinary span of nearly twenty minutes ("without commercial interruption") it developed a case that Americans were in considerable peril because many hand-held hair dryers were spewing fibres from asbestos insulation. Making the connection between the ingestion of asbestos fibres and the death rates from various forms of lung cancer, Investigator Lea Thompson said gravely, "How many of those [deaths] can be attributed to hair dryers (pause) no one knows."

By consumerist standards the program was a stunning success. Such companies as Hamilton Beach, General Electric, Norelco, Sears, Penney's, Montgomery Ward, all named as culprits, were besieged by angry customers. Gillette and American Electric, which had long used mica instead of asbestos for insulation, were exonerated on the program, but besieged nonetheless. The U. S. Consumer Products Safety Commission, a Federal agency, was stung into confusion and open hearings, subsequently forcing a voluntary recall of asbestos-insulated dryers. A Senate Consumer Subcommittee opened hearings and called Ms. Thompson as a star witness.

By media standards, as well, the program scored high. Reversing the usual practice, print media "picked up" the expose from a local television station and gave it wide currency. The UPI accounts were reprinted in hundreds of newspapers. Channel Four being an NBC affiliate, the story made the evening NBC network news. It was subsequently featured both on NBC's "Today" show and ABC's "Good Morning America." (One manufacturer feared that his business would be destroyed just by David Hartmann's silent scowl of disapproval as he looked at a hand-held dryer; it wasn't.) Subsequently the WRC investigation team won the George Polk award for distinguished journalism. And the "genuine coup" was eulogized in a two-page essay in People, which also revealed what the TV camera had not: that Ms. Thompson, the daughter of a journalist and a University of Wisconsin graduate in journalism and marketing, was eight and a half months pregnant at the time of the story.[1]

The strong combination of action pictures, whirring motors, stern interviews and authoritative explanations certainly alerted millions of Americans to yet another manifestation of the asbestos fibre problem in record time. But the consumerist consequences, as important as they were to all concerned, can be seen as part of a much larger societal point. We are rapidly approaching a situation where media reporting is the principal arbiter of other institutions in American life; in this microcosmic case we see and hear it imposing its own values, standards and priorities on agencies of both government and business with irresistible impact.

The point is more broadly made when we review the principal categories of news coverage over the last decade. The media--and particularly television--take credit for turning the public against the Vietnam War ("the living room

war"), and forcing its termination. "Watergate was the greatest journalistic triumph of the twentieth century," wrote one correspondent for Columbia University's "Survey of Broadcast Journalism,"[2] and unrelenting media attention certainly prompted the politics that forced President Nixon's resignation. Journalistic coverage was a prime mover in forcing government agencies and Boards of Directors to ventilate a series of corporate scandals in the mid-1970's, most notably the investigations that unhorsed the top management at the 3M Corporation and the Gulf Oil Company, and led subsequently to anti-bribery legislation.[3] The emergence of President Sadat of Egypt as a folk hero, and the constant television posturing of the principals in the Iranian hostage crisis suggest that we have, through media coverage, carried foreign policy into a period of "mass diplomacy," as Flora Lewis of the New York Times describes it.[4]

One can pursue the point through the agenda of quality-of-life issues. Consumerism, reaching from the hand-held hair dryer all the way back to the elevation of Ralph Nader to national prominence. Ecology and environmentalism, manifested in a choreography of causes from the effect of supersonic transports on the ionosphere, to the greenhouse effect to acid rain. Energy concerns, from offshore oil spills to the hazards of coal and nuclear power. Safety in the workplace, with latter-day attention to potential carcinogens. Toxicity, from Kepone to Love Canal. Ad infinitum.

Such is merely the stuff of news, one might argue. And to a degree this

is true. But to another degree these areas represent coverage by selection, which suggests an imposition of media values and standards in contrast, perhaps, to the values and standards of other institutions. (As Bob Woodward and Scott Armstrong wrote in a preface to The Brethren, their recent best-selling report on the disrobed U. S. Supreme Court: "[This] is a detailed examination of an independent branch of government whose authority, traditions, and protocols have [heretofore] put it beyond the reach of journalism.")

