

**READERSHIP INSTITUTE**  
Media Management Center at Northwestern University

**IMPACT**  
**QUICK-READ SUMMARY**

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**BACKGROUND AND RESEARCH RESULTS  
FOR MEETING PARTICIPANTS**

**JANUARY 2001**

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# ‘CLIFF’S NOTES’ ON IMPACT

## WHAT IT IS AND SUMMARIES OF PREVIOUS RESEARCH

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### WHAT IS IMPACT?

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The Impact Study is designed to help newspapers grow sustainable readership through research that can be put into action and yield measurable results.

Impact is a multi-part study that focuses on consumers and how they use and react to media in general and newspapers in particular. Impact explores readers’ behavior, newspaper content, and even the culture and management practices of those newspaper organizations that produce the papers being studied.

To accomplish its goals, Impact studied more than 37,000 consumers in 100 daily newspaper markets across the U.S. Those 100 U.S. dailies were selected to represent all newspapers in the industry, not just on the basis of circulation or market size, but for all the variables that make newspapers different, such as levels of competition, urban or rural or regional markets, and other factors.

In addition, Impact looked at 74,000 stories as part of a content analysis of the 100 newspapers, covering all types of news information that appear in daily and Sunday newspapers and some types of advertising. Impact also did an in-depth exploration of the newspapers’ organizations.

More than just providing a picture of current reality and the place newspapers have in consumers’ lives, Impact is designed to suggest ways of changing consumer behavior – growing readership, increasing satisfaction, enhancing brand equity – through significant innovations in content and services.

The key questions driving Impact research are these:

- What enables newspapers to get above-average results with readers?
- How does specific newspaper content and service influence readership?

- How do newspapers' people, culture and management practices influence readership, or enable newspapers to change to meet changing reader needs and interests?

Although we talk of the Impact study in the singular, it is in fact a collection of studies and analyses, each of which relates to one of three large dimensions: the consumer, the product (content and services), and the people and organization that produce the product.

**A complete list of the surveys and analyses that were performed is on Page 14 and a list of the resulting reports is on Page 16.**

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### **THE IMPACT RESEARCH**

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The January 2001 meetings revolve around the results from the consumer study that was conducted in all Impact markets and the content analysis of Impact newspapers – and the links between the two. The research results from the third dimension – culture and management practices – that were released in July are equally important, and there is a reason they were addressed first. If newspapers are to take advantage of opportunities identified by Impact research, they have to know whether they are prepared and capable, organizationally, for change and what to do if they aren't.

Unfortunately, the short answer emerging from the research is that most newspapers are not well-positioned to act on new opportunities.

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### **WHY CULTURE AND MANAGEMENT PRACTICES MATTER**

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Extensive research about cultures and management practices at all types of organizations and industries has proved several things:

- Organizations with strong, constructive cultures excel at meeting both customer and employee needs, and at adapting to competitive, technological, and workplace changes.

- Defensive cultures are risk-averse cultures that have worked in the past, when there was low competition or little pressure for change.
- Management practices – how companies select, develop, manage the performance of, and compensate employees – have a proven, profound impact on measurable business outcomes, including market share, profit, stock price, return on investment, and other benchmarks of business success.

Given the pace of change, a strong adaptive culture that uses the best management practices will be key to positioning organizations to meet explosive competition and technological change, breaking down walls between departments, fostering quality and customer service.

On measures both of culture and management practices, the newspaper industry fares poorly.

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#### **NEWSPAPER CULTURE RESULTS**

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Impact research discovered that newspaper cultures are more defensive than other organizations – and the results are fairly uniform across all newspapers.

In a defensive culture, employees lose sight of the overall goal, get lost in details, and make little effort to coordinate with others. Newspaper employees also are confrontational, which causes unproductive conflict, results in safe but ineffectual decisions, and creates the inability to solve problems in a group.

Of the 90 Impact papers that completed the study, 73 were defensive and 17 were constructive. The constructive papers were barely so, their results weak compared with other organizations.

Two bits of good news emerged from the study. First, respondents uniformly described a constructive culture as the ideal for newspapers. Second, when the results

were analyzed by department, top executives as a group emerged as having a constructive culture.

**If you would like to read more about the Culture study, see Page 23.**

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#### MANAGEMENT PRACTICES RESULTS

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The key findings in the Impact study of management practices were these:

- The industry generated remarkably low scores. On average 80 percent of respondents disagreed or strongly disagreed that their paper used specific best practices in people management.
- There was little variation in results among departments or among newspapers of different sizes.

**If you would like to read more about the Management Practices study see Page 25.**

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#### WORKFORCE CHARACTERISTICS RESULTS

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The Impact Workforce study was a census of who works at newspapers. It measured diversity (ethnic and gender), education, community background, turnover, hiring and evaluation methods. The study yielded a baseline measurement that can be repeated at intervals to track change and to create an accurate rather than anecdotal picture of trends.

