Risky Business

Peter Sandman On Corporate Misbehavior And Public Outrage

GILLIAN KENDALL

Peter Sandman's career defies easy definition. For many years he was a leading environmental activist, and used his communications expertise to teach college students and public-interest groups how to deliver their messages. When I was one of his students at Rutgers in the late seventies, he taught me to care about the environment and to write precisely. Decades later, when I looked up my former mentor, I was surprised to find that he is now this country's preeminent "risk communications" consultant, and that his clients include some of the same big corporations that his other students had hoped to take down, or at least humble a little.

One side of risk communications, according to Sandman, is "increasing outrage," which is what environmental groups do in order to rally public support. Sandman advises his environmental clients on how to develop and channel outrage. But the other side of risk communications, and the majority of Sandman's work, is "outrage management" — in other words, calming people down. He helps his corporate clients reduce outrage and direct attention away from issues that they consider unimportant. Many of these issues are environmental hazards.

But if Sandman is a spin doctor, he spins in unusual directions. He tells his clients that it's in their best interest to communicate honestly and directly about the hazards they are causing. He persuades them to listen more, to tell the truth, to take responsibility for their actions, and to treat critics with respect. They usually need to share control, he says, and sometimes they even have to lose.

Though his fees are negotiable, Sandman commonly commands $650 an hour for his services. Why are the big multinationals willing to pay so handsomely for his help? Because when potential losses are in the multiple millions of dollars, a good consultant is worth whatever he or she charges.

Half of Sandman's consulting work is for the oil, chemical, waste, biotech, nuclear, and electric-power industries. The names of his clients read like a laundry list of environmental offenders: Monsanto, DuPont, Union Carbide, Dow Chemical, Arco, BHP Petroleum, Exxon, Shell, and the U.S. Department of Energy have all sought — and presumably benefited from — his advice. At the same time, Sandman has consulted for the New Jersey Department of Environmental Protection, the U.S. Environmental Protection Agency, SustainAbility, the Centers for Disease Control and Prevention, Environmental Defense, and Greenpeace.

The founder of the Environmental Communication Research Program at Rutgers University, Sandman runs a website about his work (www.psandman.com). He has written several trade books, software programs, and widely used texts, including Media: An Introductory Analysis of American Mass Commu-

nications *(Prentice-Hall) and* Responding to Community Outrage: Strategies for Effective Risk Communication *(published by the American Industrial Hygiene Association).*

This interview was conducted in the spring and summer of 2003. In person, Sandman is an engaging speaker. He talks fast and fluidly, interrupting himself as ideas emerge.

Kendall: When you started working for the nuclear-power industry, right after the accident at Three Mile Island, your name was wiped off a list of activist academics. At the time, you said it seemed "churlish" not to help the companies who had previously been your opposition.

Sandman: I had served on a government commission to figure out what the nuclear industry should do to communicate better in the event of an accident. The recommendations I'd helped draft had been converted into Nuclear Regulatory Commission policy. Now all these companies, which were trying to learn from the Three Mile Island accident and were being told to do things differently, went looking for someone to tell them *how* to do it. I agreed to be that person.

I thought then, and I think now, that it would have been nutty to tell companies what to do and then refuse to help them figure out how to do it. You're not supposed to *want* them to mishandle an accident. I was surprised then that my decision had the repercussions it did, but I've since learned that this is pretty normal in the activist community.

Before I came to Rutgers, I applied for a job with a University of Michigan program whose purpose was to train activists on environmental issues. I had to appear before a student search committee, and one student asked, "What's your commitment to the environment?" And I said, "I haven't got any commitment to the environment." And this silence fell over the room. I said, "As far as I can tell, there's already enough commitment to the environment in the student body. You're not going to school to learn to be committed; you're going to school to learn skills you can use. My commitment is to teaching you how to persuade the media to help the environment." On the other hand, I told them, if they offered me the job, within three or four years I'd be an activist, because that's what happens when you hang around activists: you wind up becoming one too.

Kendall: And that prediction came true?

Sandman: Yes, I became very committed, and remain serious about environmental problems. But it was never my main focus. I'm a communications expert. Communications people live at intersections. My job is to explain B to A and A to B. It almost doesn't matter which one I work for.

I've always liked working at intersections because I have a deficient sense of constituency. Most people have a much deeper commitment to the group than to their own views on particular issues. If they're on the Left, they think what the Left thinks. If they're on the Right, they think what the Right thinks. Such people are not good communicators.

When a new issue comes up, like the war in Iraq, I don't know what to think for quite some time, because I haven't got a firm ideology or peer group to tell me what to think. It'd be nice if I could say, "Well, Bush is lying; therefore I'm against the war." But all presidents lie. You can't be against them for that reason, or you'd be against absolutely everything that anybody in office does.