It is becoming clear that the media is moving into a position of prime influence among American institutions, principally because with today's technology the power to inform is the power to set the terms of the debate. Thus news values are becoming national values. What Professor Herbert Gans of Columbia identifies as "moral disorder" stories (i.e. those investigative exposes), define the national conscience.[5] The media focus the general interests, juggle the priorities and--in a crisis sense, at least--set the public agenda. And as we have seen in the blow-dryer case, they validate their own work in a kind of echo-chamber of self-acclaim and/or self-criticism. We are, in fact, becoming what might be called a "newsocracy."

This perception suggests a new phase in American public life, in which the growth of the media as a pervasive power is now central to the development of most other institutions. It is my thesis that the technology and substance of today's newscasting combine in a public impact greater than that of any informational force in the history of democratic societies--redirecting even the traditional processes of politics. Second, that this is a matter of social consequence, because some aspects of media value-judgment might be perceived as being at odds with the general welfare. Third, that affected "others"--and in this context, most particularly the publicly-held corporation--

have both a right and a duty to enter the informational competition. This contention should not be interpreted as a challenge to press freedom; rather it is an acceptance of today's news coverage for what it is, and an attempt to broaden its intellectual vision in the interests of the society that the First Amendment serves.

In my view, media dominance has been powerfully abetted by two major trends of the last decade. The trends are partly cause and partly effect of media impact, and they are somewhat antithetical. One is a widening perception of the interrelatedness of things, of the interaction of one kind of endeavor upon another in the post-industrial society. To a certain extent this integrative process has always been manifested in political reform movements, but it gained a kind of personal relevance in the so-called youth movement of the late 60's and early 70's. In has, loosely, been called "holism." The second is a spreading of public awareness, the sense of direct participation in events which has (very) loosely been described as "populism." Together these two trends, combined with video technology, have stepped up the power of journalistic influence.

Recently Technology Review gathered a group of the nation's top science writers from print and television to talk about "Science, Technology and the Press."[6] Science is their beat, but as they contrasted the simpler days of "happy talk" reporting with the multi-dimensional demands of today's assignments, they could be speaking for almost any group of earnest journalistic specialists. David Perlman of the San Francisco Chronicle saw science reporting broadening into "the politics of science or public affairs emerging from science." Mark Dowie of Mother Jones spoke of the reader's desire to know about "the interface between science and technology and even more, about the

interface between technology and the corporate world because...that's where science ceases to be apolitical." Cristine Russell of the Washington Star confessed that "coverage of recombinant DNA, for example, was always 'biased' toward its possible impact on the public and not toward special interests--be they science or the government, or whatever." This group, gathered soon after Three Mile Island, was properly humble in the responsibilities involved in the widening media function but, by implication, quite confident that nobody else could perform it as well. Perhaps in this vein, the editor of Technology Review put on the cover of the issue the picture of a youthful reporter with a pencil behind his ear, covertly opening his shirt to show a "Superman" emblem across his chest.

If interrelatedness has inspired more complex reportorial judgments, populism inspires a broad simplicity--or a low common denominator. Network news has not only usurped the role of the newspaper as the principal source of information, but it has constantly increased the number of people who have made news-watching part of their lives.[7] For example, ABC-TV, proud of its recent high news ratings, believes that its audience is mostly drawn from people who have never before watched TV news regularly. "I don't think there's any doubt that we've created a heightened consciousness of the news," says a vice president of research."[8] Also, there is no doubt that the new ABC-TV news format is the most kinetic and visually stimulating, and the least mentally taxing, of all the three networks.

