

Strategic Public Relations Center

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FIFTH ANNUAL PUBLIC RELATIONS GENERALLY ACCEPTED PRACTICES (G.A.P.) STUDY (2007 DATA)

GAP V

SECTION VI: CHARACTERISTICS OF HEALTH CARE, MANUFACTURING AND TECHNOLOGY ORGANIZATIONS

By

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VI. HEALTH CARE, MANUFACTURING AND TECHNOLOGY ORGANIZATIONS

Introduction:

The overall goal of the GAP Study, and the mission of the USC Annenberg Strategic Public Relations Center, is to advance the study and practice of the profession by conducting applied research that produces actionable data. With that in mind, the authors have recognized that practitioners are most interested in data that is the most relevant to their own situations. Ergo, now for the second time in the GAP series, GAP V breaks out information from three specific industry categories: health care, manufacturing, and technology. We hope to follow soon with data for other specific industries.

While this is an important step toward developing industry-specific profiles, the authors urge the reader to bear in mind the following caveats:

1. To ensure the accuracy of the findings, data from all revenue categories within each industry had to be combined so that only industry-wide information is presented. This is because there were insufficient numbers of responses from certain revenue categories, within certain industries, to produce generalizable findings. However, if all responses from the category are combined, it is possible to reach category-wide conclusions. The authors recognize that this is not the ideal and hope to generate more refined data (broken out by organizational size) in the future.
2. Within the health care category, the data include input from a wide variety of organizations, ranging from local hospitals to large pharmaceutical companies. The authors will look at addressing this matter in future GAP studies by adding a separate organizational category for hospitals

Given both of these comments, the authors are confident that broad conclusions can be reached about the comparative natures of the three organizational categories. However, the reader should take care when attempting to apply specific data (e.g. PR budgets for health care organizations) to his or her own situation.

VI/A-1 and A-2: Respondent Data for Health Care, Manufacturing and Technology Organizations:

Participants were asked to indicate:

- a. How they would categorize their organizations based on a list provided
- b. Their level of responsibility, i.e., corporate or operating unit/divisional (a change instituted to facilitate comparisons among types of organizational structures)

Table VI/A-1: Respondents by Organizational Size: Gross Revenue, Year-Over-Year					
Industry	Average (in Millions)			Respondents	
	2005	2007	Dif 05 & 07	2005	2007
Health Care	\$8,041	\$3,614	(4,427)	56	59
Manufacturing	\$5,514	\$14,040	8,526	78	52
Technology	\$5,145	\$2,681	(2,464)	42	33

Base: All health care organizations, manufacturing organizations, and technology organizations providing gross revenue data

Data source: Q13 by Q5a: see Appendix for question wording

Table VI/A-2: Respondents by Category, Year-Over-Year															
Type	Industry: Health Care					Industry: Manufacturing					Industry: Technology				
	Percent			Respondents		Percent			Respondents		Percent			Respondents	
	2005	2007	Dif 05 & 07	2005	2007	2005	2007	Dif 05 & 07	2005	2007	2005	2007	Dif 05 & 07	2005	2007
Public company - Corporate Level	22%	19%	-3%	16	14	45%	56%	11%	41	33	64%	63%	-1%	32	22
Public Company - Division or unit	4%	4%	0%	3	3	20%	7%	-13%	18	4	16%	9%	-7%	8	3
Private Company - Corporate Level	12%	17%	5%	9	12	28%	31%	3%	26	18	16%	29%	13%	8	10
Private Company - Division or Unit	3%	4%	1%	2	3	4%	7%	3%	4	4	2%	0%	-2%	1	0
Government agency (including military)	1%	1%	0%	1	1	0%	0%	0%	0	0	0%	0%	0%	0	0
Not-for-Profit Organization	58%	54%	-3%	42	39	3%	0%	-3%	3	0	2%	0%	-2%	1	0
Total	100%	99%		73	72	100%	101%		92	59	100%	101%		50	35

Note: Percentage columns may not total to exactly 100% due to rounding

Base: All health care organizations, manufacturing organizations, and technology organizations

Data source: Q1 by Q5a: see Appendix for question wording

*** Findings/observations in 2007:**

- a. Of the 166 respondents falling into the three categories examined in this section, 72 (43%) reported they were in the health care industry, 59 (36%) in manufacturing industries, and 35 (21%) were working for technology companies.
- b. 54% of companies within the health care category are not-for-profits (as compared to 0% of the manufacturing and technology respondents).
- c. Not-for-profit health care organizations represented in this survey are a mix of local, regional, and national hospitals and/or hospital chains, and/or other types of health related not-for-profits (e.g., patient advocacy groups).

The data suggest to us that:

The presence of all not-for-profits within the GAP V health care category skews the data and makes comparisons within the category problematic due to varying definitions of “gross revenue” among not-for-profits (i.e., operating revenue, operating budget, etc.). For that reason a separate organizational category for hospitals will be added to GAP VI, and not-for profit organizations will be handled differently.

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

VI/A-3: Geographic Parameters of Respondents' Responsibilities

Participants were asked to specify the geographic parameters of the communications functions for which they have responsibility. This change was instituted first in GAP IV to facilitate comparisons among similar organizations.

Table VI/A-3: Geographic Parameters of Respondent's Responsibilities, Year-Over-Year															
Parameters	Industry: Health Care					Industry: Manufacturing					Industry: Technology				
	Percent			Respondents		Percent			Respondents		Percent			Respondents	
	2005	2007	Dif 05 & 07	2005	2007	2005	2007	Dif 05 & 07	2005	2007	2005	2007	Dif 05 & 07	2005	2007
US - Local or regional	68%	69%	1%	50	50	10%	0%	-10%	9	0	6%	3%	-3%	3	1
US - National	19%	13%	-6%	14	9	20%	10%	-10%	18	6	16%	17%	1%	8	6
North America (US, Canada, Mexico)	1%	1%	0%	1	1	18%	19%	1%	17	11	18%	6%	-12%	9	2
Americas (North, Central, South)	1%	0%	-1%	1	0	1%	2%	1%	1	1	4%	3%	-1%	2	1
International/Global	8%	17%	11%	6	12	51%	69%	18%	47	41	56%	71%	15%	28	25
Total	99%	100%		73	72	100%	100%		92	59	100%	100%		50	35

Note: Percentage columns may not total to exactly 100% due to rounding

Base: All health care organizations, manufacturing organizations, and technology organizations providing geographic parameters

Data source: Q2 by Q5a; see Appendix for question wording

*** Findings/observations in 2007:**

- a. 69% of health care respondents had local or regional authority within the U.S.
- b. Manufacturing and technology respondents had very much broader geographic responsibility, with 69% of the former and 71% of the latter having International/Global responsibilities.

The data suggest to us that:

Within the health care category, the preponderance of local/regional authority, coupled with the large percentage of not-for-profit organizations, reinforces the hypothesis that these are mostly local and/or regional health care provider organizations, i.e., hospitals.

