

# Issues Management

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## Its Past, Present, and Future

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Issues management, according to conventional wisdom, was created in the United States during the 1970s as a response strategy and early warning tool for dealing with emergent issues. A wide array of issues, resulting from robust and far-reaching protest, was raised against businesses in every industry in the United States. This era of corporate critique started in the anti-war and civil rights movements that were hot in the 1960s. The critique of “the establishment” reached out to touch every aspect of life and corporate behavior in the United States.

What occurred in the 1960s, 1970s, and 1980s alerted management level personnel from a variety of management and academic disciplines to the fact that business operating options could be substantially challenged and constrained by the value preferences and growing publicity and political clout of activists. Activists honed their skills and developed new value perspectives. They used these to constrain boardroom activities. Business activities and public policy initiatives collided. Activists sought new laws and regulations to force standards of corporate responsibility on industry after industry. They used regulatory and legislative initiative to dramatically change the business climate in the United States. One of the best indicators of this change was the growing number of laws and regulations facing business leaders. Also indicative of this change was the number of personnel and the corporate cost of regulatory compliance. What resulted from activist pressure was passage of the largest list of bills against business activities in the history of the US. Regulations tightened and litigation followed.

What occurred in the mid-1970s through the leadership of persons such as W. Howard Chase, and John O’Toole came to be called issues management. Their ideas for issues management were built of the foundation of public relations and public affairs theory established by leaders such as John Hill, the founding principal of Hill and Knowlton.

In the evolution of this fledgling discipline, issues management was not the first term coined. Several advocates of this new corporate option believed the response could narrowly rely on communication in general

and advertising in specific. Thus, the emergence of issues management resulted from terms such as issue advertising, advocacy communication, single-issue advertising, and controversy advertising. Some discussants of the response options even asked whether ideas could be sold like soap.

By the mid-1980s, the concept of issues management was well established although still under development. In the early 1990s, a colleague and I located 350 articles and books devoted to the topic. Out of that review came two important realizations. First, important writers on the topic emphasized that it was first and foremost a management strategy, not merely one devoted to communication or issue monitoring. Second, although issues monitoring and issue communication were important, so was corporate responsibility. Issues management, key writers advocated, needed to support and grow out of refinements in strategic business planning. Gone was the era where public relations or public affairs could forge favorable opinions that would support executive preferences. The dialogue forced planning and communication responses that constituted a new corporate operating environment. SIM was a process for being vigilant for threats and opportunities that can affect how the organization achieved its mission and vision.

Today, by drawing on the vast literature on this topic, one can argue that issues management is the proactive application of four combined strategic options:

- *Strategic Business Planning*: It supports strategic planning by keeping it aware of threats and opportunities that result from the opinions advocated by key publics and markets that can influence the public policy arena.
- *Getting the House in Order*: It seeks to understand and implement standards of corporate responsibility that meet or exceed stakeholder expectations.
- *Scouting the Terrain*: It requires issue scanning, identification, monitoring, analysis and priority setting.
- *Strong Defense and Smart Offense*: It gives substance and rationale for issue communication, the organization's voice.

The term and many refinements for the practice of issues management became clearer through robust discussions of the discipline in the latter decades of the 20<sup>th</sup> century. However, by focusing only on that time period, we can miss the reality that issues management is as old in the United States as the growth of large business enterprise. Following the US Civil War (1860–1865), the economic climate became ripe for increased concentration of financial wealth and corporate political power.

Industrial leaders formed large corporations through amalgamations of smaller companies. To do so, required public policies that would support this new private sector that was increasingly based on industrial and capital concentration. The nation needed to understand and accept, within limits, a new business model that resulted in a shift from local and personal ownership to one often characterized by the leadership of robber barons whose values and political clout altered the socioeconomic landscape of the United States.

From the 1870s through the 1920s, public policy battles were waged. Some, for instance that between Thomas Edison and George Westinghouse, forged industrial standards, such as the superiority of alternating current as a business smart technology. Other battles, as did those by AT&T, crafted opinion favorable to regulated monopolies as an organizing principle of business crafted in the public interest. Many of those public policy contests sound familiar today: product safety, environmental responsibility, fair market economic concentration, regulatory standardization, relationships between the organization and persons in communities near these operations, working conditions, and financial reports that were accurate, fair, and timely.

