

Study, conducted by Lewis & Assocs, scoped CEOs of 42 large publicly held companies. Respondents say if normal economy returns, 45% would increase ad spending and 17% would increase pr budgets. In the event of a recession, 18% will increase ad spending, 21% decrease it. Meanwhile, only 16% would chop pr budgets, while 11% would increase them.

Also, over 60% interface regularly with their pr firms as opposed to delegating the responsibility to their pr dep'ts. Of those, 65% huddle more frequently than quarterly with their pr counselors, compared to 45% who meet with similar frequency with their ad agencies.

"What these findings indicate is that CEOs are placing greater importance on pr, and that **advertising budgets fluctuate more with economic trends than do pr allocations**," says pres Richard Lewis. "This is a deviation from the past when the prevailing adage was, 'PR -- last to know, first to go.'"

ITEMS OF INTEREST TO PRACTITIONERS

- ¶ **PR Again Threatened By Tax**, this time in Minnesota. State-based Communications Industry Coalition has been tracking issue, says proposed tax would damage the industry as well as the state's economy. "Printing, publishing, advertising, public relations, broadcasting, paper & forest products account for more than \$700 million in Minnesota output," report notes. "If existing taxes on materials are extended to services or media placement, result would be a statewide loss of \$212 million in income, 4,300 jobs." For info call Dean Buresh, 612/228-1419.
- ¶ **Civil Disobedience Still Around, But Now Gets No Attention**. Bush was well covered by media during recent commencement speeches, but it was reminiscent of 50s when journalists were practically an arm of gov't. A colleague who attended the Yale exercise likened the atmosphere to the rebellious mood of the 60s. Students had messages about civil rights, childcare, hunger, other issues pasted to trees, similar messages on their caps. Shouting protesters were carried out. A security guard told her protest was minor compared to President's earlier address at U Mich. Officials at both colleges, however, told pr the reason for quiet press is that the protests were standard. "It was really no big deal," said one. "We had the usual amount one would expect." Fact that the president gave newsworthy policy talks, rather than graduation drivel, helped him manage coverage.
- ¶ **Understanding Contemporary Media Is Aided By A New Speech**, "How Vast the Wasteland Now?," given by Newton Minow to commemorate 30th anniversary of his influential "The Vast Wasteland" address. Quotes: "In 1961 I worried that my children would not benefit much from television, but in 1991 I worry that my grandchildren will actually be harmed by it." And: "All of television is education; the question is, what are we teaching & what are we learning?" (Copy from Gannett Fdn Media Center, 2950 B'way, NYC 10027)

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PR'S PROBLEM IS PRACTITIONERS' UNWILLINGNESS TO BE STRATEGIC, EXCELLENCE STUDY & OTHER RESEARCH FINDS; FIELD IS EMBRACED BY CEOs, EXTERNAL FACTORS FOSTER IT, CULTURE REQUIRES IT

Oft-heralded IABC-sponsored Excellence Study (Jim Grunig, Dave Dozier, Bill Ehling, Larissa Grunig, Fred Repper & Jon White) is approaching completion. This intensive work peers into 200 varied organizations in Canada, US & UK. 1,800 employees, from CEOs to janitors, provide perspectives; and 1,700 characteristics of pr excellence are isolated. \$400,000 project will be published this time next year. Basic findings:

WHAT DISTINGUISHES EXCELLENT DEP'TS & PROGRAMS FROM MEDIOCRE ONES?

CEOs were asked: "What do you want from your pr department? What do you get?" Study examined millions of combinations of factors to get key indicators of both excellence & mediocrity. Findings:

1. **Excellent departments are run by practitioners who get involved with strategic planning**, responses to social issues, major initiatives -- as well as maintenance tasks like employee & media rels.
2. **Excellent programs use 2-way models of pr**. Communicators act as the organization's eyes & ears, not just voice. They seek win/win solutions, don't try to dominate publics. Older models of press agency, publicity, public info don't provide excellence.
3. **Excellent dep'ts are revered by the "dominant coalition"** -- top decisionmakers who run the organization. CEOs rank external communication as very important, often the top practitioners belong to the coalition.

"We rejected the simple definition of 'excellence,' that is, of an organization achieving its goals," Larissa Grunig, U of Maryland, told pr. "An organization may set its goals too modestly, or, there may be conflict over goals within the organization." Instead, team defined it as the **ability to balance organizational goals with the needs of key publics**. "That, also, is the definition of 'social responsibility.'"

ENCOURAGING FINDINGS FROM CEOs

Of 143 CEOs studied, most value pr, placing a high return on investment in communication & relationship-building. On average, CEOs report 194% return on investment. For departments identified as excellent, CEOs report 300+% return. And they value informal research, contacts with knowledgeable outsiders.