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

VI/B-1: Total Average PR Budgets

Respondents were asked to provide their PR budgets in two ways:

- a. Including salaries and related costs (i.e., benefits)
- b. Excluding salaries and related costs (i.e., benefits)

Industry	PR Budget												Respondents					
	w/ Salaries			w/o Salaries			PR Salaries*			PR Salaries as % of PR Budget*			Provided PR Budgets w/ Salaries		Provided PR Budgets w/o Salaries		Provided PR Budgets both w/ and w/o Salaries	
	2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07	2005	2007	2005	2007	2005	2007
Health Care	\$2,272,545	\$3,142,013	\$869,468	\$1,425,824	\$2,032,369	\$606,545	\$850,011	\$1,198,747	\$348,736	42%	37%	-5%	60	62	62	61	59	58
Manufacturing	\$4,825,620	\$11,619,587	\$6,793,967	\$2,453,013	\$9,829,600	\$7,376,587	\$2,421,068	\$3,361,220	\$940,152	39%	35%	-4%	84	46	83	45	78	41
Technology	\$3,702,369	\$1,648,167	(\$2,054,202)	\$1,768,631	\$933,258	(\$835,373)	\$1,868,994	\$956,517	(\$912,477)	48%	52%	4%	26	30	32	31	24	29
PR Salaries and "PR Salaries as % of PR Budget" calculated using companies reporting PR budgets with and without salaries																		
Base: All health care organizations, manufacturing organizations, and technology organizations providing PR budget with salaries data and/or PR budget without salaries data																		
Data source: Q14 and Q15 by Q5a; see Appendix for question wording																		

* Findings/observations in 2007:

The technology respondents reported dedicating the highest percent of their PR budgets to salaries (52%), while manufacturing and health care reported just over a third of their PR budgets go to salaries.

The data suggest to us that:

The substantially higher percentage of technology PR budgets dedicated to salaries suggests the complexity of the communication task in high-tech industries. It also suggests the need among high-tech companies to retain trained and competent in-house talent who can both explain a company's products in clear and effective language to the layman and also demonstrate an understanding of technological complexity to sophisticated trade media.

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

VI/B-2: Percent PR Budget Changes in Last Fiscal Year

Respondents were asked to describe in percentile terms the extent to which their total PR budgets changed (if at all) in 2007 versus the prior year.

Table VI/B-2: Percent PR Budget Changes in Last Fiscal Year, Year-Over-Year					
Industry	Average			Respondents	
	2005	2007	Dif 05 & 07	2005	2007
Health Care	6%	3%	-3%	64	64
Manufacturing	-1%	8%	9%	90	50
Technology	4%	6%	2%	43	30
Base: All health care organizations, manufacturing organizations, and technology organizations providing PR budget change in last FY data					
Data source: Q16 by Q5a; see Appendix for question wording					

*** Findings/observations in 2007:**

Manufacturing organizations reported the highest increase in PR budgets (8%); technology respondents reported a 6% increase, while health care respondents reported only 3%.

The data suggest to us that:

- a. *These numbers, which are wholly consistent with GAP V data regarding industry-wide budget increases, reaffirm the view that 2005 was a healthy year of stabilization and normalization for the profession, while the period 2005 – 2007 was one of growth.*
- b. *The large increase in PR budgets reported for manufacturing may reflect a response to the fierce competition U.S. manufacturers now face with international competitors.*

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

VI/B-3: Ratio of PR Budgets to Gross Revenues: PR/GR Ratio

Because of the data presentation method employed in this section (i.e., pooling all organizations within the three categories, irrespective of gross revenues) we have decided not to present the PR/GR ratios since they vary so greatly according to gross revenue.

VI/ B-4: Expected Change in PR Budget in Next Fiscal Year

Respondents were asked to describe the changes they expected in their PR budgets in the next fiscal year (i.e., FY 2008) as compared with the then-current year (i.e., 2007).

Table VI/B-4: Expected Change in PR Budget in Next Fiscal Year, Year-Over-Year					
Industry	Average			Respondents	
	2005	2007	Dif 05 & 07	2005	2007
Health Care	4%	7%	3%	46	59
Manufacturing	7%	2%	-5%	60	44
Technology	0%	6%	6%	32	31
Base: All health care organizations, manufacturing organizations, and technology organizations providing data about PR budget change in next FY					
Data source: Q17 by Q5a; see Appendix for question wording					

*** Findings/observations in 2007:**

- a. It is important to note that GAP V was fielded in the third and fourth quarters of 2007, a time when many respondents would have known their 2008 budgets and could therefore project with great accuracy.
- b. All respondents anticipated budget increases in 2008, with health care organizations expecting the largest and manufacturing organizations expecting the smallest.

The data suggest to us that:

- a. *The data reaffirms the view that 2005 was a healthy year of stabilization and normalization for the profession, while the period 2005 – 2007 was one of growth.*
- b. *The high expectations of budget increases expressed by respondents in health care might best be viewed in the context of their current and relatively small PR budgets*
- c. *The substantial downward shift in anticipated budget changes among manufacturing companies (from 7% in 2005 to 2% in 2007) may be due to the early signs of an economic downturn that came into view in mid-late 2007.*

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

d. While many organizations (e.g. technology companies) were optimistic about their 2008 budgets at the time the survey was conducted (i.e., in the third and fourth quarters of 2007), it cannot be assumed that these increases will appear in their entirety if the nation enters (or if it has entered) a recession. However, as previously stated, it appears that the profession is in a better position than ever before to weather difficult economic times.

VI/B-5: Percent of PR Budget Dedicated to Evaluation

Respondents were asked to describe, in percentile terms, the portion of their total budgets that are allocated to PR evaluation.

Industry	Percent			Respondents	
	2005	2007	Dif 05 & 07	2005	2007
Health Care	3%	5%	2%	46	32
Manufacturing	4%	6%	2%	60	24
Technology	5%	6%	1%	32	19

Base: All health care organizations, manufacturing organizations, and technology organizations providing percent of PR budget dedicated to evaluation data

Data source: Q20a by Q5a; see Appendix for question wording

*** Findings/observations in 2007:** All three types of organization allocate comparable percentages of their budgets to evaluation.

