

TWENTY-SECOND ANNUAL SURVEY OF THE PROFESSION -- PART II

REORGANIZATION, GROWTH, CHANGE, NEW RESPONSIBILITIES, PROFESSIONALISM & OTHER SUBJECTIVE TOPICS IMPACTING PUBLIC RELATIONS MORE THAN ISSUES; MARKETPLACE CONCERNS REMAIN STRONG BUT NOT DOMINANT AS LAST YEAR

For public relations, this is a period of looking inward -- seeking improvement in professional practice and in organizational policies. Asked to list "the 3 most important issues/problems" facing their organization, industry or clients, respondents mentioned professional topics more often than any others. On the list are such advances as measuring effectiveness, handling crises & using research to position an organization.

Competition, quality & other marketplace issues are on a par with professional topics. But this is far below their dominating position in last year's survey. Then, 30% of all mentions were in this category. Now that has fallen to 13%.

Verifying the endemic nature of internal issues this year are responses to the question, "What significant organizational changes, if any, have taken place in your dep't?" Almost half the respondents report reorganization, refocusing, major growth or similar change. (See story, page 5.)

Many comments about professionalism reflect the growing education factor & sophistication of the field, as reported in Section I of the Survey (pr 10/20). For example, these verbatim responses from pr firms:

¶"Building greater professional credibility for pr practice by demonstrating value of results." -- CEO

¶"Well trained practitioners who are more than technicians." -- president

¶"Learning to utilize action as a communications medium." -- partner

Applying the current research technique of using verbatims to personalize & highlight findings, this is how respondents in various sectors stated their issues:

HEALTHCARE

¶"Competitiveness caused by excess beds." -- hospital dpr

¶"Enormous changes in the health-care industry. What a shakeout!" -- pres, pr firm

¶"Increasing competition in health-care delivery." -- medical school dpa

¶"Physician relationships with hospital." -- dpr, hospital

¶"Quantifying quality & efficiency of care; terms that are meaningful to patients, payers & providers alike." -- dpa, health center

BANKS & OTHER FINANCIAL SERVICES

¶"Shifts in business strategy to emphasize profitable segments & de-emphasize the 'mass market.'" -- vp & mgr corp comms, bank



¶"Growing sophistication of consumers & business customers." -- vp-corp comms, bank

¶"Doing more with less." -- vp-mgr corp comms, bank

¶"Rapid change in financial service industry." -- mktg dir, financial services organization.

CONSUMER PRODUCT

¶"Litigation" and "social pressures." -- vp-pr, consumer product co.

¶"Product credibility." -- vp-pr, pr firm

¶"Consumer perception that imported goods are of higher quality than domestically produced." -- pres, pr/ad firm

EDUCATION

¶"Getting all employees to see their role in public relations." -- comms dir

¶"Diminishing pool of potential students." -- dir, external rels

INSURANCE

¶"Unrealistic expectations of public." -- vp-corp afrs

¶"The mood of the public mind toward litigation on every issue." -- vp corp rels

NONPROFIT ORGANIZATIONS

¶"Developing a public image." -- sr writer

HOW KEY ISSUE CATEGORIES RISE & DECLINE

	1984		1985		1986	
	#	%	#	%	#	%
PR Profession	166	9.3%	52	2.8%	254	13.6%
Marketplace	251	14.1	558	30.6	253	13.5
Government	269	15.1	207	11.3	203	10.8
Public Confidence	50	2.8	219	12.0	176	9.4
Funding/Budget Cuts	148	8.3	110	6.0	130	6.9
Economy	381	21.3	145	7.9	78	4.2
Cost Containment	99	5.2	47	2.6	60	3.2
Special Interest Groups	24	1.4	13	0.7	7	0.4
Consumerism	54	3.0	4	0.2	55	2.9

TRADE OR PROFESSIONAL ASSOCIATIONS

¶"Increasing role of gov't; threat of gov't involvement in industry." -- vp comms

¶"Federal budget, deficit." -- dir info & pr

UTILITIES

¶"Motivating internal publics to put the customer first." -- mpr

¶"Changing utility marketplace: from strict regulation to increasing competition." -- creative materials mgr, pa office

GOVERNMENT

¶"Public perceptions/reality vs. media reports." -- pa ofcr, fed'l gov't

ADVERTISING AGENCIES

¶"Collusion of some politicians, vocal minorities & uninformed news media to encourage gov't intervention in markets." -- vp-grp mgr

¶"Inability to create consensus thru public policy-setting mechanisms; intractability of opposing publics." -- acc't exec

¶"Tight budgets for promotion, adv'g, etc; cut-backs in staff as well." -- vp-pr

(continued on pg. 4)