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For what it's worth, everybody I hear speak on the issue moves me toward the other side. When I hear Bush talk, I'm against the war. When I hear the protestors talk, I'm for the war. By the time I've figured out where I stand, I'm good at explaining the different sides of the issue to someone else.

I tend to be more passionate about the process of communication than about the outcome. I'm interested in people listening better and talking more and wanting to understand each other's point of view. I try to eliminate the things that get in the way of that. And it's a Sisyphean task, because industry people and activists aren't really talking to each other; they're doing theater with each other. Whichever side I am working for, I try to find a way for both sides to listen better.

I didn't go into outrage management because I care deeply about helping companies achieve their goals. They hire me to help them achieve their goals, but I'm only interested in making the process more open and collaborative and accountable.

Kendall: Aren't you concerned that working with corporate executives will make your perceptions and values more like theirs?

Sandman: It's true that, when you know people from the inside, you have more sympathy for them. I do understand industry better now than I did before. It's much more diverse than I had thought. I understand what kinds of sins corporate clients are and are not likely to commit. I'm less critical of corporations than I used to be, but I also have a more vivid sense of how foolish and self-defeating they are, and how consistently they neglect what they claim to be their most cherished value — profitability — in favor of things like comfort and self-esteem.

When I was an activist in the seventies, I thought the main thing wrong with corporate capitalism was its excessive preoccupation with profit. Now I go to companies and say, "Losing this fight would be enormously more profitable for you than winning it." Yet they continue to fight. Usually it's corporate executives protecting their ego.

I would work for a company that has done awful things and even killed people, but only if they were prepared to say, after the danger was over, "We did awful things and killed people." I wouldn't help a company weasel out, but I would certainly help a company stand up.

For example, I worked on a case where activists were demanding a company install a $60 million piece of equipment to reduce a one-in-a-million risk by half. They could have saved many more lives spending that kind of money somewhere else, but the law was on the activists' side. I tried to sell the management on giving the environmental group a different win, one that was just as much of a humiliation to the company, but less expensive *and* better for the environment. But the executive I was working with didn't want to lose any fights. At one point I said, "If you keep doing this, you're going to wind up installing the $60 million piece of equipment." And he said, "I would rather waste $60 million than hand these sons of bitches victory on a silver platter."

This sort of thing was surprising to me the first twenty times it happened. Now I find it almost reassuring. The kind of human frailties we come to expect in each other, we ought to expect in CEOs.

Kendall: When you made the change from working primarily for environmental organizations to working for the same companies you used to help campaign against, how did you handle that emotionally?

Sandman: The first time I agreed to work on a corporate-funded project was with Michael Greenberg, a Rutgers faculty member in urban planning. I said, "I'll do it, but if one of these industry people tries to change something in a report to make it more pro-industry, I'm out of here. I'm not going to let these bastards compromise my integrity." And Greenberg said, "You're going to learn something, Sandman. They're going to be delighted to have your uncompromised opinion. It's not as if anyone outside the company reads these reports anyhow, and they want to know the truth."

I didn't believe him, and I went out of my way to find nasty ways of framing the facts in reports, because I was trying to push these corporate funders to show their true colors. I kept waiting for the inevitable battle that would cause me to quit, but years went by, and there I was, still doing it. I don't know if they ever read the reports, but they certainly never objected to them.

Kendall: What would be an example of compromising your integrity?

Sandman: Hedging what I have to say, or reaching predetermined conclusions that are conducive to my clients' goals. But it's not a compromise, to my mind, to work for companies that have done something wrong. My wife is a psychiatrist, and she says you ought not to be a psychiatrist if you don't like working with crazy people. In a similar way, you ought not to be a communications consultant if you don't like working with people who have been misbehaving. Companies don't call on me unless they've done something wrong. But it isn't my notion of integrity to say that you shouldn't help the bad guys. The bad guys are the ones who need help the most. You just shouldn't help them get away with it. And above all you should deal straight. I am enormously committed to saying exactly what I think at all times.

Kendall: You've defined risk with the equation "Risk = Hazard + Outrage." It looks as if you're saying that every risk is partly to the community and partly to a company's public image. Is that true?

Sandman: Well, no, but you're not the first to have read it that way. It's certainly true that outraged people are a risk to the company, but that isn't what I mean. I mean that, when people say something is a serious risk, they're expressing some combination of "This is likely to kill me" and "This really pisses me off." Even if you prove to them that it's not likely to kill them, they'll still be upset at being lied to and misled. The second group of concerns — not "Will it hurt me or hurt the ecosystem?" but "Are they honest? Are they unresponsive? Are they immoral?" — are what I collectively call "outrage."

Kendall: When you're working with big corporations on strategies to reduce outrage, how often do you suggest eliminating the hazard, and how likely are companies to take your suggestion?

