



# News, Improved

How America's Newsrooms Are Learning to Change

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## Chapter 6

### Learning to Change: The Business Imperative

*Chapter 6 of News, Improved demonstrates how companies that invest in people and create environments that support innovation are better able to adapt to market changes.*

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*“The tumult in the industry has forced everyone to recognize that we need to change to be successful and that there is a need for leaders and employees who are trained to handle that.”*

**-- Gary Pruitt, Chairman,  
Chairman, President and CEO of The McClatchy Company**

Strategic training is critical for the business of journalism. In its “Newspaper Next” research project, the American Press Institute reports that the news industry stands at a “strategic inflection point, a period of disruptive changes that threaten its current way of doing business with no clear future path.”<sup>1</sup> Will it adapt? Or will it, like many other industries in the past, fail to make the necessary changes in people, product and culture to survive?

Much of the answer lies in the news industry’s willingness to learn. Management consultant Laurie Bassi says, “An organization’s ability to respond effectively to constant (and inevitable) changes in its environment hinges on its ability to learn.” She likens training to emergency preparedness.

Industries in decline tend to disinvest, says Bassi, giving the example of steel mills rusting in Pittsburgh. “You might say, well, that’s what is causing their decline, but it’s actually a symptom of their decline, a purposeful disinvestment. It looks to me like that’s what’s happening in the newspaper industry. They’re not planting new seeds, they’re harvesting. That strategy will work for a while, but those who emerge as the eventual leaders, or even the survivors, are those who take an alternative approach.”

This disinvestment included the elimination of more than 2,000 newsroom jobs in 2005. Overall newspaper industry employment fell 18 percent between 1990 and 2004,<sup>2</sup> while training budgets were trimmed or eliminated.

Research shows that investors value companies that place a priority on employee learning.<sup>3</sup> Companies spend an average of more than 2 percent of payroll on training – more than five times as much as the newspaper industry.

Not only does training help “the company realize its stated goal,” says Mary Nesbitt, managing director of the Readership Institute, “but it also leads to improvements and innovations that had never been thought of before” because people are “being encouraged and rewarded” for thinking.



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### **People Make the Difference**

Training is an asset. It drives a culture that fosters innovation, which in turn improves the bottom line. “If you want people to be innovative,” says Amy Lyman, president of the Great Place to Work Institute (creators of *Fortune*’s “100 Best Companies to Work For”), “they need to have the smarts and the skills and the knowledge, but they also need to have the freedom, the comfort and the support to try things that are new and may fail.”

Nearly seven in 10 global business leaders believe “that retaining talent is far more important than acquiring new blood,” the consultant group Accenture found. “People have become the key competitive differentiator in today’s knowledge-based economy.”<sup>4</sup>

### **Training Attracts and Helps Keep The Best**

Newsroom turnover increased significantly during the 1990s, reaching 23 percent in 1999,<sup>5</sup> compared to an all-industry average of 15 percent. A new hire typically costs 1 to 2.5 times the employee’s annual salary, including direct costs such as recruiting, interviewing and relocating, as well as indirect costs such as managers’ time.

The National Newspaper Association reports that employees quit for four primary reasons: lack of empowerment, lack of career opportunities, dissatisfaction with managers, and dissatisfaction with compensation. All but the last reason can be directly addressed through strategic training.

Consultants Roberts, Nathanson & Wolfson found in their survey of 5,200 organizations that those with greater levels of staff development had 57 percent higher retention than otherwise comparable organizations.<sup>6</sup>

With average starting salaries in the mid-\$20,000s, newspapers must offer more than money to attract the best and brightest graduates from communications schools. Experts say creativity, workplace culture and opportunity for professional growth are the biggest draws – characteristics more typically found in non-journalistic communications jobs like advertising, publishing, or online information companies.

Surveys show that high-potential employees – those with the drive and talent to become tomorrow’s newsroom leaders – want to be trained and mentored, to participate in decision-making and to have career opportunities that are not limited by narrow job definitions.