This brief review suggests that the essence of strategic issues management has been the engagement of public policy battles to foster guidelines and policies that would allow and foster corporate growth. As I reviewed the literature up to the 1990s, I learned that the elements of issues management work best when combined as proactive and multidisciplinary. Issues management is not the job function of a department. It is a way of thinking from management down and from operations up. It is a process that brings many disciplines together to make the organization smarter, more nimble and visionary, and ever more ethical in the public interest. It fosters meaning that becomes part of public opinion. The following functions are necessary for successful issues management:

- Enhance the organization's strategic business planning and management processes – thinking and acting smart.
- Enhance the organization's ability to know and achieve appropriate standards of corporate responsibility – getting the house in order.
- Enhance the organization's ability to monitor issues – scouting the terrain.
- Enhance the organization's ability to engage in strategic public policy dialogue – engaging in tough defense and smart offense.

Today, some trends are occurring that are destined to add value to the role issues management plays in the future of companies and for the interest of society as a whole. Three themes capture key challenges in the conceptualization and operationalization of strategic issues management: Integrating issues management with concerted efforts to build, maintain, and repair brand equity.

Advancing the efforts to commodify information, opinion, goodwill, and brand equity.

Meeting the dynamic changes in the boardroom to demonstrate that issues management can add value to the organization in its effort to have a mutually beneficial relationship with its stakeholders.

These three lines of analysis constitute the essence of the remainder of this paper which seeks to look forward to scout the terrain for what will help issues managers to add value to companies and the societies where they operate.

## Propositions relevant to meeting brand equity demands

In recent years, increased attention has been given to each organization's (as well as entire industries') brand equity. Visionaries realized that the financial worth of an organization is more (or less) than its book value or market value. In addition to these financial values, its equity results from the organization's reputation to generate revenue and extract profits because of its favorable and identifiable reputation. The name of the brand equity game is the worth of the name of the organization or at least the equity of its brand. In this analysis, reputation, persona, identification, and even integrity are not trivial aspects of the organization's value but the essence of its brand equity.

Thinking about brand equity has become important for issues managers because it leads to the conclusion that IM can help the organization to look for new standards of excellence to use to set sails as well as monitor for and respond to claims warranted and unwarranted that address the organization's brand equity. This challenge is made more daunting by the globalization of marketplace activities, globalized and localized activist criticism, and a loss of faith that large corporate organizations can think beyond their selfish bottom line. Many writers have focused on the end of the age of deference. Today, more and more on all counts, corporations need to justify their existence through the quality of their products/services, operations, ethics, planning, and responsiveness to ever changing standards. Can these organizations achieve a brand equity that truly adds

value to society because of the advantages of the large budgets, deep pockets, and talent pools they are able to achieve?

Challenges, then, for issues managers working to advance their organizations' brand equity may be these:

- Understand the factors that truly add value to the organization's brand equity.
- Work internally to bring the right people together to understand the challenges and strategic options available to forge and achieve a new future for the organization and its constituents.
- Look externally to observe and understand the warranted and unwarranted claims about the organization that could affect its brand equity.
- Feature the planning challenges based on the traits central to the vision of the organization's brand equity in its strategic planning and efforts to increase its standards of corporate responsibility.
- Communicate in appropriate ways to counter unwarranted claims that could harm the organization's brand equity.
- Communicate in appropriate ways to support warranted claims that could foster the organization's brand equity.
- Learn from the warranted claims that could affect its brand equity and use these claims to refine the vision or operational efforts needed to achieve the organization's brand equity aspirations.

### **Propositions relevant to advancing the efforts to commodify information, opinion, goodwill, and brand equity**

Communication theorists as well as savvy management teams are learning that information is a commodity that has equity value. It can be a profit center as well as a cost. The old paradigm of communication rested on the question, how much will it cost to get our point across. That paradigm was tweaked to ask, how much will it cost to not get our point across. That advance eventually has promoted efforts to define the commodity value of the knowledge held by markets, audiences, and publics. This line of reasoning has refined how and what some communicate and leads to several challenges:

- Understand the difference that can be achieved by having the right information available to the right persons at the right time.