1986's MOST IMPORTANT ISSUES/PROBLEMS BY INDUSTRY

<u>Issue</u>	<u>No. of Comments</u>	<u>% of Comments</u>	<u>Industry Group With Top & Next-to-Top % of Mentions</u>	<u>% of Mentions in Indus- try Group</u>
PR PROFESSION: Reputation, Skills of Professionals, Bud- get, Measuring Effectiveness, Employee Rels, Crisis Comms, Research To Position Org'n	254	13.6%	Ad Agencies (PR Sect) Other Consulting	35.2% 33.5
MARKETPLACE: Increase in Domestic & Foreign Competi- tion, Product Quality	253	13.5	Consumer Product Cos. Industrial Companies	30.2 26.7
GOVERNMENT: Deregulation/ Regulation, Taxation	203	10.8	Insurance Companies Banks	37.0 27.8
PUBLIC CONFIDENCE: Public Image, Media Rels	176	9.4	Transportation Federal Gov't	25.0 19.0
FUNDING/BUDGET CUTS: Competition, New Sources	130	6.9	Educational Inst. Other NPOs	22.3 20.3
OTHER ISSUES:				
Strategic Planning/Issue Mgmt	83	4.4	Local Gov't	13.6
Economy	78	4.2	Ad Agencies	21.4
Cost Containment	60	3.2	Transportation	10.0
Consumerism (Rates)	55	2.9	Hospitals	7.7
Attracting New Business	51	2.7	PR Firms	5.9
Industry Changes	43	2.3	Other Consulting	16.7
Managing Growth	42	2.2	Ad Agencies	10.7
Social Issues	41	2.2	State/Provincial Gov't	9.8
Customer Rels/Education	41	2.2	Local Gov't	9.1
Personnel Recruitment	38	2.0	Ad Agencies (PR Sect)	6.7
Mgmt Style/Corporate Culture	37	2.0	Conglomerates	10.5
Insurance/Liability	36	2.0	Insurance Companies	14.8
Technology Change	22	1.2	Local Gov't	4.5
Education Standards	17	0.9	Educational Inst.	3.6
Special Interest Groups	7	0.4	Consumer Product Cos.	1.6
Labor/Unionization	7	0.4	Transportation	5.0
Membership Retention	5	0.3	Trade/Prof'l Ass'n	3.3
Transportation	3	0.2	Local Gov't	4.5
Cash Flow	3	0.2	PR Firms	0.9
Ethics	3	0.2	Hospitals	1.7
Miscellaneous	37	2.0	--	

SURPRISES: Terrorism, global uncertainty & job security may fill the airwaves & water-cooler banter but practitioners are not worrying. The 3 issues together garnered only 12 responses total! Similarly, economic slumps in regions or industries concern only 1.2% of respondents. But demographic changes are a concern for 1.8%. Predictions that environmental issues will rise again are met by a blah 2.3% for environment, land use & energy categories combined. Further, shrinking US industrial base is mentioned by 4 respondents...and even mergers/acquisitions concerns only 1%. Has the field got its perspective straight?

¶"Increasing fees as fast as costs."
-- exec vp

¶"Estrangement of top management
from rank & file." -- vp-dpr

INDUSTRIAL

¶"Tax overhaul." -- dpa

¶"Continuing effort to change corporate culture." -- dir corp comms

<u>STATUS OF THE FIELD HIGH</u>	"What is the status of public relations in your organization in relation to these other functions?"						
	<u>Much Higher</u>	<u>Higher</u>	<u>Total Higher</u>	<u>About Same</u>	<u>Lower</u>	<u>Much Lower</u>	<u>Total Lower</u>
Marketing	10.2	19.1	(29.3)	41.8	23.7	5.2	(28.9)
Advertising	15.4	21.5	(36.9)	41.0	17.5	4.6	(22.1)
Public Affairs	9.7	20.2	(29.9)	57.1	11.7	1.3	(13.0)
Human Resources	10.5	24.2	(34.7)	42.0	19.2	4.1	(23.3)
Legal	8.0	14.7	(22.7)	40.0	28.0	9.3	(37.3)

Despite all the talk about competition with other departments within or outside the profession, when respondents are asked straight out to compare the standing of public relations they give positive responses. Only lawyers are felt to outrank pr -- and not by much.

And lower status in this rank order:

- Legal -37.3%
- Marketing -28.9
- Human Resources -23.3
- Advertising -22.1
- Public Affairs -13.0

For each function public relations is felt to be more on a par ("about same") than either superior or inferior. However, public relations is perceived to have higher status in this rank order:

Also, it is clear from the "about same" column that the artificial division between pr & pa does not imply priority to either.

- Advertising +36.9%
- Human Resources +34.7
- Public Affairs +29.9
- Marketing +29.3
- Legal +22.7

¶If there is a message in these findings it seems to be that public relations is respected -- and gaining ground rather than losing it.

TIGHTER STANDARDS NOT UNACCEPTABLE
BUT NO SINGLE PROGRAM STANDS OUT

Demonstrating professionalism thru credentialing gets a so-so response from practitioners surveyed -- even tho 62% are members

of PRSA or CPRS. Both societies are engaged in programs to strengthen accreditation and other methods of professional development.