Nobody is more aware than the network professionals of the lowest-common-denominator aspect of their work. Walter Cronkite expressed serious concern to the 1976 national meeting of the Radio and Television News Directors' Association: "We fall far short of presenting all, or even a goodly part, of the news each

day that a citizen would need to intelligently exercise his franchise in this democracy. So as he depends more and more on us, presumably the depth of knowledge of the average man diminishes. This clearly can lead to a disaster in a democracy."[9]

"Disaster" may be too strong a word, but TV news does seem to be changing some of the meanings of democracy by offering a simplistic kind of inter-relatedness. For example, one consequence has been to translate hitherto abstract or impersonal subjects into people, places and crises. The administration of justice becomes the judge, the lawyer or the criminal (and his family). The Presidency is words, facial expressions, today's necktie and Amy and Rosalyn in the background. The political convention is almost a plaything of television personalities. A plant closing is people wondering aloud about what they will do next--and a Congressman sympathizing. A gasoline shortage is angry customers and angry service station operators damning the oil companies--and a Congressman sympathizing. A nuclear power accident is pregnant women in tears--and nervous officials trying to cope with a backwash of emotion as well as with unknowns of physics. Events no longer happen in simple headlines. They have--and are seen by the media to have--consequences in human, institutional, and especially political terms.

In their embrace of holism the media--already under pressure to produce specialists in such areas as science, finance, energy and business--play an interdisciplinary role. Pending the slow processes of scholarship, there is literally no other institution to record the effects of all other relevant institutions on each other. On the one hand we see the "supermen" who take this role seriously and apply themselves to continued learning. On the

other, we see some imperatives of television journalism that could lead another way--indeed a long way--toward Cronkite's "disaster."

Electronic journalism can claim antecedents in the rich history of radio reporting during and after World War II, and many of the leading figures of television news--including Cronkite--have struggled to keep alive that heritage. But TV news is also the bastard child of the entertainment industry. All commercial media contract in one way or another to deliver a certain audience to advertisers, but in the case of the three major networks the variation in the sizes of audiences, as measured by the ratings, represents millions of dollars in advertising revenue. That fact reflects itself in news selectivity, and leads to an image of the world projected daily, competitively, and with striking homogeneity, on the evening news.

Since network news was, by definition, confined to national news (so as not to transgress the domain of a network's local TV affiliates), cameras came to focus down on a minimal number of recognizable characters radiating out of Washington or New York, and the more they could be translated into the high drama of villains or heroes the easier the journalistic assignment and the higher audience attention.[10] The visual nature of the medium put a premium on color, movement, excitement, sensation, novelty. There always has lurked in modern journalism a knowledge of good and evil which whispers to any editor that bad news sells better than good. Under competitive pressures this stress on anxiety and negativism came to prominence in television.

Attitudinal researchers have wondered for some time about survey results that showed a discrepancy between the average citizen's dim view of

government, business, education, etc., and his/her relative contentment with personal life, i.e., approval of the company that he/she works for, of the way local government functions, of the schools the kids go to. Assessing the data for the 1970's, Everett Carll Ladd Jr., and Seymour Martin Lipset concluded: "To some considerable degree this contradiction may reflect the difference between the steady dose of disasters which people get from television, and their personal experiences."[11]

It is not difficult to project such rogue trends into a menacing prospect. "Disaster" would not be far afield if the nation came to see itself primarily through the lenses of critics with an addiction to novelty, blood and guts, and no responsibility for consequences. Not only would the democratic process suffer from a diminished "depth of knowledge", as Cronkite has it, but something vital could be lost to the American process if responsible leaders of other institutions were regularly consumed by the "bite 'em off, chew 'em up, spit 'em out" habits of television news.

Some critics think they see this approach already manifest in the techniques of "60 Minutes", designed to provide the controversy which keeps that weekly "news magazine" at the top of the Nielsen ratings. Recently the Illinois Power Company of Decatur allowed "60 Minutes" access to the construction site of its nuclear power plant at Clinton to film a segment on escalating nuclear construction costs. Illinois Power's one condition: that it be allowed to put its own cameras alongside those of "60 Minutes" to film everything seen and said in the interviews. The broadcast "60 Minutes" segment, in fact, found Illinois Power guilty of mismanagement of the project. By playing the full story of what was said and explained, spliced with the "60 Minutes" telecast version, Illinois Power made a persuasive case that they were victims of dramatic and serious distortion.[12]

This and similar examples raise a question of whether a counterproductive aspect of TV "populism" is that corporations exist primarily to provide a ready source of "heavies" in the manufactured dramas that hold those customers and those Nielsen ratings.