**If you would like to read more about the Workforce study, see Page 27.**

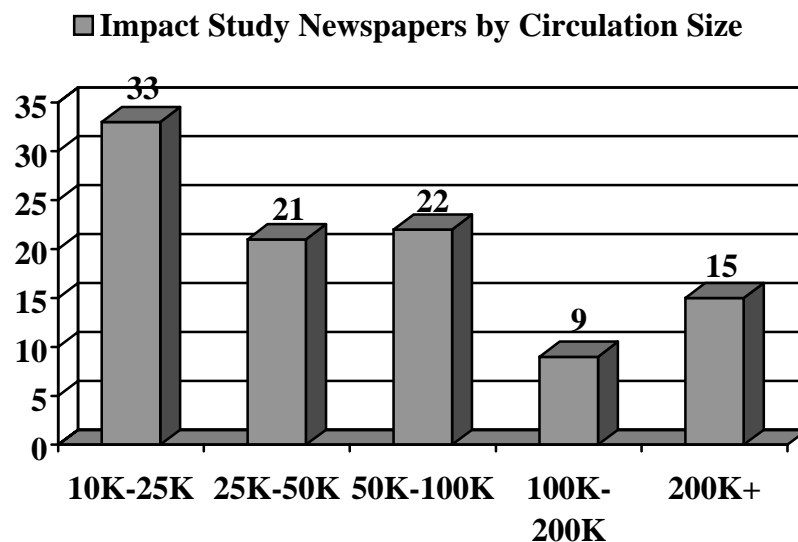
# PICKING THE IMPACT PAPERS

## CREATING THE POOL

The pool from which Impact newspapers were drawn comprises English-language U.S. dailies, publishing at least five days a week, with average circulation of more than 10,000. Specialist newspapers and newspapers with significant national distribution were not included.

To select a group of newspapers from that pool that would be as representative of the industry as possible, researchers at the Readership Institute used a stratified sampling method that took into account seven variables, including competition, circulation, penetration, urbanicity, and market size and potential.

Analysis of the newspaper industry using these variables yielded six strata. The strata reflect size, market and competitive situation. Between 16 and 18 newspapers were then randomly selected from each stratum.



While circulation was only one of the variables used in determining the six strata, people frequently ask about the distribution of circulation sizes in the sample. The chart above shows what the circulation groups look like.

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**COMPLETE LIST OF IMPACT PAPERS**

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- The Palm Beach Post, West Palm Beach, FL
- Columbia Daily Herald, Columbia, TN
- Las Cruces Sun-News, Las Cruces, NM
- Daily Herald, Roanoke Rapids, NC
- Sioux Falls Argus Leader, Sioux Falls, SD
- The Gleaner, Henderson, KY
- The Tennessean, Nashville, TN
- Connecticut Post, Bridgeport, CT
- The Advocate, Baton Rouge, LA
- The Maui News, Wailuku, HI
- The Enterprise, Brockton, Brockton, MA
- Marietta Daily Journal, Marietta, GA
- The Kansas City Star, Kansas City, MO
- The Beaufort Gazette, Beaufort, SC
- The Evening News, Jeffersonville, IN
- The Sanford Herald, Sanford, NC
- Great Falls Tribune, Great Falls, MT
- The Modesto Bee, Modesto, CA
- The Fredrick News-Post, Frederick, MD
- The Roanoke Times, Roanoke, VA
- The Greenville News, Greenville, SC
- The Indiana Gazette, Indiana, PA
- Kalamazoo Gazette, Kalamazoo, MI
- Intelligencer Journal, Lancaster, PA
- The Day, New London, CT
- Ventura County Star, Ventura, CA

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**COMPLETE LIST OF IMPACT PAPERS CONTINUED**

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- The News Sun, Waukegan, IL
- The Victoria Advocate, Victoria, TX
- Bryan-College Station Eagle, Bryan, TX
- The Odessa American, Odessa, TX
- The Palm Spring Desert Sun, Palm Springs, CA
- The Star Press, Muncie, IN
- The Bradenton Herald, Bradenton, FL
- The Everett Herald, Everett, WA
- Batavia Daily News, Batavia, NY
- Rockford Register Star, Rockford, IL
- The State Journal-Register, Springfield, IL
- Midland Daily News, Midland, MI
- North County Times, Escondido, CA
- Pittsburgh Post-Gazette, Pittsburgh, PA
- The Oakland Press, Pontiac, MI
- The Daily Oklahoman, Oklahoma City, OK
- The Berkshire Eagle, Pittsfield, MA
- The Aberdeen American News, Aberdeen, SD
- Bluefield Daily Telegraph, Beckley, WV
- Florida Times-Union, Jacksonville, FL
- The Jackson Citizen Patriot, Jackson, MI
- San Gabriel Valley Tribune, West Covina, CA
- The Vancouver Columbian, Vancouver, WA
- Valley News Dispatch, Tarentum, PA
- The Greeneville Sun, Greeneville, TN

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**COMPLETE LIST OF IMPACT PAPERS CONTINUED**

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- The Herald-Sun, Durham, NC
- The Providence Journal, Providence, RI
- Chicago Tribune, Chicago, IL
- The Spectrum, St George, UT
- The Quincy Herald Whig, Quincy, IL
- Anderson Independent-Mail, Anderson, SC
- The Arizona Republic, Phoenix, AZ
- Dubuque Telegraph Herald, Dubuque, IA
- The Kankakee Daily Journal, Kankakee, IL
- Austin American Statesman, Austin, TX
- Milwaukee Journal Sentinel, Milwaukee, WI
- Santa Cruz County Sentinel, Santa Cruz, CA
- The Louisville Courier Journal, Louisville, KY
- The Idaho State Journal, Pocatello, ID
- Temple Daily Telegram, Temple, TX
- The Racine Journal Times, Racine, WI
- The Orange County Register, Santa Ana, CA
- The Baltimore Sun, Baltimore, MD
- The Times Leader, Wilkes-Barre, PA
- Gainesville Sun, Gainesville, FL
- Richmond Times-Dispatch, Richmond, VA
- The Register-Herald, Beckley, WV
- The Herald, Rock Hill, SC
- The Albany Herald, Albany, GA
- Houston Chronicle, Houston, TX
- San Jose Mercury News, San Jose, CA