FINDINGS FROM EMPLOYEES

Cultural values can enhance or impede programs. *Practitioners must understand their organization's cultural environment* -- especially whether authoritative or participative -- before they can tailor effective programs (see pxx 4/22). Type of culture also determines gender biases:

¶Organizations with participative cultures provide supportive climates for women, foster their leadership abilities, include them in informational networks, provide opportunities for women to take risks;

¶Excellence in communication seems to relate to support for women. This makes sense, since women make up the majority (56%) of the pr/communication labor force.

CEOs ARE READY. ARE PRACTITIONERS?

1. **CEOs tend to value communication & pr more highly than do practitioners themselves.** "We asked both CEOs and dprs to compare the value of pr to other organizational functions and to estimate its value as a cost benefit ratio," explains Jim Grunig. "The CEOs rated pr more highly than did the pr officials."

2. **PR is rarely practiced according to the principles of strategic management**, i.e. that programs should be developed for the most strategic publics. Senior **practitioners are preoccupied with mass media**. "There is a surprising fragmentation of the communication function, especially in corporations. Many departments have responsibility for communication, and organizations don't integrate the function. As a result, strategic planning for pr is almost impossible.

Jim Grunig: "PR professionals typically are not involved in strategic management until an issue occurs; they are not called in to help anticipate which publics might create issues, or to communicate with those publics before issues occur." **Study shows it's their own fault.**

3. **PR cannot be effective without the power to affect organization decisions**, formally or informally. Data suggest programs without power don't practice pr strategically. **Lack of power explains why few pr programs are excellent.**

ON A MORE POSITIVE NOTE

External factors are favorable for pr. It's the practitioners who have to take action now...

A) **Climate is friendly toward pr.** Nearly all organizations report pressure -- litigation, regulation, opposition -- from activist groups. Unfortunately, dprs didn't perceive activism as clearly as the CEOs, and rated it lower on a scale of impact factors.

B) **The mindset of the CEO is progressing toward excellence in pr.** "Most CEOs see it as a process of negotiation & compromise rather than press agency, persuasion, manipulation. **Yet the knowledge & skills of the practitioner hasn't caught up with this organizational mindset.** And techniques typically used are more suited for press agency."

NYC AS A MICROCOSM: PRACTITIONER SEEKS TO VERIFY IABC FINDINGS

Judith Carrington scoped 39 NYC firms to find out how practitioners there respond to the IABC findings. "I was piqued by the research," she told pxx. **"I couldn't believe that CEOs understand the value of communication better than pr directors,** and that dprs do not employ strategic management. So I thought I'd get my toe in this little puddle, NYC, and see what's happening here."

Carrington conducted an in-depth, qualitative survey of practitioners & management consultants. Sample size is small, she says, but heady. "It's so hard to get people to sit down and fill out a survey. The people to whom I sent this put a lot into their answers." Most responses confirm IABC study, and respondents provide **recommendations for practitioners:**

1. Change self perception from technicians to strategic managers who determine publics' needs;
2. CEOs see the big picture, and so should practitioners;
3. Learn to negotiate, compromise;
4. Develop a managerial perspective, not limited by creative bias.
5. Shed self-image of task-oriented manager;
6. Supply more credible measurement of results.

Respondents feel **phobia against business planning, language & management, bias toward mechanics & creativity**, keep practitioners from the strategic role. "They can learn strategic thinking thru client management involvement," says one. Also, a) 36% recommend education; b) 30% on-the-job training; c) 18%, redefining the profession, d) 16%, recruiting execs from other areas, e.g. management & law, into the profession.

Carrington suggests a more cooperative attitude among practitioners & in professional societies. "Eliminate the 'Not Invented Here' attitude that prevents so many practitioners from accepting other points of view." She also thinks firms should sponsor in-house seminars on strategic planning; and forums where CEOs & practitioners come together to air concerns.

RECESSION MEANS MORE CEO INVOLVEMENT IN PR, SAYS SURVEY OF WEST COAST PRACTITIONERS

A study of California CEOs shows 70% of them report being "very involved" in their organization's pr programs -- a 5% jump from last year. And, **over 85% personally review pr plans** before implementation.

"Bernays says we are applied social scientists, that our craft is not just communication, because communication can be a lie." In an interview, Bernays remarked: "If I tell a corporation to modify its attitudes toward the public, shareholders, employees, etc., I'm a pr counsel. If I tell them what to do to achieve their goals, I am a counselor. If I tell them how to communicate, I am a press agent, a flack." Article, which appeared in the Boston Business Journal, is titled, "Father of PR Not Akin to Today's Profession." Carrington laments, "We haven't listened to him at all!"