- Appreciate the difference that results for brand equity when key audiences have, understand, and appreciate information relevant to brand equity, or when the opposite outcomes occur.
- Calculate the cost of creating, finding, and analyzing information as a part of the organization's branding efforts. Think of these as production costs that have an ROI outcome value when the brand identity and equity sought by the organization match that perceived by its markets, audiences, and publics.
- Understand that IM can enhance revenue by fostering a clear and well managed information stream relevant to brand equity.
- Realize the costs to be reduced by fostering a clear and well managed information stream relevant to brand equity.
- Realize the costs or lost revenue of not meeting the planning and response options that foster brand equity.

## Propositions relevant to meeting boardroom demands

All of what can be offered by issues management fails to come about if the persons who intellectually and professionally understand and support the discipline are unable to have their views appreciated by management. IM has its greatest impact as a management strategy and a tool to be used for strategic business planning. Managements cannot, however, be assumed to understand the value added by IM. We must be effective advocates and think in management ways to champion our cause. Otherwise our discipline will not flourish and the organizations that can benefit from it will fall short of their capabilities. Thus, several boardroom challenges face us:

- Offer IM discipline specific options for knowing and applying ethical (corporate responsibility) business practices to accomplish business objectives, namely to increase revenue and decrease cost, in support of the organization's mission, vision, and brand equity.
- Offer IM discipline specific options to create, maintain, and repair relationships.
- Offer IM discipline specific options to reduce legitimacy gaps, the gap between what the organization believes and does and what its stakeholders know about it, believe it should be, and expect it to be and do.
- Offer IM discipline specific options to align the organization's interests with those of its stakeholders and stakeholder.

- Offer IM discipline specific options to develop and execute communication (managerial/strategic and technical/tactical) responses to rhetorical problems relevant to platforms of fact, value-evaluation, and policy as well as identification and narrative.
- Offer IM discipline specific options to perform and draw strategic conclusions from situational assessment.
- Offer IM discipline specific options for positioning, framing issues, and giving voice to organizational (including product and service) identity (persona), issue position and brand equity.
- Offer IM discipline specific options for achieving and maintaining brand equity by successfully addressing issues that would enhance or erode that equity.
- Offer IM discipline specific options for creating an excellent organization culture and climate as a requisite for effective management decision making and strategic implementation.
- Offer IM discipline specific options for managerial/technician efforts to obtain and make strategic interpretations of information relevant to stakeholder and stakeholder expectations.
- Offer IM discipline specific options for creating intelligence systems to monitor issues (scan, identify, analyze, track) to assist managerial situational analysis.
- Offer IM discipline specific options for budgeting to manage issues and create, maintain or repair mutually beneficial relationships.
- Offer IM discipline specific options to help organizations learn and respond to their stakeholders' and stakeholders' knowledge, attitudes, problem recognition, cognitive involvement, motivations and behaviors.

In conclusion, it is simple but sound to say that issues management has come a long way, but has a long way to go. It refuses to be a static discipline. It continues to learn. It attracts savvy and sage players who truly believe that if it isn't broke it still can be improved. That play on an old adage is designed to suggest that inherent in reactive thinking is the notion that we should constantly look to its development and growth. The essence of issues management is the daunting realization that there always is a better way of finding, using, and responding to issues. The advantage of such thinking is organizational growth and vibrancy. Each day should not be devoted to seeing what is right about an organization but looking for ways to improve it as its brand equity and issue positioning are the bases for its success. To feel satisfied is not based on knowing nothing else needs to be done but realizing all that can be done.

Issues management is an organizational philosophy. It is a set of strategies and an arsenal of tools. It is an adventure. Enjoy the trip.

(A version of this chapter was published in *Journal of Public Affairs: An International Journal*, Volume two, Number four, November 2002.)