The data suggest to us that:

- a. *The expenditures indicated here are wholly consistent with data for all organizations responding to GAP V (see Table III/B-5.) Ergo, the imperative to evaluate PR spending and activity now has equal footing in organizations of all types and sizes.*
- b. *Given the average expenditure of just 5% to 7%, the authors believe that the PR profession is still not doing enough to demonstrate its value relative to other disciplines.*
- c. *The absence of reliable and widely accepted tools for measuring PR effectiveness (other than those measuring media-related activities) may lie behind the low percentages of PR budgets dedicated to evaluation.*
- d. *It is nonetheless a positive development that organizations of all types in our sample now report spending approximately the same proportion of money to evaluate the effectiveness of their work.*
- e. *The authors believe that the profession is doing itself a great disservice by not directing a sufficient percentage of its resources to more sophisticated and available forms of evaluation. This is particularly true when assessing PR budgets relative to advertising budgets, which are carefully measured and monitored for effectiveness. It will be difficult for PR to get a larger share of the total communications expenditure without quantitative means that go well beyond measurement of media outputs.*

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

VI/C-1 and C-2: PR/Communication Function Reporting Lines and Their Appropriateness

Respondents were asked to indicate:

- To whom they report (with multiple responses allowed)
- The appropriateness of that reporting line by selecting a number from 1 (“Highly inappropriate”) to 7 (“Highly appropriate”)

Reporting Lines	Industry: Health Care			Industry: Manufacturing			Industry: Technology		
	Percent			Percent			Percent		
	2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07
*C-Suite	77%	78%	1%	49%	64%	15%	56%	57%	1%
Finance	4%	1%	-3%	6%	5%	-1%	14%	6%	-8%
Head of Operating Unit	16%	8%	-8%	15%	8%	-7%	22%	9%	-13%
HR	11%	1%	-10%	12%	12%	0%	4%	6%	2%
Legal	3%	6%	3%	4%	14%	10%	6%	0%	-6%
Marketing	18%	17%	-1%	26%	24%	-2%	36%	54%	18%
Strategic Planning	4%	11%	7%	2%	7%	5%	6%	6%	0%
Respondents	74	72		96	59		40	35	
*Corporate C-Suite (Chairperson, CEO, COO, and equivalent)									
Base: All health care organizations, manufacturing organizations, and technology organizations providing data on PR/Communication function reporting line									
Data source: Q6a-g by Q5a; see Appendix for question wording									

1= Highly inappropriate, 7=Highly appropriate					
Industry	Average			Respondents	
	2005	2007	Dif 05 & 07	2005	2007
Health Care	6.11	6.14	0.03	74	72
Manufacturing	5.58	5.29	-0.29	96	58
Technology	4.88	5.97	1.09	40	34
Base: All health care organizations, manufacturing organizations, and technology organizations providing data about appropriateness of PR function reporting line					
Data source: Q7 by Q5a; see Appendix for question wording					

*** Findings/observations in 2007:**

- a. Most respondents, regardless of industry type, reported to the executive office (aka the “C-Suite”).
- b. Marketing was the second-most cited reporting line for all three industries, with about half of respondent technology PR functions reporting there.
- c. All respondents seemed to feel that their reporting lines were appropriate, with the highest level of appropriateness in reporting (6.14) expressed by health care respondents.

The data suggest to us that:

- a. *The noticeably larger showing of PR reporting to marketing, particularly by technology respondents, may be due to a greater emphasis on sales in that industry. However, it must be noted that multiple reporting lines were allowed, a fact that probably explains 57% reporting to the C-Suite among technology companies and 54% reporting to marketing in that same type of company. .*
- b. *For interesting comparisons with all GAP V respondents see III/C-1 and 2.*

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

VI/C-3: Average PR Staff Size

Respondents were asked to provide the number of full time employees in their PR organizations, at all levels, as of August 31, 2007.

Table VI/C-3: Average PR Staff Size, Year-Over-Year					
Industry	Average			Respondents	
	2005	2007	Dif 05 & 07	2005	2007
Health Care	9	10	1	73	71
Manufacturing	11	33	23	93	57
Technology	9	8	-1	49	35
Base: All health care organizations, manufacturing organizations, and technology organizations providing PR staff size data					
Data source: Q3 by Q5a; see Appendix for question wording					

* Findings/observations in 2007:

- a. Manufacturing respondents report the largest average number (33) of PR employees in 2007.
- b. Technology reported the lowest average number (8) of PR employees.

The data suggest to us that:

- a. *The substantially larger average PR staff size reported by manufacturing respondents suggests that they are part of much larger, more international enterprise.*
- b. *The technology companies, although having international responsibilities, report less than a third as many PR employees and thus, in all likelihood, are small to mid-sized organizations.*
- c. *Health care respondents are most likely communication professionals that work in hospitals, more focused on local and regional issues, according to earlier responses, and therefore probably do not require (nor could they fund) the large staffs that a global manufacturer might require.*
- d. *For interesting comparisons with all GAP V respondents see Table III/C-3.*

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

VI/C-4: Percent Changes in PR Staff Size in Last Year

Respondents were asked to describe (in percentage terms) how the size of their PR staffs changed from August 31, 2006 to August 31, 2007.

Table VI/C-4: Percent Changes in PR Staff Size in Last Year, Year-Over-Year					
Industry	Average			Respondents	
	2005	2007	Dif 05 & 07	2005	2007
Health Care	3%	9%	6%	73	72
Manufacturing	2%	7%	5%	92	59
Technology	4%	9%	5%	48	34
Base: All health care organizations, manufacturing organizations, and technology organizations providing data about PR staff size changes					
Data source: Q4 by Q5a; see Appendix for question wording					

Findings/observations in 2007:

- a. All respondents reported substantial percentile increases in the sizes of their PR staffs from 2006 to 2007.
- b. The largest increases occurred within the health care industry and technology industries (both reporting 9% increases) while the increase within the manufacturing industry was only slightly smaller (7%).

On a Year-Over Year Basis:

Respondents in all categories reported more substantial staff growth in 2007 than they did respondents in these same categories in 2005.

The data suggest to us that:

- a. *The growth in staff experienced in the 2006-2007 timeframe may not be sustained if the U.S. economy continues to falter as it is doing at the time of this report in April 2008.*
- b. *These numbers reaffirm the view that 2005 was a healthy year of stabilization and normalization for the profession, while the period 2005 – 2007 was one of growth.*
- c. *For interesting comparisons with all GAP V respondents see Table III/C-4.*

VI/D-1: Health Care, Manufacturing and Technology Companies: Use of PR Agencies

Respondents were asked to report whether or not they use outside PR agencies.

Table VI/D-1: Use of PR Agencies, Year-Over-Year					
Industry	Percent			Respondents	
	2005	2007	Dif 05 & 07	2005	2007
Health Care	58%	51%	-7%	71	72
Manufacturing	66%	80%	14%	88	59
Technology	77%	74%	-3%	48	35
Base: All health care organizations, manufacturing organizations, and technology organizations providing data on use of PR agencies					
Data source: Q30 by Q5a; see Appendix for question wording					

*** Findings/observations in 2007:**

- a. The vast majority of respondents in manufacturing and technology and just over half of those within health care worked with outside PR agencies.
- b. Manufacturing reported using outside PR agencies most (80%), followed by technology (74%) and health care (51%).

The data suggest to us that:

The less frequent use of PR agencies by health care respondents may be explained by the large number of local and regional not-for-profit organizations among them.