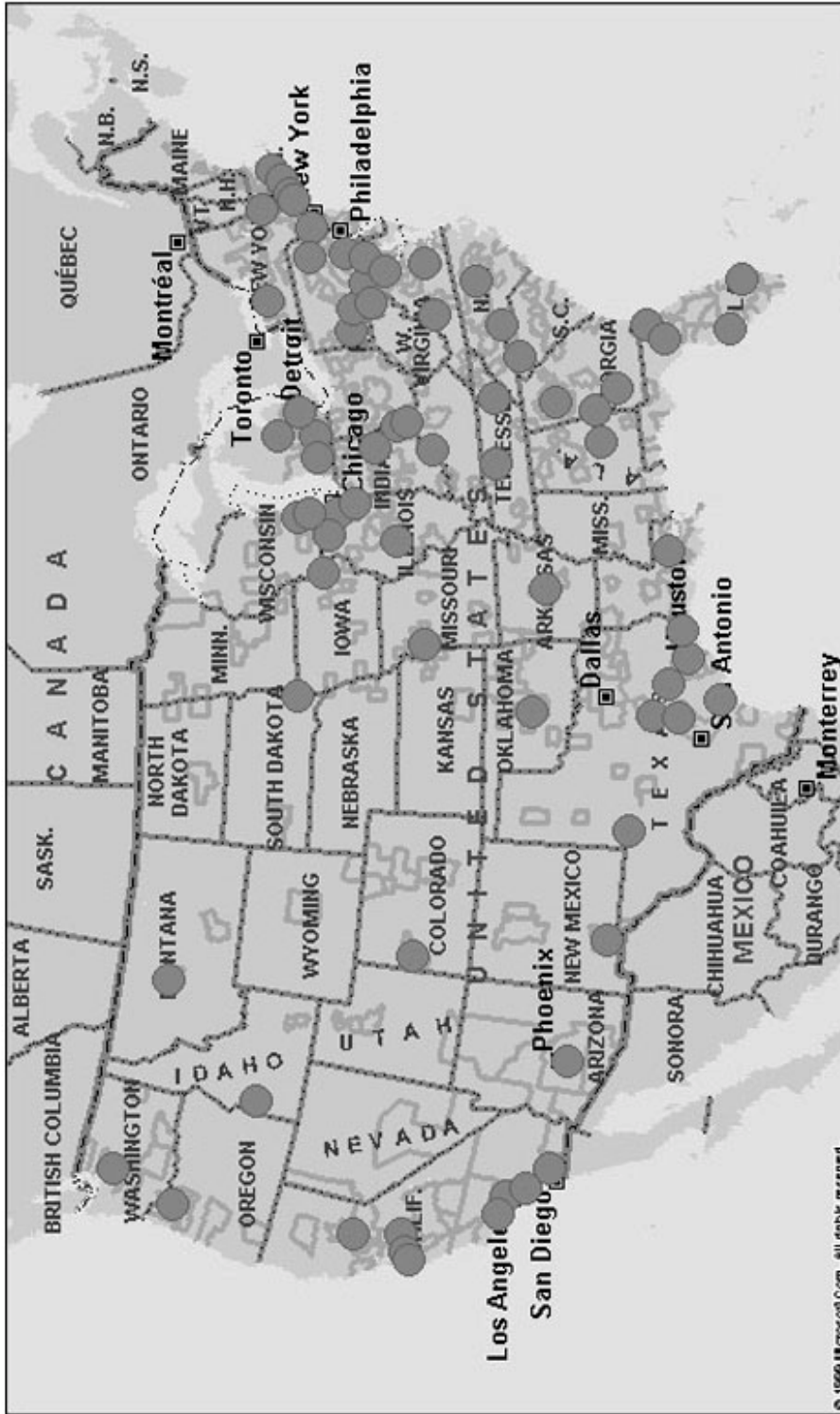
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**COMPLETE LIST OF IMPACT PAPERS CONTINUED**

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- The Daily American, Somerset, PA
- Concord Monitor, Concord, NH
- The Cincinnati Enquirer, Cincinnati, OH
- The Idaho Statesman, Boise, ID
- The Daily Post Athenian, Athens, TN
- Mt. Pleasant Morning Sun, Mt. Pleasant, MI
- The Grand Junction Daily Sentinel, Grand Junction, CO
- The Appeal-Democrat, Marysville, CA
- Montgomery Advertiser, Montgomery, AL
- New Haven Register, New Haven, CT
- The News & Observer, Raleigh, NC
- Journal-News, Hamilton, OH
- The Knoxville News-Sentinel Co., Knoxville, TN
- Columbus Ledger-Enquirer, Columbus, GA
- The Sarasota Herald Tribune, Sarasota, FL
- Log Cabin Democrat, Conway, AR
- The Star-Ledger, Newark, NJ
- The Corvallis Gazette-Times, Corvallis, OR
- Port Arthur News, Port Arthur, TX
- Cumberland Times-News, Cumberland, MD
- The Seattle Times, Seattle, WA
- Hagerstown Herald-Mail, Hagerstown, MD
- North Platte Telegraph, North Platte, NE

**A map on the next page shows where the newspapers are located. There is also an Impact newspaper in Hawaii, which does not appear on the map.**



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The Impact papers are distributed throughout the U.S. and represent all types of markets.

# WHY READERSHIP?

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## A COMPLETE PICTURE OF REACH

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The Initiative focuses on readership because it provides the most complete picture of the reach of the newspaper. Just as the television industry measures and reports the individuals watching the screen, not the number of TV sets in each household, newspapers need to understand, measure and promote the reach of their content every bit as much as they need to understand and measure the numbers of papers sold.

Advertisers want their messages read and acted on. Advertisers don't care if the consumer paid for the newspaper that carried their message, only if the consumer took action on that message.

Building readership means getting a far deeper understanding of how readers use newspapers: how connected do readers feel to the newspaper; how, when and why do they consume news and advertising; what actions do they take as a result of reading; how do newspapers fit in their media mix.

Readership extends beyond the printed newspaper, encompassing electronic or other forms, on any media platform, as long as it is branded as coming from the newspaper.