Voluntary accreditation is preferred by over one-third -- and a slightly larger number predict this is the program that will emerge as the standard.

Taken together, mandatory accreditation & periodic recertification are also favored by nearly one-third -- but fewer than one-quarter think this is what will happen.

Licensing finds little support, as the chart details. However, there is no consensus that unregulated open practice will be the way of the future, either.

	<u>Prefer</u>	<u>Predict</u>
Voluntary Accreditation	37.0%	41.7%
Open Practice	21.5	32.4
Mandatory Accreditation	17.2	12.1
Periodic Recertification	14.1	10.2
State Licensing	10.2	3.6
	<u>100.0</u>	<u>100.0</u>

¶The implication is that movement toward some type of commonly accepted credentialing is gaining ground, even tho it has not attained majority opinion yet.

CHANGE! THIS IS A VOLATILE TIME FOR PUBLIC RELATIONS DEP'TS & FIRMS

Asked to tell if "significant organizational changes" took place in the past year, 339 of 780 respondents -- or 43% -- detailed them. The watchword is reorganization, including rapid growth, turnover, retrenchment, changes in emphasis, additional responsibilities, decentralization & centralization.

Downsizing or loss of responsibility is reported in about 10% of the verbatims, like this one:

¶"Major downsizing from 289 total staff to 100. Shift in philosophy from corp social responsibility to heavy emphasis on merchandising." -- dir corp comms, industrial co.

But growth or added responsibility is cited in over twice as many cases:

¶"Increase in budget & staffing to meet public pressure for improved communication." -- dpr, educational institution

¶"Growth in responsibility, workload, productivity & effectiveness. Staff grew from 1 pro to 5 pros in 2 yrs. Budget increased by 2.5 times. Growing involvement in mktg effort." -- dir corp comms, industrial co.

And a common theme, whether growing or contracting, is increased workload:

¶"I was hired a year ago and reconstructed a dying dep't of 1 to a stressed, but productive, dep't of 3." -- comty rels/mktg dir, hospital

¶"Much more work because of major acquisition; no more personnel." -- dpr, industrial co.

¶"Dramatically enlarged responsibility without additional staff." -- mpr, newspaper

Often downsizing is not an attack on pr but is done to remove deadwood:

¶"Smaller staff with more experienced professionals on board, fewer rookies." -- vp, pr firm

¶"Streamlined for greater per capita productivity." -- pres, pr firm

While a few report losing access to CEO or dep't head dropping a level, more say the opposite. And only 4 complain of the old bugaboo -- non-pros named to head the dep't.

¶"VP for university relations position was created reporting to the president, replacing dir of university relations position under the vp for development." -- comn professor, educational institution

INROADS BY MARKETING SLOWING,
REVERSED IN CERTAIN CASES

A slew of new programs, services & directions are reported. Gov't relations is often mentioned:

¶"Responsibility for working more closely with our lobbyists to articulate our position more forcefully on legislation." -- dpa & comms, trade ass'n

So are various new technologies, as expected. Still, the most mentions fall again to marketing. But there is movement in both directions:

¶"We now report into marketing, rather than directly into the president, and are therefore much more marketing support oriented." -- reg'l mpa, industrial co.

¶"Greater emphasis on mktg." -- hospital

¶"PR shifting to mktg dep't." -- utility

¶"In my company pr, like adv'g, falls under marketing. In the past year mktg has relied more on pr and less on adv'g as an effective comms tool." -- industrial co.

¶"Trend to mktg has continued, putting traditional pr function in back seat." -- Canadian crown corp.

¶"PA moved from mktg to 'chief of staff.'" -- bank

¶"Corp. comm has absorbed mktg comm dep't previously housed in mktg div." -- insurance co.

¶"We have cut out our mktg dep't and that responsibility is ours." -- bank

¶"Now have responsibility for mktg." -- hospital dpr

In a similar vein, there are several instances of fundraising ("development")

units being merged into public relations instead of vice versa. Also several instances of advertising moved to pr dep'ts. And single reports of employee relations and strategic planning being placed under the pr umbrella.

COUNSELING FIRMS BOOMING, SOPHISTICATED;
AD AGENCIES STILL PUSHING PR EMPHASIS

¶"Addition of 2 partners; creation of a training division; doubling in size."

¶"Increased staff size, sophistication of operation."

¶"Merger with another firm" plus "purchased another counseling firm" plus "branch office opened in other city" plus "diversified client base."

¶"The effort to break out of just serving our clients inside the industry via trade press. I see opportunities more aggressively elsewhere."

¶"Greater emphasis on high quality consulting; reduced emphasis on junior or 'journeyman' kinds of work."

¶"Expansion of issue mgmt counsel & services."

¶"Continuous growth of research, movement into behavioral science applications."

¶"Major changes: comprises an entire report. We're much stronger, more profitable, better known for our expertise," just about sums it up for pr firms in 1986.

Following our custom,
pr reporter will not be
published next week. This
is the last issue in 1986.
Happy holidays!