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

VI/D-2: Percent of PR Budget Allocated to PR Agency Fees

Respondents were asked to report the amount of their PR budget paid to outside agencies, including both fees and direct expenses, as a percentage of their total PR budget.

Table VI/D-2: Percent of PR Budget Allocated to PR Agency Fees, Year-Over-Year					
Industry	Average			Respondents	
	2005	2007	Dif 05 & 07	2005	2007
Health Care	24%	28%	4%	30	26
Manufacturing	30%	31%	1%	46	33
Technology	34%	41%	7%	19	22
Base: All health care organizations, manufacturing organizations, and technology organizations using PR agencies and providing data about percent of PR budget allocated to agency fees					
Data source: Q33 by Q5a; see Appendix for question wording					

*** Findings/observations in 2007:**

Among the three industries, technology respondents reported allocating the highest percentage of their PR budgets (41%) to agency fees and health care reported the lowest (28%).

The data suggest to us that:

- a. All three types of organizations allocate percentages of their budgets to agencies that are quite consistent with the 21% to 40% range established by all GAP V respondents (see Table III/D-2.)*
- b. The smaller percentages of PR budgets allocated to agency fees reported by health care respondents can be explained by the large number of local and regional not-for-profit organizations among them.*

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

VI/D-3: Nature of PR Agency Relationships

Respondents were asked to describe the nature of their agency relationship(s) by selecting from the options listed in the table below.

Table VI/D-3: Nature of PR Agency Relationships, Year-Over-Year									
Relationship	Industry: Health Care			Industry: Manufacturing			Industry: Technology		
	2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07
Agency of Record	40%	56%	16%	34%	26%	6%	48%	35%	3%
Multiple Agencies	26%	19%	-11%	38%	47%	24%	41%	50%	20%
Pre-Approved Criteria	7%	3%	-4%	5%	9%	6%	0%	0%	-2%
Ad-Hoc Basis	28%	22%	-1%	23%	19%	3%	11%	15%	5%
Total	101%	100%		100%	101%		100%	100%	
Respondents	43	36		61	47		27	26	
Note: Percentage columns may not total to exactly 100% due to rounding									
Base: All health care organizations, manufacturing organizations, and technology organizations using PR agencies and providing data about nature of agency relationships									
Data source: Q32 by Q5a; see Appendix for question wording									

*** Findings/observations in 2007:**

- a. Agency of record was reported as most the most popular relationship by health care respondents (56%) whereas manufacturing and technology respondents mostly reported multiple agency relationships.
- b. Manufacturing respondents rated multiple agencies as its most popular option (47%) as did technology respondents (50%).

The data suggest to us that:

- a. *As described in Table III/D-3, most large organizations are opting out of the AOR model and using instead a “multiple agencies on an ongoing basis” model; this appears to be true specifically of technology and manufacturing organizations.*
- b. *The relatively high occurrence of an agency-of-record preference among health care organizations may be explained by the large number of local and regional not-for-profit organizations among them – smaller organizations that may depend on smaller, specialized agencies that have an intimate and local understanding of their needs. More limited budgets also affect this choice.*

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

VI/D-4: Number of PR Agencies Used

Respondents were asked to report the average number of outside PR agencies they work with.

Table VI/D-4: Number of PR Agencies Used, Year-Over-Year					
Industry	Average			Respondents	
	2005	2007	Dif 05 & 07	2005	2007
Health Care	2	2	0	41	37
Manufacturing	3	3	0	59	44
Technology	2	3	1	27	26
Base: All health care organizations, manufacturing organizations, and technology organizations and using PR agencies and providing data about number of PR agencies used					
Data source: Q31 by Q5a; see Appendix for question wording					

*** Findings/observations in 2007:**

Manufacturing and technology respondents report the same average (3) in number of agencies used, and health care one less at 2.

The data suggest to us that:

The preference expressed earlier by health care respondents for an agency of record suggests that a second agency may at times be required for specific assignments.

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

VI/D-5 and D-5a: Reasons for Working with PR Agencies and Rankings

Respondents who work with outside agencies were asked to select all applicable reasons for doing so.

Table VI/D-5: Reasons for Working with PR Agencies, Year-Over-Year									
Reason	Industry: Health Care			Industry: Manufacturing			Industry: Technology		
	2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07
Ability to quantify results	16%	8%	-8%	23%	13%	-10%	37%	35%	-2%
Cheaper than adding staff	26%	22%	-4%	39%	43%	4%	26%	27%	1%
Complement our internal capabilities	74%	59%	-15%	80%	70%	-10%	74%	73%	-1%
Extra arms & legs	93%	73%	-20%	89%	94%	5%	85%	88%	3%
Limits on internal head count	28%	19%	-9%	41%	47%	6%	41%	46%	5%
Objective point of view	58%	49%	-9%	44%	57%	13%	56%	65%	9%
Resources in geographies/markets where needed*		35%			74%			62%	
Strategic/market insight and experience	60%	76%	16%	62%	60%	-2%	74%	77%	3%
They offer unique expertise	67%	68%	1%	69%	70%	1%	74%	46%	-28%
Respondent	43	37		61	47		27	26	
*New item in 2007									
Base: All health care organizations, manufacturing organizations, and technology organizations using PR agencies and providing data about reasons for working with PR agencies									
Data source: Q34a-i by Q5a; see Appendix for question wording									

Table VI/D-5a: Reasons for Working with PR Agencies, Year-Over-Year Ranking

Reason	Industry: Health Care		Industry: Manufacturing		Industry: Technology	
	2005	2007	2005	2007	2005	2007
Ability to quantify results	8	9	8	9	7	8
Cheaper than adding staff	7	7	7	8	8	9
Complement our internal capabilities	2	4	2	3(tie)	2(tie)	3
Extra arms & legs	1	2	1	1	1	1
Limits on internal head count	6	8	6	7	6	6(tie)
Objective point of view	5	5	5	6	5	4
Resources in geographies/markets where needed*		6		2		5
Strategic/market insight and experience	4	1	4	5	2(tie)	2
They offer unique expertise	3	3	3	3(tie)	2(tie)	6(tie)
*New item in 2007						
Base: All health care organizations, manufacturing organizations, and technology organizations using PR agencies and providing data about reasons for working with PR agencies						
Data source: Q34a-i by Q5a; see Appendix for question wording						
Note: Differences between 2005 and 2007 are not calculated because question methodology changed in 2007						

*** Findings/observations in 2007:**

Of the nine reasons for working with outside agencies presented, “strategic/market insight and experience” ranked first with health care respondents, while “extra arms and legs” was first for both technology and manufacturing respondents.

The data suggest to us that:

The “extra arms and legs” preference expressed by manufacturing and technology respondents is typical of all organizations (see Table III/D-5), while the less generic “strategic market insight and experience” is a logical choice for smaller health care organizations lacking highly experienced internal communications staff. The need for additional labor (extra arms and legs) across all three industries suggests a marketing theme for outside agencies trying to approach PR leadership with a winning argument for retention of outside counsel.