# PARTNERS IN RESEARCH: IMPACT 2000

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## COMPLETE LIST OF SURVEYS AND ANALYSES

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In just one year, 100 newspapers working in partnership with the Readership Institute completed 12 sub-studies and analyses that, together, comprise the Impact study of readership.

### **Consumer Survey**

- More than 37,000 readers and non-readers in Impact markets completed the 12-page questionnaire that looks at media usage, newspaper readership, satisfaction, brand equity, lifestyle and interests.

### **Micro Content Analyses**

- Census of 74,000 stories in seven days of coverage in the Impact newspapers.
- Thematic analysis of a random sample of 47,500 of the articles quantifying them by subject matter, length, geographical origin, staff written versus wire, and other measurable criteria.
- Thematic analysis of all 3,569 front-page stories appearing in seven days of the Impact papers, using the same criteria applied to the random sample stories.
- Architectural analysis of the Impact newspapers, covering non-story content, such as photographs, listings, in-paper promotion, sectioning, stability of standing features, and other general characteristics of the newspapers.

### **Macro Content Analysis**

- A panel of specially trained readers rated their reading experience with each of each of the Impact newspapers, creating a reliable, neutral assessment of identifiable newspaper differences from the reader's perspective.

## **Marketing, Circulation and Readership Survey**

- Impact newspapers provided information designed to explore the business relationship they have with their readers, and to probe approaches and practices in marketing, circulation and readership.
- National Cost and Revenue Study. Analyses of data the Impact newspapers provided through this national benchmark survey of financial information, as well as measures of efficiency, staffing, and content. Provides the first nationally representative sample on profitability, expense and revenue allocation, staffing, and other results.

## **Organization Studies**

- **Workforce Characteristics Survey** is a census of who works at Impact newspapers and measures diversity (ethnic and gender), education, community background, turnover, hiring and evaluation methods. The study yielded a baseline measurement that can be repeated at intervals to track change and to create an accurate rather than anecdotal picture of trends.
- **Management Practices Survey** focused on four key people management areas in Impact newspapers: how people are selected; how they are developed; how their performance is managed; and how they are compensated. The purpose of the investigation was to discover the level and quality of practices in these areas.
- **Culture Inventories.** Employees at all levels of the Impact newspapers completed three surveys designed to diagnose the prevalent operating culture at their newspaper and its effect on people and the business.
- **Reader Orientation Inventory** assesses the degree to which Impact newspaper executives say they focus on and respond to their readers, and the ideal practices that they think should be in place. The answers from about 500 executives and senior managers at the Impact newspapers provide an industry snapshot.

# THE IMPACT REPORTS

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## COMPLETE LIST OF REPORTS

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The Readership Institute has released reports of its research throughout the latter part of 2000 as the results have become available. Here is the complete list of reports.

### PREVIOUSLY RELEASED REPORTS

**IMPACT PROJECT OVERVIEW.** *Background to the Impact project, including participants and descriptions of the sub-studies.*

**IMPACT STUDY OF READERSHIP: RESEARCH INSTRUMENTS.** *A collection of all the surveys and other analyses that are being used in Impact.*

**THE IMPACT STUDY: A PROGRESS REPORT.** *A copy of the slide presentation to the Impact participants at the July 2000 sessions.*

**FIVE-MINUTE GUIDE TO CULTURE.** *A quick guide to the terms and diagrams used in describing and depicting culture in organizations.*

**CULTURE IN ORGANIZATIONS.** *A slide presentation from the July 2000 sessions about diagnosing culture in organizations: types of cultures; characteristics; strengths and weaknesses.*

**NEWSPAPER CULTURE.** *A slide presentation from the July 2000 sessions featuring the top line results of the Impact culture surveys.*

**CULTURE REPORT: A PROFILE OF THE IMPACT PAPERS.** *A detailed summary of the findings at an industry and departmental level of the culture surveys. An executive summary is at the front.*

**WORKFORCE CHARACTERISTICS SURVEY.** *Baseline information at an industry level about the newspaper workforce in the four departments most directly related to readership – advertising, circulation, marketing and news-editorial. Includes staffing levels, diversity, turnover, recruiting practices, and educational background.*

**THE BUSINESS CASE FOR PEOPLE MANAGEMENT.** *A synopsis of the growing body of evidence that effective people management practices lead to employee satisfaction and retention, customer satisfaction and retention and superior business results.*

**PEOPLE MANAGEMENT PRACTICES – CONSOLIDATED REPORT OF FINDINGS.** *Results at the industry and circulation-size level. A summary is in the front of the book.*

#### **REPORTS RELEASED FOR JANUARY 2001 MEETING PARTICIPANTS**

**IMPACT QUICK –READ SUMMARY.** *This report, containing background on the study and results of previous research.*

**IMPACT NEWSPAPER CONSUMER SURVEY.** *Results of the consumer survey at an industry level, explaining Reader Behavior Scores and Reader Behavior Types and their implications for growing readership.*

**IMPACT NEWSPAPER CONTENT ANALYSIS.** *Individualized newspaper content analysis that describes virtually all types of information appearing in the paper: stories, photographs, graphics, agate listings, classified advertising, indexes and comics, as well as overall presentation, structure and promotion of content.*

**IMPACT NEWSPAPER OPPORTUNITY SCORECARD.** *Individualized newspaper scorecard showing the greatest opportunities for readership growth as a result of correlating the consumer data with newspaper content analysis.*

**IMPACT SUB-STUDIES REPORT.** *Industry level results for four additional Impact studies:*

- **National Cost and Revenue study.** *Industry level financial information about newspapers, as well as measures of efficiency, staffing, and content.*
- **Reader Orientation.** *Study of the degree to which newspaper executives say they focus on and respond to their readers, and the ideal practices that they think should be in place.*

- **Marketing, Circulation and Readership.** *A report on the business relationship that Impact newspapers have with their readers, and examination of approaches and practices in marketing, circulation and readership.*
- **Macro Content Analysis.** *A study of readers' perceptions of the identifiable and quantifiable qualities of newspapers and how the Impact newspapers cluster around these qualities.*

# SUMMARY OF CULTURE RESULTS

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## BACKGROUND

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This is a crucial component of Impact because it is well-documented in other industries that how people are managed and the culture in which they work have a major effect on business results. They also account for a significant share of a business' ability to adapt to rapidly changing technological, competitive and market conditions.