Sandman: I tell clients that, if the hazard is serious, they've got to fix the hazard. If the outrage is serious, they've got to fix the outrage. If both are serious, they've got to fix both. But you don't fix one in order to remedy the other. You don't give people an apology and expect it to save their lives. And you don't build a vapor-recovery system and expect it to

calm them down.

You don't just fix the hazard and then, when people come and yell at you, say, "It's already been fixed." You let them yell at you and demand that you fix it, and then you negotiate with them about what you're going to fix, and how you're going to fix it, and how they're going to know it's been fixed. You've got to produce something that is more accountable, more collaborative.

The thing that happens — and I tell my clients it's going to happen, but they never quite believe me — is that when they open themselves up to public input, they wind up with a different hazard remedy. The people in the community often want something that someone in the company has already thought of, but that was rejected. Then along comes a citizen who says the same thing, and the same executive who told a subordinate, "No, that's a dumb idea," tells the community group, "That's an interesting idea. Let's look at it." So in point of fact, if you solve the hazard with attention to the outrage, you usually wind up with a different solution.

Kendall: When you have that sort of negotiation, do you diminish the public's outrage as well?

Sandman: Yes, people feel terrific when they come up with an idea that works. My corporate clients, and government clients even more, are afraid they will look stupid and incompetent for not having thought of the solution themselves. But the public is too delighted to care.

Kendall: In cases where the outrage is justified, should it still be managed?

Sandman: Well, there are two instances in which the outrage is justified, and they call for different responses. One is when the hazard is serious. Then you've got to improve your management of the hazard, and also apologize and take responsibility.

The second situation is when the hazard is low, but management has been arrogant, dishonest, and contemptuous. Let's say people are frightened and angry because they believe that a factory's emissions are dangerous. In this case, though, the emissions are not dangerous, or they represent only a tiny risk — one which, if the neighbors weren't already outraged, they would shrug their shoulders at. But when neighbors raise concerns, they get no response, or they're told, "Don't worry your pretty little head about it." Their outrage then is absolutely justified, but not by the hazard; it's justified by the patronizing way in which the company has treated them. In that situation, outrage management is the primary task.

Kendall: Let's go back to the first scenario. If the hazard justifies the outrage, after the corporation has diminished the hazard, how do you handle the outrage?

Sandman: Mostly by asking for forgiveness. You start by admitting what you did — which, of course, politicians and corporate executives hate to do. They want to apologize in a hypothetical manner: "Whatever it is I might have done, I'm sorry." But that doesn't count; you have to give chapter and verse of what you did.

Next you shut up while they yell at you. As anyone who has ever been married knows, when you've misbehaved, you don't just say, "Here's what I did, and I'm sorry." You say, "Here's what I did," and then your spouse tells you what a jerk you are. And when she or he is done, *then* you say you're sorry. It's genuinely important, when interacting with outraged people, to give them a chance to vent. Preemptive apology is not effective. And when you say you're sorry, you have to do three things: regret that it happened, sympathize with the victims, and take responsibility. This last item is the difference between "I'm sorry your lamp got broken" and "I'm sorry I broke your lamp."

The next step is some kind of compensation, to help make the injured party whole again. After that it's necessary to improve, to show that you won't cause the same harm to someone else next week. It's the equivalent of what Catholics — who are experts on forgiveness — call "a sincere act of repentance." In Catholicism, you can't be forgiven unless you intend not to do it again. You don't have to be perfect, but if you intend to keep sinning, you're not forgiven. In the secular world, you have to present evidence that you've learned from the mistake or the misbehavior, and that you're making some credible effort not to do it again.

The final step, as all good Catholics know, is the penance — some kind of humiliation that symbolizes that you messed up and you know it. When you've gone through all those steps, you've usually earned the right to be forgiven.

Kendall: You're not a scientist. How do you assess a hazard level?

Sandman: Well, clients usually give me truthful information even in situations where they are deceiving themselves. Clients will often say to me, "This is a trivial problem, nothing to worry about. We want you to advise us on how to reduce people's outrage." And I'll say, "Fine, send me the relevant documents." And after I read them, I'll call the client back and say, "Maybe it's not the worst threat ever to come down the pike, but it's not as trivial as you're making it sound."

People are much more capable of self-deception than they are of outright evil. It's rare, I believe, for a company to know that the problem is serious and intentionally hide that fact. What usually happens is they have the information that shows the problem is serious, but they look at that information and don't see it. They say, "Ah, it's not such a big deal, but if people saw it, they'd be scared. Rather than let them mistakenly think there's a serious problem, we will suppress this information."

I also read material produced by activists and government agencies. Maybe once a year I have to call an outside expert and say, "Can you give me a two-minute briefing on the risks here? I sense that the client is misleading me, and I want to know what I am getting into."

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