Competition for these young professionals is high in the newspaper industry, as it is in other fields. There are many parallels, for example, between the news business and the legal profession. Both depend on well-educated professionals; both are knowledge industries; both attract driven people; both are highly competitive. But there is no comparison between the salaries of first-year journalists and lawyers. Still, many law firms say that what separates them from their competitors is their emphasis on training, education and career development.



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### Training Works: Real-World Results

Newspapers that emphasize strategic training reap benefits – even in these difficult times. The Atlanta Journal-Constitution set specific editorial goals and supported them with an ambitious training program. The result: More watchdog stories, more non-traditional storytelling and more staff engagement in the direction of the newspaper.

The 38,000-circulation Tribune-Herald in Waco, Texas, faced the typical challenges of small-town newspapers – too much to do, not enough time or people to get it done. Editor Carlos Sanchez and managing editor Becky Gregory wanted more training for their employees, but they knew they'd have to start it themselves. We helped focus their priorities and form a newsroom training committee.

“The single most defining moment,” says Sanchez, “was having a copy editor, perhaps our biggest cynic of procedural changes, unilaterally declare his own brown bag. We attended and were delighted with a presentation on alternative story forms that not only encapsulated our emerging philosophy, but that he was able to articulate better than we ever had, because he had scoured the country for examples.” Turnover at the Tribune-Herald has fallen nearly 40 percent in the last couple of years.

Even some small newspapers are investing heavily in training. The La Crosse Tribune in Lacrosse, Wis., with a circulation of 32,000, offered an average of 36 hours of training per newsroom professional in 2005 -- a 525 percent increase over 2004. It cost about \$25,000 in salaries for staff time and \$11,340 in direct spending -- more than one FTE, about 2.5 percent of payroll. That is about six times the newspaper industry average – but is on par with the training average for all U.S. industries.<sup>7</sup>

### Using High-Quality Journalism to Focus on the Reader

Karen Dunlap, president of The Poynter Institute, says, “There’s a lot of conversation in the industry about declining audiences and a lot of talk about young people who don’t read. There needs to be an equal emphasis on the poor craft quality in many news organizations....I would say a majority of citizens are exposed regularly to very poor journalism. That’s something we can change. We could raise the quality of journalism and we need to do it through training.”

Chapter 6 of *News, Improved* includes:

- A review of how The Oregonian, a newspaper with a strong training record, combined 360 reviews and a more strategic training program to intensify impact.
- An overview of the constructive culture developed through training programs at two smaller newspapers: the Bloomington, Ind. Herald-Times and the La Crosse (Wis.) Tribune.
- The story of how The Bakersfield Californian, circulation 61,000, became a model for Web innovation with an online-only, multi-media website.



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- Advice from an editor whose newspaper devoted 18 months to one reinvention, but just three months to a later one – thanks to a strong training program.

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<sup>1</sup> Newspaper Next, “*Blueprint for Transformation*”, (Sept. 27, 2006).

<sup>2</sup> Newspaper Association of America, Economist, “*Who Killed the Newspaper?*”, (Aug. 24, 2006).

<sup>3</sup> Laurie Bassi, Karen McGraw, and Daniel McMurrer, “*Beyond Quarterly Earnings: Using Measurement to Create Sustainable Growth*”, (September 2003); Bruce Pfau and Ira Kay of Watson Wyatt write “Organizations with the best human capital practices provide returns to shareholders that are three times greater than those of companies with weak human capital practices.” From “*The Human Capital Edge*”. (McGraw Hill, 2002).

<sup>4</sup> Accenture News, “*Talent Wars Shift from Crusade for Acquisition to Battle for Retention*”, (March 21, 2001).

<sup>5</sup> Newspaper Association of America, “*Preserving Talent II*”, (2003).

<sup>6</sup> Readership Institute, “*The Business Case for People Management*”, July 2000.