In all parts of the newspaper organization research, we focused on the four departments that most directly relate to readership – News, Advertising, Circulation and Marketing.

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## DESCRIPTION OF THE CULTURE STUDY

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Employees at all levels of 90 Impact newspapers completed three surveys designed to diagnose the prevalent, operating culture at their newspaper and its effect on people and the business.

Culture is the shared beliefs and values that shape employees' thinking and behaviors – or, more colloquially, “the way we do things around here.” Culture is about how people (or departments) are *expected to interact with each other* in the workplace. It is not about how staff (or departments) *should do their functional or professional jobs*.

The surveys were conducted in association with Dr. Robert Cooke, professor of management at the University of Illinois and a founder of Human Synergistics research firm. Cooke and Human Synergistics have developed and used culture surveys in hundreds of businesses with more than 2 million executives and staff over the past 15 years. As a result, the RI Impact instruments are well-tested, and based on

a large, sophisticated database that offers benchmark comparison with other organizations in a broad variety of sectors and markets both here and abroad.

In businesses generally, a certain kind of culture – described as constructive or adaptive – has proven to be more effective in responding to market and technological changes. In the process it delivers superior long-term performance and more satisfied customers and employees.

By contrast, defensive cultures resist change. They performed well in the past, but they are counter-productive in terms of the 21<sup>st</sup> century challenges faced by most businesses, including newspapers. Previously, defensive cultures succeeded in producing consistent, reliable products and services because of relatively stable market, competitive and technological environments. But today they are ill-equipped to respond to rapidly changing customer needs, surging competition, and revolutionary advances in technology.

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#### RESULTS OF THE CULTURE STUDY

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- Constructive culture: 17 newspapers
- Defensive cultures: 73 newspapers

The defensive newspapers can be further divided into three sub-groups: i) 27 are aggressive/defensive; ii) 21 newspapers are passive/defensive; iii) and another 25 are mixed: passive/aggressive.

The most prevalent defensive culture is **aggressive/defensive**, and the dominant style within it is perfectionism. People are expected to avoid all mistakes, keep track of everything and work long hours to meet narrow objectives. The value of perfectionism is obvious, particularly in the news/advertising/service aspects of newspapers, but an over-emphasis can lead people to get lost in details and lose sight of overall goals.

An example of this would be when an advertising department regularly disrupts the production process to take late ads just before press time. The advertising department contends that its mandate is to provide perfect service to the accounts who

fund the newspaper. But if the paper is delayed and 20 percent of readers do not receive it before they leave for work, then advertising is using perfectionism to put its goals ahead of the newspaper's. After all, in this example, 20 percent of readers would not see the news that they needed to be better informed as they left for work. Nor would they see the advertising content.

Another common style in the aggressive/defensive culture is oppositional, which involves a high degree of confrontation. Healthy questioning is important in any organization, but when carried to an extreme it causes unnecessary conflict, poor group problem-solving and “watered-down” solutions.

It is doing his or her job when a reporter asks tough, oppositional questions of a source for a story. It is contributing to an aggressive/defensive culture when that same reporter uses constant, contrary questioning to resist doing what – after listening to all sides – an editor says must be done for the news room to complete its work.

The Impact newspapers' culture results indicate that the values and behaviors that are important to carrying out a professional or functional role are spilling over in a potentially harmful way to how the employee or department should function in the organization.

Aggressive/defensive cultures are typically found in organizations that emphasize traditional methods of quality control – evaluating quality at the unit level rather than system-wide; focusing on avoiding mistakes rather than achieving improvements; sacrificing quality in some areas to reach unrealistic or unnecessary levels of quality in others; and assigning quality responsibilities to supervisors rather than staff.

The aggressive/defensive culture also tends to be pervasive in fast-paced environments, where people are required to think and act very quickly on a regular basis.

The second defensive culture in Impact newspapers is **passive/defensive**, typified by conflict avoidance and by dependent and conventional behaviors. (The

main difference between passive and aggressive cultures is the way they exhibit their essential defensiveness. Aggressives tend to be openly resistant; passives resist less obviously but just as effectively.)

In the passive/defensive culture, people do what it takes to please others and avoid interpersonal conflict. Rules, procedures and orders are followed without question. In this highly directed environment, jobs are narrowly defined and supervision is intense. Managers rarely catch employees doing things right, but never miss when they do things wrong.

Passive/Defensive cultures are often found in “protected” organizations, such as government agencies, organizations that are closely regulated by government or ones that operate as monopolies. Lack of competition and a belief that the customer base will remain constant often leads these organizations to preserve the status quo rather than look for major opportunities and improvements.

The third type of defensive culture in Impact newspapers is mixed **passive/aggressive**, which contains equal measures of those behaviors.

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### CONSTRUCTIVE NEWSPAPERS

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Seventeen Impact newspapers have constructive cultures, where people are expected to work independently and together toward common goals. Personal achievement is important, and so is the organization’s success.

Constructive cultures are evident in environments that value (and reward) quality over quantity and creativity over conformity. Cooperation is believed to lead to better results than internal competition. Effectiveness is judged at the overall level, not just at a unit or department level.