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

VI/E-1 and E-1a: Use of PR Evaluation Methodologies and Ranking of Evaluation Methods

Respondents were asked to describe the extent to which they use various measures to evaluate PR's effectiveness by selecting a number from 1 ("Do not use") to 7 ("Use significantly").

Table VI/E-1: Use of PR Evaluation Methodologies, Year-Over-Year															
1=Do not use, 7=Use significantly															
Methodology	Industry: Health Care					Industry: Manufacturing					Industry: Technology				
	Average			Respondents		Average			Respondents		Average			Respondents	
	2005	2007	Dif 05 & 07	2005	2007	2005	2007	Dif 05 & 07	2005	2007	2005	2007	Dif 05 & 07	2005	2007
Ad equivalency of clips	3.12	3.00	-0.12	69	66	2.80	2.91	0.11	84	53	3.05	2.00	-1.05	35	34
Content analysis of clips	3.93	3.75	-0.18	69	65	3.76	4.58	0.82	86	55	4.50	4.49	-0.01	36	35
Contribution to market share	3.02	3.51	0.49	65	65	2.05	2.15	0.10	82	54	2.78	2.35	-0.43	36	34
Contribution to profitability	2.79	2.83	0.04	66	63	2.34	1.93	-0.41	82	55	2.80	2.38	-0.42	36	34
Contribution to sales	2.67	2.82	0.15	67	62	2.73	2.25	-0.48	83	56	3.24	3.61	0.37	36	33
Crisis avoidance mitigation	3.97	3.91	-0.06	67	64	3.19	3.42	0.23	83	57	3.15	2.94	-0.21	37	34
Influence on corporate culture	4.16	4.22	0.06	67	67	3.50	3.65	0.15	87	55	3.59	3.65	0.06	36	34
Influence on corporate reputation	4.61	4.81	0.20	70	63	4.08	4.77	0.69	88	56	4.56	5.00	0.44	38	34
Influence on employee attitudes/morale	4.62	4.49	-0.13	68	65	4.15	4.12	-0.03	87	57	3.93	3.91	-0.02	36	34
Influence on share of voice	3.11	3.54	0.43	63	61	3.03	3.73	0.70	81	55	3.77	3.88	0.11	37	34
Influence on stakeholder awareness	3.67	4.14	0.47	66	63	3.32	3.88	0.56	83	57	3.98	4.41	0.43	36	34
Influence on stakeholder opinion	3.38	3.95	0.57	66	61	3.17	4.02	0.85	81	54	3.78	3.94	0.16	36	33
Influence on stock performance	1.87	1.66	-0.21	58	59	2.56	2.37	-0.19	82	54	3.40	2.81	-0.59	38	32
Total circulation	3.29	3.21	-0.08	65	67	3.70	3.59	-0.11	84	54	3.24	3.74	0.50	36	35
Total impressions	3.76	3.49	-0.27	68	67	3.62	4.02	0.40	86	56	3.57	3.86	0.29	35	35
Total number of clips	4.00	3.86	-0.14	69	65	3.73	4.04	0.31	84	54	4.11	4.03	-0.08	37	35
Total number of clips in "top tier" media	3.75	3.52	-0.23	65	64	3.62	4.18	0.56	83	56	4.54	4.31	-0.23	37	35

Base: All health care organizations, manufacturing organizations, and technology organizations providing data about use of PR evaluation methodologies
Data source: Q21a-q by Q5a; see Appendix for question wording

Table VI/E-1a: Use of PR Evaluation Methodologies, Year-Over-Year Ranking

1=Do not use, 7=Use significantly									
Methodology	Industry: Health Care			Industry: Manufacturing			Industry: Technology		
	2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07
Clip ad equivalency	12	14	-2	13	13	0	15	17	-2
Content analysis of clips	6	8	-2	3	2	1	3	2	1
Contribution to market share	14	11	3	17	16	1	17	16	1
Contribution to profitability	15	15	0	16	17	-1	16	15	1
Contribution to sales	16	16	0	14	15	-1	12(tie)	12	0
Crisis avoidance mitigation	5	6	-1	10	12	-2	14	13	1
Influence on corporate culture	3	3	0	8	10	-2	9	11	-2
Influence on corporate reputation	2	1	1	2	1	1	1	1	0
Influence on employee attitudes/morale	1	2	-1	1	4	-3	6	7	-1
Influence on share of voice	13	9	4	12	9	3	8	8	0
Influence on stakeholder awareness	9	4	5	9	8	1	5	3	2
Influence on stakeholder opinion	10	5	5	11	6(tie)	5	7	6	1
Influence on stock performance	17	17	0	15	14	1	11	14	-3
Total circulation	11	13	-2	5	11	-6	12(tie)	10	2
Total impressions	7	12	-5	6(tie)	6(tie)	0	10	9	1
Total number of clips	4	7	-3	4	5	-1	4	5	-1
Total number of clips in "top tier" media	8	10	-2	6(tie)	3	3	2	4	-2

Base: All health care organizations, manufacturing organizations, and technology organizations providing data about use of PR evaluation methodologies
Data source: Q21a-q by Q5a; see Appendix for question wording

*** Findings/observations in 2007:**

- a. All three industries report putting “influence on corporate reputation” first above all other measures in evaluating PR effectiveness.
- b. The highest score earned by any of the 17 listed methods, among all three organizational categories, was a 5.0 for “influence on corporate reputation” among technology industry respondents.
- c. Health care rated “influence on stock performance” last (1.66), manufacturing rated “contribution to profitability” last (1.93), and technology respondents gave their lowest average rating to “ad equivalency of clips” (2.0).

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

The data suggest to us that:

- a. The lack of enthusiastic consensus demonstrated here for most methodologies suggests that there remains a need for a generally accepted approach to evaluation that is equally attractive to all industries.*
- b. Despite the lack of a broadly accepted method for measuring corporate reputation, “influence on corporate reputation” is the measure used most.*
- c. Indicators of harder, quantitative contributions to the organization (contributions to “market share,” “profitability,” “sales,” “stock performance”) which are carefully monitored by senior-most management, certainly at public corporations, nonetheless score poorly by the PR practitioners who responded to our survey.*
- d. Indicators of softer, qualitative contributions (influences on “corporate culture,” “corporate reputation,” “employee attitudes/morale,” “share of voice”) do better – but are generally much more difficult to measure or survey in any cost effective way.*
- e. The authors believe that evaluation methods have not advanced beyond various forms of content analysis, which is another way of measuring outputs rather than outcomes. (While content analysis is the state-of-the-media measurement art, the authors believe it ignores all other public relations functions, thereby reinforcing the notion that PR is nothing more than publicity and media relations).*

VI/E-2: PR Evaluation: Use of Data from Other Functions

In order to assess the extent to which PR is integrated with other functions and utilizes data from those functions when evaluating its activities, respondents were asked whether they agreed that they make use of data from other organizational functions (marketing, HR, sales, etc.) when evaluating their PR activities, using a scale from 1 (“Strongly disagree”) to 7 (“Strongly agree”).