Media judgments, of course, do not occur in a vacuum. As Illinois Power found out, their stories powerfully affect those "others" who are the object of their attentions, and their composite story defines the society for millions of people. The principal problem in a newsocracy is that there is, presently, no countervailing force for the net range and impact of today's informational technology. Since the constructive and the exploitive forces of journalism are constantly in tension, with no certainty about the outcome, it behooves other affected institutions to recognize the problem and accept the fact that they, too, have a stake in the battle.

The beginning of such counter-strategy is the realization that the "others" have allies within the media itself. Professionals can recognize the short-term, audience-grabbing excesses and know that the long term test is credibility. One catches the essence of embattled professionalism in a credo voiced by David Perlman of the San Francisco Chronicle during the discussion of science-related reporting noted above.

"There are some things," he said, "that we can properly do... We can look for self-serving statements. We can expose biases that exist. We can expose lies; scientists lie occasionally, like everybody else, and they're going to lie publicly at times. So that's our job. It's not to say whether nuclear power is bad or good. Present the debate and be very careful about ascribing expertise to those who are experts."

Professionalism is at work in the development of such thoughtful interpreters of science as Perlman and his colleagues, and in training up specialists in business and in economic affairs as well. As generations change, more and more business and economic news is being handled by editors and reporters who are educated in business practice, rather than by "general assignment" people. This new sophistication is evident in many regional newspapers, whose resurgence on all counts is reviving a healthy intellectual diversity to thin out the New York-Washington centered judgments of the national media. Even the TV networks are learning to give more discretion to their economics editors who, while constrained to tight simplistics by time limitations on-camera, sometimes can moderate the more sensationalist anti-business onslaughts of their general assignment colleagues.

The first step for affected "others," then, is to support and encourage media professionals--not in any attempt to subborn (for that will not work) but to provide them with information that makes them better able to report factually and to perform that demanding integrative function.

But there is more to it than that. All affected institutions must come to realize that a newsocracy is a different kind of environment, and that they must engage with that environment in a different way. Perhaps the media's preoccupation with interrelatedness provides a clue. If a firm can come to think of itself not only in economic terms, but as a unit set also in a network of social and political values, then it need have no unreasonable fears of explaining itself functionally to media which seek to understand just those relationships. More precisely, this requires first that a firm develop the capacity to get outside itself--to see and feel itself in the consciousness of its particular publics and infuse that sense of public-relatedness

into every level of its operations. It thus becomes equipped with societal as well as economic inputs, and, as a consequence, it can act operationally on what seems valid--and explain in media terms why it rejects what it perceives to be invalid.

The Mobil Corporation's controversial "op-ed" advocacy campaign, now virturally a fixture on the editorial pages of influential newspapers, developed as a result of Mobil's analysis of the political and social prospects for the company and the oil industry. "We decided more than ten years ago that our problem was literally one of survival in a hostile external climate; it was more political than economic" says Herbert Schmertz, Mobil's vice president for corporate affairs and the principal architect of the campaign. "We decided to enter the argument through the media and thus put our case before people whose opinions count."[13] Not everybody likes Mobil's abrasive style--which on occasion has drawn the televised wrath of the President of the U.S.--but critics would be hard put to deny that Mobil's editorial insistence has brought new facts to the public debate on energy, and in the process has influenced editorial thought and political action.

The reaction of the Gillette Company in the hand-held hair dryer case reflects a more subtle, and perhaps more internal, kind of operational public-relatedness. Out of its tradition of precise quality control of razor blades, Gillette long ago gave consumer concern high priority and set up a medical test laboratory for all its products. In 1964 the company named Dr. Robert Giovacchini (PhD in Medical Science) head of the lab and ten years later, vice president for Product Integrity, giving him final review over the medical safety of new products, and the marketing and advertising claims relating to medical safety. In addition, his group performs a quality review of new and existing products. With top management backing he has not hesitated to use that authority.[14] Thus in 1973 he directed a

redesign for the hand-held hair dryers that substituted mica for asbestos as an insulator, even though asbestos particle emissions from Gillette dryers averaged five percent of the then-OSHA standards.