In constructive organizations, levels of satisfaction, teamwork, service quality and sales growth tend to be high. They tend to have a dual focus – on financial success today and on developing people, strategy and market share to ensure more success in the future.

When analyzing the results, researchers noted that newspapers tend to be less constructive and more defensive than other organizations, and a defensive cultural orientation seems to pervade the industry. Even those newspapers whose cultures are comparatively more constructive rank low on the constructive scale when compared to results in other sectors.

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**“IDEAL” CULTURE**

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Employees (both staff and management) at a variety of industries identify a strong, constructive culture as “ideal” for their organization. (Even high-reliability organizations, such as the military and power plants, say a strong, constructive culture is the “ideal.”)

This view is strongly shared by employees at all levels at Impact newspapers. They also say it is not a Utopian dream, but a realistic, achievable goal in their newspapers.

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**CULTURE BY DEPARTMENTS IN IMPACT NEWSPAPERS**

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<b>Department</b>	<b>Overall Culture</b>	<b>Primary style</b>	<b>Secondary style</b>
<b>Advertising</b>	Passive/Defensive	Perfectionistic	Conventional
<b>Marketing</b>	Passive/Defensive	Avoidance	Perfectionistic
<b>Circulation</b>	Aggressive/Defensive	Oppositional	Perfectionistic
<b>News-Editorial</b>	Aggressive/Defensive	Perfectionistic	Oppositional
<b>Top Executives</b>	Constructive	Humanistic	Achievement

It is interesting to note that perfectionism is a common style in all departments, whether their overall defensive cultures are predominantly passive or aggressive. By contrast, the culture among department heads and other executives such as publishers is constructive – similar to what is seen as the “ideal” newspaper culture. This means that the behaviors expected of executives as they work with and among their peers are constructive. The primary style is humanistic; people are expected to be supportive and encouraging of each other. The secondary style is achievement; people are expected to set stretch goals and reach them.

Given the defensive culture results elsewhere in Impact newspapers and departments, the challenge is for the top executives to model and drive constructive behaviors to all levels.

# SUMMARY OF MANAGEMENT PRACTICES RESULTS

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## BACKGROUND

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The exploration of people management practices in Impact newspapers springs from a Roberts, Nathanson & Wolfson mega-study (a “study of studies”) that covers more than 20,000 firms. That work found that “people factors” account for two-thirds of the difference between average- and high-performing companies.

Their work also shows strong links among the following:

- People management practices
- Employee satisfaction and retention
- Customer satisfaction and retention
- Business results (such as profitability, growth, productivity and shareholder returns.)

(There is a diagram of the relationships at the end of this summary.)

The Readership Institute focused on four key people management areas in Impact newspapers: how people are selected; how they are developed; how their performance is managed; and how they are compensated. Importantly, these are areas that leaders can influence strongly and directly and where they can see improvements in a relatively short time. The purpose of the investigation was to discover the level and quality of practices in these areas.

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## PRELIMINARY RESULTS AND OBSERVATIONS

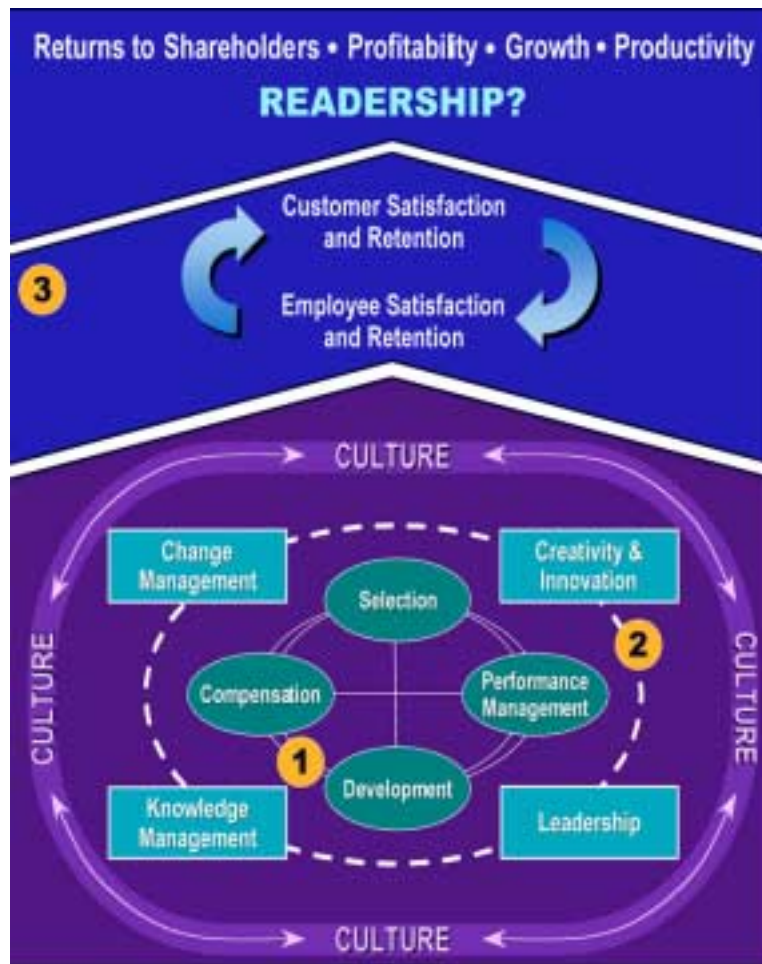
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The overall level of scores was very low. On average, 80 percent of respondents either disagreed or strongly disagreed that best practices in people management were in use at their newspapers. In other words, newspapers self-report that their people management practices are quite poor.

These findings were fairly consistent among departments, and among newspapers of different sizes.

Newspapers have extremely homogeneous practices that have grown up over a long period of time. This may reflect that newspapers, for much of the 20<sup>th</sup> century, functioned as oligopolies without significant external pressures to stimulate change. It also indicates that newspapers tend to emulate their peers within the industry, rather than looking to other fields for best practices.