Table VI/E-2: Use of Data from Other Functions, Year-Over-Year					
1= Strongly disagree, 7= Strongly agree					
Industry	Average			Respondents	
	2005	2007	Dif 05 & 07	2005	2007
Health Care	4.92	4.99	0.07	72	71
Manufacturing	4.41	4.24	-0.17	87	58
Technology	4.23	5.09	0.86	48	35
Base: All health care organizations, manufacturing organizations, and technology organizations providing data about using data from other functions (e.g., Marketing, HR, etc.)					
Data source: Q22 by Q5a; see Appendix for question wording					

*** Findings/observations in 2007:**

Respondents in all three categories appear to have made some use of data from other functions, with technology industry respondents showing the highest average at 5.09.

The data suggest to us that:

While manufacturing organizations seek data from other functions to help evaluate PR, to an extent that is within the 4.15 – 4.86 range established by all GAP V respondents, those in technology (5.09) and health care (4.99) both exceed that range (see Table III/E-2.)

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

VI/F-1 and F-1a: Senior Management Views and Rankings of Nine Functions' Contributions to Organizational Success

Respondents were asked to rank on a scale of 1 (“Does not contribute significantly”) to 7 (“Contributes significantly”) how their senior management views contributions by nine common functions to their companies’ success.

Table VI/F-1: Senior Management Views of Nine Functions' Contributions to Organizational Success, Year-Over-Year															
1=Does not contribute significantly, 7= Contributes significantly															
Type	Industry: Health Care					Industry: Manufacturing					Industry: Technology				
	Average			Respondents		Average			Respondents		Average			Respondents	
	2005	2007	Dif 05 & 07	2005	2007	2005	2007	Dif 05 & 07	2005	2007	2005	2007	Dif 05 & 07	2005	2007
Finance	5.88	6.17	0.29	70	71	5.29	5.73	0.44	87	52	5.83	5.18	-0.65	38	33
HR	5.06	5.50	0.44	70	70	4.63	4.85	0.22	87	53	4.65	4.97	0.32	39	34
Information Systems	5.13	5.45	0.32	70	71	4.69	4.57	-0.12	86	53	5.26	5.06	-0.20	39	33
Legal	4.49	4.81	0.32	69	69	4.78	4.72	-0.06	86	53	4.51	4.56	0.05	38	34
Marketing	5.39	5.94	0.55	70	71	5.29	5.52	0.23	87	52	5.23	5.62	0.39	38	34
PR/Corporate Communications	5.26	5.63	0.37	69	71	5.02	5.20	0.18	86	55	5.13	5.48	0.35	38	33
Sales	4.70	5.07	0.37	63	58	6.34	6.35	0.01	85	54	6.30	6.21	-0.09	39	34
Security	3.23	3.81	0.58	68	69	3.08	2.98	-0.10	82	52	3.52	3.26	-0.26	38	34
Strategic Planning	5.22	5.51	0.29	68	71	5.19	5.30	0.11	85	53	5.44	5.00	-0.44	39	34

Base: All health care organizations, manufacturing organizations, and technology organizations providing data about senior management's perceptions of different organizational functions
Data source: Q28a-i by Q5a; see Appendix for question wording

Table VI/F-1a: Senior Management Views of Nine Organizational Functions' Contributions to Success, Year-Over-Year Ranking									
Functions	Industry: Health Care			Industry: Manufacturing			Industry: Technology		
	2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07
Finance	1	1	0	2(tie)	2	0	2	4	-2
HR	6	5	1	8	6	2	7	7	0
Information Systems	5	6	-1	7	8	-1	4	5	-1
Legal	8	8	0	6	7	-1	8	8	0
Marketing	2	2	0	2(tie)	3	-1	5	2	3
PR/Corporate Communications	3	3	0	5	5	0	6	3	3
Sales	7	7	0	1	1	0	1	1	0
Security	9	9	0	9	9	0	9	9	0
Strategic Planning	4	4	0	4	4	0	3	6	-3

Base: All health care organizations, manufacturing organizations, and technology organizations providing data about senior management's perceptions of different organizational functions
Data source: Q28a-i by Q5a; see Appendix for question wording

*** Findings/observations in 2007:**

- a. Health care respondents believe senior management would rank finance #1, while manufacturing and technology respondents believe their bosses would give first place to sales.
- b. In the view of health care respondents, public relations would rank, on average, third among their senior managers, but PR received a surprisingly low fifth place from manufacturing respondents, and a third place from technology industry respondents.
- c. The rankings and raw scores for these three types of organizations compare favorably with the cumulative findings for all GAP V respondents: (1) Finance, 5.59; (2) Marketing, 5.51; (3) PR, 5.49; (4) Strategic Planning, 5.32; (5) Information Systems, 5.06; (6) Sales, 4.96; (7) HR, 4.92; (8) Legal, 4.60; (9) Security, 3.54.

The data suggest to us that:

While rankings are interesting, the small ranges between raw scores can sometimes exaggerate their significance.

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

VI/F-2: Degree of Management Support for PR Function

Respondents were asked to rate the level of support the PR function receives from senior management in their organizations using a 1 (“Very little support”) to 7 (“Very strong support”) scale.

Table VI/F-2: Degree of Management Support for PR Function, Year-Over-Year					
1= Very little support, 7= Very strong support					
Industry	Average			Respondents	
	2005	2007	Dif 05 & 07	2005	2007
Health Care	5.89	5.88	-0.01	73	72
Manufacturing	5.18	5.73	0.55	93	59
Technology	5.24	5.62	0.38	50	34
Base: All health care organizations, manufacturing organizations, and technology organizations providing data about senior management support for PR function					
Data source: Q9 by Q5a; see Appendix for question wording					

*** Findings/observations in 2007:**

- a. Among all three industries, PR received strong support from senior management.
- b. Support appears to have been slightly stronger among health care organizations.

The data suggest to us that:

- a. *The degrees of management support expressed among these three types of organizations compare favorably with the 5.69 – 5.90 range, and the 5.73 overall average, established by all GAP V respondents, with the exception of the slightly lower 5.62 found in technology (see Table III/F-2.)*
- b. *The PR function is receiving strong levels of support from management in the health care, manufacturing and technology industries. This is further evidence of strong professional self-perception and confidence.*

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

VI/F-3: Extent to Which PR Recommendations Are Taken Seriously

Respondents were asked to describe the extent to which public relations recommendations are taken seriously by senior management, on a scale of 1 (“Not taken seriously at all”) to 7 (“Taken very seriously”).