Of all the major hair dryer companies, only Gillette offered to help when approached by the producers of the WRC-TV program. David Fausch, vice president of Corporate Public Relations, a former Business Week editor, argued internally that the inquiry was legitimate and the story would be told more accurately if Gillette would help in supplying accurate data. It helped, of course, that Gillette was "clean." It helped, too, that in reciprocation the program's producers signalled advance warning of the screening so that Gillette could alert its sales force and its merchandisers to possible trouble. In the fallout, as noted, Gillette did not escape damage--and did not really expect to. The relevant point is that the company's operations had long since been publicly-related--i.e., consumerist, in this case--and it could move smoothly into a media situation with a clear understanding of its own objectives. And without an unreasonable fear that the world would end if it did not win all the points in the telecast.

Such an approach, in my view, is far more than the conventional public relations response. It is public-relatedness. It is corporate acceptance, in its own terms, of the same long-term values that concern the responsible media. And as such reflects the somewhat altruistic thought that everybody benefits when the terms of the debate are broadened. The media, after all, live on information, and one of the countervailing influences that "others" can bring to bear is to act as sources for accurate material. It is a corollary, of course, that "others" have a right and obligation to identify and ignore those media agents, who, by their record, are exploitive in an audience-grabbing

sense. Such "redlining" of journalists is much discussed in private meetings these days by public relations executives.

We have argued, then, that the media has moved into a position as primary arbiter of many aspects of American life--and that this, in effect, amounts to a newsocracy. We have argued that there are both constructive and debilitating forces at work in the use of media power. Our view is that affected "others" have a right and duty to enter the informational arena, and by doing so to seek to strengthen the constructive forces. And in that very interaction the successful firm or institution should reorient itself to make public-relatedness an intrinsic part of strategy, and thus be prepared for life in a newsocracy.

- -

1. Clare Crawford, "Consumer Reporter Lea Thompson", People, April 16, 1979.

2. Marvin Barrett and Sidney Sklar, The Eye of the Storm, Lippincott & Crowell, 1980, p. 13.

3. For examples of effective reporting on the Gulf Oil Case see Michael C. Jensen, "Gulf Oil and Its Millions for Politicians," The New York Times, November 26, 1975; and Byron E. Calame, "Gulf Oil Unit Struck Out as Driller," The Wall Street Journal, April 4, 1975.

4. As quoted in Barrett and Sklar, ibid, p. 77

5. Herbert Gans, Deciding What's News, Pantheon, New York, 1979.

6. M.I.T. Technology Review, "Science, Technology and the Press: Must the Age of Innocence End?", March/April 1980.

7. The majority of Americans began getting their news from television rather than newspapers in the "crossover year" of 1962, according to surveys by the Roper Organization. As "the source of most news" in 1978, television scored 67%; newspapers 49%; radio 20%; magazines 5%. In cases where news sources were in conflict, 47% found television news "most believable"; 23% said newspapers; 9% radio and 9% magazines. Public Opinion, August/September 1979.

8. As quoted in Barrett and Sklar, op. cit., p. 57.

9. Ibid, p. 40.

10. The pioneering work in this field is Edward Jay Epstein's News from Nowhere, Random House, 1973.

11. E. C. Ladd Jr., and S. M. Lipset, "Anatomy of a Decade," Public Opinion, Dec/Jan 1980.

12. In reviewing another "60 Minutes" segment on "The Kissinger-Shah Connection," Thomas Bray, associate editor of the Wall Street Journal's editorial page, noted that "it raises some disturbing questions about TV's penchant for reducing complicated subjects to neat little conspiracy theories, and the temptation to overlook points of view that can't be packaged into interesting visual displays." "60 Minutes' vs. Henry Kissinger," Wall Street Journal, June 6, 1980.

13. Unpublished testimony of Herbert Schmertz, Mobil's vice president for corporate affairs before Sloan School "Business and the Media" seminar, April 1980.

14. Richard Martin, "The Watchdog," Wall Street Journal, December 12, 1975.

(1137, 1138, 1139 not published)

1145-80