Within the overall low scores, performance management was rated highest. This is typical of stable industries that have undergone little change, probably because the need to track, evaluate and manage performance is a basic business requirement. As companies negotiate major strategic and environmental change, areas like selection and development are typically brought into play more strongly – both very weak areas in newspapers.



001 Readership Institute

# SUMMARY OF WORKFORCE RESULTS

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## WORKFORCE CHARACTERISTICS

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The Workforce Characteristics Survey gathers baseline information about the 1999 newspaper workforce in the four departments most directly related to readership – Advertising, Circulation, Marketing and News. All 100 newspapers involved in the Readership Institute’s Impact Study completed the survey.

Please note that, for purposes of analysis, newspapers were asked to include all employees involved in marketing or promotion in a separate category even if there was no separate marketing department, or if the employee was assigned to another department for organizational purposes. The survey excludes temporary, seasonal, contract and leased workers. Selected charts follow.

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## STAFFING LEVELS AND HOURS

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The total workforce is distributed this way across the four departments:

- News-Editorial – 35 percent
- Advertising – 26 percent
- Circulation – 34 percent
- Marketing – 5 percent

Fourteen of the 100 newspapers reported no employees whose primary responsibility is marketing or promotion.

In News and Circulation, about one in four employees are in exempt (supervisory) positions, compared with more than 40 percent in the Advertising and Marketing departments. Also, in all departments, supervisors work an average of 3-7 percent more hours than rank-and-file employees do.

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## **DIVERSITY**

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The percentage of non-white employees averages 21 percent, ranging from a low of 14 percent in News to about 27 percent in Circulation and Marketing. At the supervisory level, the average is 4 percent, with a range from 2 percent in News to 6 percent in Marketing. At the level of top administrative executives, there is 7 percent diversity.<sup>1</sup>

Overall gender diversity average is 55 percent male and 45 percent female, which mirrors the composition of the national workforce. There is a wide variation among departments. Men outnumber women roughly 60/40 in News and Circulation, with the percentages reversed in Advertising and Marketing. At the top executive level, men occupy 68 percent of the positions.

The highest percentage of non-white men is in Circulation. The highest levels of non-white women are in Marketing.

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## **TURNOVER**

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Annual turnover of full-time employees in the four departments (total annual separations, voluntary and involuntary, as a percent of total annual workforce) averages 18 percent. News is lowest at 15 percent, with Advertising and Circulation about 19 percent and Marketing about 21 percent.<sup>2</sup>

The survey also examined the length of service of those leaving newspapers. Overall, about a third of those full-timers who leave voluntarily or involuntarily do so within a year of employment. Unlike other departments, however, newsroom departures are weighted more to people who have been at the paper for more than a year.

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## **RECRUITING AND HIRING**

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Of all people hired to fill open positions, 84 percent are hired from outside the newspaper and 16 percent from inside. Departmental variations range from 89 percent

external hires in Circulation to 76 percent in Advertising. The vast majority of external hires are in nonexempt (or rank-and-file) jobs. Internal hires are more evenly divided between exempt and nonexempt positions.

Newspaper advertising continues to be the dominant method of recruiting external job candidates for newspapers. Some departments, particularly News, report making regular use of the Internet and informal networking (word of mouth). Techniques such as talent banks or community recruiting are not widely used. For internal candidates for open positions, newspapers rely mostly on internal postings rather than such methods as structured development programs and skill databanks.

Newspapers also were asked if they measure the time it takes to fill open positions. Fewer than one in five do.

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#### **EDUCATION AND COMMUNITY BACKGROUND**

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News departments rely heavily on those with journalism or professional school training – nearly three out of four employees. Circulation departments report that two-thirds of their people did not attend college. Other departments have an even mix of those with professional-oriented college training, other types of college degrees, or other levels of education.

Another section of the survey asked about employees' job experience and community backgrounds. In all departments except News, the background of more than three out of four people are from within the newspaper's community or market. In News, community background is evenly split between inside and outside the market.

Newsrooms also rely more heavily on people with prior experience in the news industry – 81 percent. Another department stressing prior professional experience in the field is Marketing, at 62 percent.

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## DIFFERENCES BY CIRCULATION LEVELS

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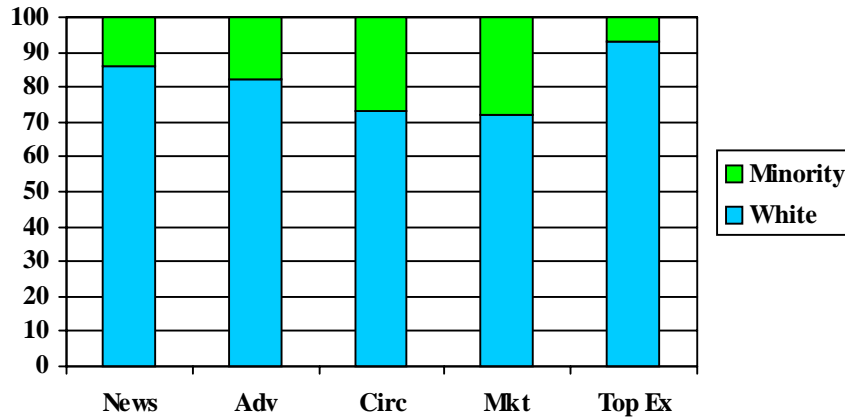
Smaller newspapers – those with less than 50,000 circulation – tend to have less ethnic diversity, higher percentages of women, higher levels of turnover, and more external hires than larger newspapers. Newspapers over 50,000 circulation tend to use a wider variety of methods in finding and evaluating job candidates.