Table VI/F-3: Extent to which PR Recommendations are Taken Seriously, Year-Over-Year					
1= Not taken seriously at all, 7= Taken very seriously					
Industry	Average			Respondents	
	2005	2007	Dif 05 & 07	2005	2007
Health Care	6.00	5.88	-0.12	73	72
Manufacturing	5.23	5.51	0.28	93	59
Technology	5.32	5.53	0.21	50	34
Base: All health care organizations, manufacturing organizations, and technology organizations providing data about how seriously senior management takes PR recommendations					
Data source: Q8 by Q5a; see Appendix for question wording					

*** Findings/observations in 2007:**

- a. Clearly, PR recommendations were taken very seriously in all three industry categories, with health care industry respondents reporting the highest average score (5.88) on this issue.
- b. There were slightly lower yet virtually identical and positive scores from manufacturing (5.51) and technology (5.53).

The data suggest to us that:

- a. *The extent to which PR recommendations are taken seriously among these three types of organizations compare favorably with the 5.50 – 5.85 range, and the 5.67 average, established by all GAP V respondents (see Table III/F-3.)*
- b. *The responses from all types of GAP respondents are remarkably positive and say a great deal about the perceived value of PR today and the recognition now afforded to PR’s contribution to organizational success.*

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

VI/F-4: Contributions to Strategic Decision Making and Planning

Respondents were asked to describe the extent to which PR and reputational considerations are factored into strategic and operational decision making and planning in their organization by selecting a number from 1 (“Never”) to 7 (“Always”).

Table VI/F-4: Extent to which PR and Reputational Considerations are Factored into Strategic Decision Making and Planning, Year-Over-Year					
1= Never, 7= Always					
Industry	Average			Respondents	
	2005	2007	Dif 05 & 07	2005	2007
Health Care	5.18	5.40	0.22	73	72
Manufacturing	4.68	5.02	0.34	93	59
Technology	4.54	5.24	0.70	50	34

Base: All health care organizations, manufacturing organizations, and technology organizations providing data about PR considerations factored into organizational strategic decision making and planning

Data source: Q10 by Q5a; see Appendix for question wording

*** Findings/observations in 2007:**

Scores are sharply positive, ranging from a top of 5.40 (health care) to a low of 5.02 (manufacturing).

The data suggest to us that:

- a. *The extents to which PR contributes to strategic decision making and planning among these three types of organizations generally fall a bit short of the 5.33 average established by all GAP V respondents (see Table III/F-4.)*
- b. *Nonetheless, these still high scores suggest that PR now contributes substantively across all three industries to strategic decision making and planning.*

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

VI/F-5: Likelihood of PR Being Invited to Meetings Dealing with Strategic Planning

Respondents were asked to describe the likelihood that they would be invited to meetings dealing with organizational strategic planning by selecting a number from 1 (“Never”) to 7 (“Always”).

Table VI/F-5: Likelihood of PR being Invited to Meetings Dealing with Strategic Planning, Year-Over-Year					
1=Never, 7= Always					
Industry	Average			Respondents	
	2005	2007	Dif 05 & 07	2005	2007
Health Care	5.14	5.76	0.62	73	70
Manufacturing	4.54	4.43	-0.11	92	58
Technology	4.28	4.43	0.15	50	35
Base: All health care organizations, manufacturing organizations, and technology organizations providing data about likelihood of PR being invited to attend senior-level strategic planning meetings					
Data source: Q11b by Q5a; see Appendix for question wording					

*** Findings/observations in 2007:** Respondents in all three categories believe that PR would be invited to meetings dealing with strategic planning.

The data suggest to us that:

- a. *Among respondent manufacturing and technology organizations, the extent to which PR may be invited to meetings dealing with strategic planning falls well short of the 5.20 average established by all GAP V respondents (see Table III/F-5.)*
- b. *Conversely, the 5.76 expectation among health care organizations greatly exceeds that average. However, this must be seen in the context of the large numbers of local and regional not-for-profit organizations included in that category where organizations are flatter and top management is perhaps more regularly accessible to smaller PR staffs.*
- c. *The potentially devastating impact of a single adverse incident in patient care or provider reputation to a local hospital or regional medical group may be an additional reason that health care respondents are confident they will be included in strategic planning and related meetings.*

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

VI/F-6: Likelihood of PR/Communications Being Invited to Meetings Dealing with Important Issues That May or May Not Have Communications Implications

Respondents were asked to describe the likelihood that they would be invited to meetings dealing with important issues that may or may not have PR implications by selecting a number from 1 (“Never”) to 7 (“Always”).

Table VI/F-6: Likelihood of PR/Communications being Invited to Meetings Dealing with Important Issues that May or May Not Have Communications Implications,* Year-Over-Year					
1=Never, 7= Always					
Industry	Average			Respondents	
	2005	2007	Dif 05 & 07	2005	2007
Health Care	5.22	5.67	0.45	73	70
Manufacturing	4.27	4.97	0.70	92	58
Technology	4.82	4.83	0.01	50	35
*In 2007, "PR implications" changed to "communications implications" in question text; as such, year-to-year comparisons must be interpreted with caution					
Base: All health care organizations, manufacturing organizations, and technology organizations providing data about likelihood of PR being invited to attend senior-level meetings that may have communications implications					
Data source: Q11a by Q5a; see Appendix for question wording					

*** Findings/observations in 2007:**

- a. Respondents across all three industries believe that PR would be invited to meetings dealing with important issues that may or may not have communication implications.
- b. Of the three industry categories, health care respondents believed they had the strongest likelihood of being invited to these meetings (averaging 5.67).

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

The data suggest to us that:

- a. Among respondent manufacturing and technology organizations, the likelihood of PR being invited to non-communications meetings falls short of the 5.29 average established by all GAP V respondents (see Table III/F-6.)*
- b. Conversely, the 5.67 expectation among health care organizations greatly exceeds that average. However, this must be seen in the context of the large numbers of local and regional not-for-profit organizations included in that category where organizations are flatter and top management is perhaps more regularly accessible to smaller PR staffs.*
- c. Nonetheless, in general the category comparison data suggest that PR is now perceived to have institutional knowledge and judgment, perhaps because of continual exposure to institution-wide challenges and crises, which would be of value even on issues without immediate PR or institutional communication implications.*

VI/ F-7a through F-7b: Extent to Which CEO Believes That...

Using a scale of 1 (“Strongly disagree”) to 7 (“Strongly agree”), respondents were asked to describe the extent to which their CEOs would agree with the following statements:

- a. PR evaluation methods are adequate.
- b. Organizational reputation contributes to success.
- c. PR contributes to maintaining or increasing market share.
- d. PR contributes to financial success.
- e. PR contributes to maintaining or increasing sales.