<sup>1</sup> *Minorities make up more than 28 percent of the total U.S. population, according to the U.S. Census Bureau. The Bureau of Labor Statistics reports that in 1998 non-whites comprised 26 percent of the civilian workforce, which includes part-time employees and those who are unemployed but looking for work. In a 1998 NAA/Belden study, the employment level of minorities at newspapers was found to be 22 percent of all employees, and 18 percent for full-time workers. The American Society of Newspaper Editors reported newsroom minority representation in 1999 to be about 12 percent of the total staffing*

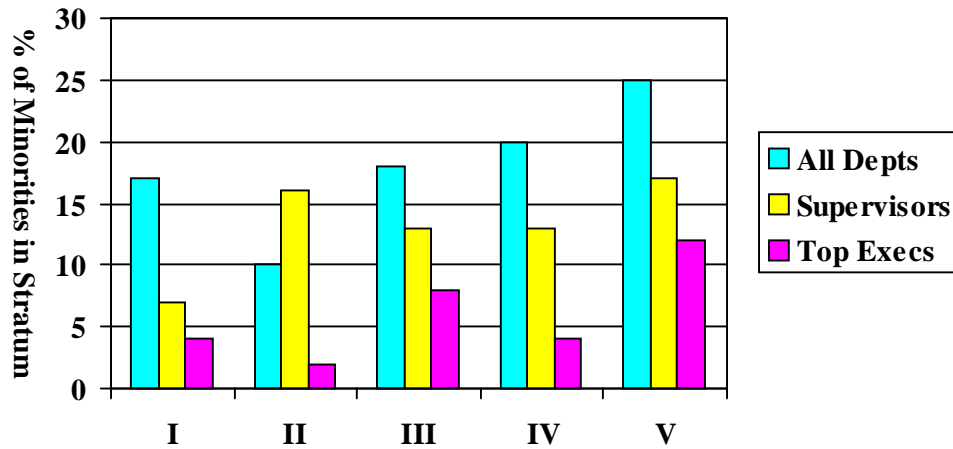
<sup>2</sup> *The 1998 NAA/Belden study showed newspaper industry turnover at 17 percent among full-time employees, compared to 13 percent in a 1995 NAA/Watson Wyatt survey. Both studies included all newspaper employees. In mid-2000, the Bureau of National Affairs reported, the annual turnover rate for U.S. companies was more than 15 percent for both full-time and part-time employees. The rate for manufacturing companies was holding at 1999 levels, about 12 percent, while non-manufacturing businesses were averaging nearly 20 percent.*

**WORKFORCE CHARACTERISTICS CHARTS**

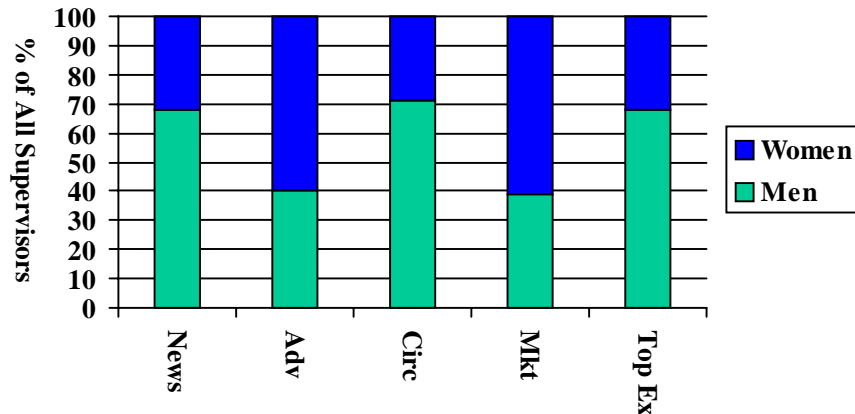
**RACIAL DIVERSITY BY DEPARTMENT**



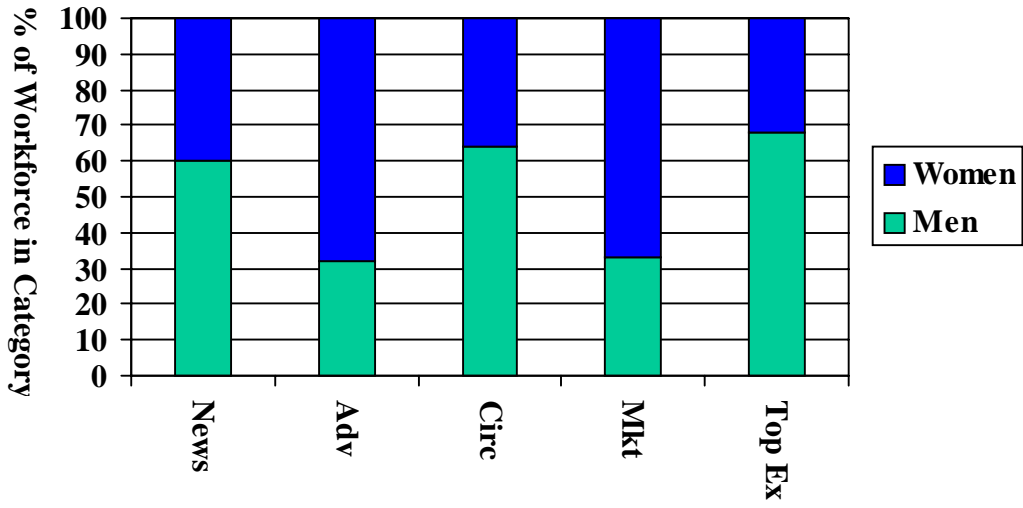
**RACIAL DIVERSITY BY CIRCULATION STRATA**



**WOMEN IN MANAGEMENT**



**GENDER DIVERSITY BY DEPARTMENT**



**FULL TIME TURNOVER BY DEPARTMENT**