Table VI/F-7a: Extent to which CEO Believes that..., Year-Over-Year										
1= Strongly disagree, 7= Strongly agree										
Industry	Evaluation methods are adequate					Organizational reputation contributes to success				
	Average			Respondents		Average			Respondents	
	2005	2007	Dif 05 & 07	2005	2007	2005	2007	Dif 05 & 07	2005	2007
Health Care	4.82	5.26	0.44	72	70	6.00	6.46	0.46	73	72
Manufacturing	4.83	4.91	0.08	88	58	5.68	5.82	0.14	91	57
Technology	4.52	4.89	0.37	37	35	5.49	5.69	0.20	38	35
Base: All health care organizations, manufacturing organizations, and technology organizations providing data about CEO perceptions about PR evaluation methods and/or organizational reputation										
Data source: Q23 and Q24 by Q5a; see Appendix for question wording										

Table VI/F-7b: Extent to which CEO Believes that..., Year-Over-Year															
1= Strongly disagree, 7= Strongly agree															
Industry	PR contributes to maintaining or increasing market share					PR contributes to financial success					PR contributes to maintaining or increasing sales				
	Average			Respondents		Average			Respondents		Average			Respondents	
	2005	2007	Dif 05 & 07	2005	2007	2005	2007	Dif 05 & 07	2005	2007	2005	2007	Dif 05 & 07	2005	2007
Health Care	5.29	5.10	-0.19	67	31	4.98	4.74	-0.24	66	31	5.05	4.94	-0.11	63	31
Manufacturing	4.70	5.07	0.37	92	57	4.71	5.04	0.33	92	57	4.67	5.00	0.33	92	57
Technology	4.78	5.27	0.49	39	33	4.94	4.94	0.00	39	33	4.69	5.15	0.46	39	33
Base: All public and private health care organizations, manufacturing organizations, and technology organizations providing data about CEO perceptions of PR contributions to market share, financial success, and/or sales															
Data source: Q25, Q26, and Q27 by Q5a; see Appendix for question wording															

*** Findings/observations in 2007:**

Across the board, respondents reported that their CEOs believed organizational reputation contributes to success, with health care respondents being the most emphatic in this belief (6.46), followed by manufacturing (5.82) and technology (5.69). Respondents reported that their CEOs believe, to a more moderate degree, PR contributes to maintaining or increasing marketing share, PR contributes to financial success, and PR contributes to maintaining or increasing sales.

The data suggest to us that:

- a. Regarding the extent to which the CEO believes that reputation contributes to organizational success, the health care score exceeds, while the technology and manufacturing scores fall short of, the GAP cumulative average score of 6.14 (see Table III/F-7a).*
- b. Regarding the extent to which the CEO believes that PR contributes to market share, all three sectors' scores compare favorably with the GAP cumulative average score of 5.15 (see Table III/F-7b).*
- c. The results to these queries demonstrate a generally optimistic and up-beat attitude among the PR practitioners responding to the GAP V survey that they seem to believe the contributions of their PR organizations are valued by their chief executive officers.*

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

VI/G-1 and G-1a: All Functions for Which Respondents have Budgetary Responsibility, and Their Rankings

Respondents were asked to indicate the communications-related functions for which their departments have primary budgetary responsibility by selecting from the list appearing in the table below.

Table VI/G-1: Functions for which Respondents have Budgetary Responsibility, Year-Over-Year									
Function	Industry: Health Care			Industry: Manufacturing			Industry: Technology		
	2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07
Advertising - corporate image	77%	82%	5%	58%	56%	-2%	52%	60%	8%
Advertising - issues	55%	68%	13%	35%	36%	1%	34%	26%	-8%
Advertising - product	56%	65%	9%	35%	29%	-6%	32%	43%	11%
Community relations	74%	81%	7%	58%	54%	-4%	50%	63%	13%
Corporate communications	88%	83%	-5%	84%	88%	4%	84%	91%	7%
Corporate ethics/ombudsman	10%	7%	-3%	12%	12%	0%	12%	3%	-9%
Corporate external web site	74%	79%	5%	66%	71%	5%	50%	54%	4%
Corporate governance/standards	10%	8%	-2%	9%	12%	3%	16%	9%	-7%
Corporate image - Graphic standards	84%	86%	2%	63%	69%	6%	54%	63%	9%
Corporate intranet	42%	47%	5%	44%	59%	15%	34%	49%	15%
Corporate reputation	66%	72%	6%	59%	73%	14%	58%	80%	22%
Corporate social responsibility (CSR) oversight*		33%			46%			29%	
Crisis management	78%	68%	-10%	66%	73%	7%	52%	63%	11%
Employee/Internal communications	82%	85%	3%	67%	69%	2%	70%	74%	4%
Executive communications	55%	63%	8%	58%	76%	18%	64%	80%	16%
Government relations/Lobbying	32%	40%	8%	22%	27%	5%	20%	20%	0%
Investor relations	14%	10%	-4%	20%	24%	4%	36%	26%	-10%
Issues management	42%	53%	11%	40%	53%	13%	38%	40%	2%
Marketing PR/Product PR	78%	90%	12%	58%	63%	5%	74%	83%	9%
Monitoring and participation in online social networking*		17%			27%			29%	
Monitoring and participation in other online media*		17%			36%			34%	
Monitoring and participation in the blogosphere*		28%			42%			49%	
Philanthropy	33%	35%	2%	44%	36%	-8%	32%	40%	8%
Public affairs	63%	68%	5%	40%	49%	9%	38%	37%	-1%
Respondents	74	72		96	59		40	35	

* New item in 2007

Base: All health care organizations, manufacturing organizations, and technology organizations providing data about functions for which PR departments have primary budgetary responsibility

Data source: Q12a-x by Q5a; see Appendix for question wording

Table VI/G-1a: Functions for which Respondents have Budgetary Responsibility, Year-Over-Year Ranking

Function	Industry: Health Care		Industry: Manufacturing		Industry: Technology	
	2005	2007	2005	2007	2005	2007
Advertising - corporate image	6	5	7(tie)	10	7(tie)	9
Advertising - issues	12(tie)	9(tie)	15(tie)	16(tie)	14(tie)	20(tie)
Advertising - product	11	12	15(tie)	19	16(tie)	13
Community relations	7(tie)	6	9(tie)	11	9(tie)	6(tie)
Corporate communications	1	4	1	1	1	1
Corporate ethics/ombudsman	19(tie)	24	19	23(tie)	20	24
Corporate external web site	7(tie)	7	3(tie)	5	9(tie)	10
Corporate governance/standards	19(tie)	23	20	23(tie)	19	23
Corporate image - Graphic standards	2	2	5	6(tie)	6	6(tie)
Corporate intranet	14(tie)	15	11(tie)	9	14(tie)	11(tie)
Corporate reputation	9	8	6	3(tie)	5	3(tie)
Corporate social responsibility (CSR) oversight*		18		14		18(tie)
Crisis management	4(tie)	9(tie)	3(tie)	3(tie)	7(tie)	6(tie)
Employee/Internal communications	3	3	2	6(tie)	3	5
Executive communications	12(tie)	13	9(tie)	2	4	3(tie)
Government relations/Lobbying	17	16	17	20(tie)	18	22
Investor relations	18	22	18	22	13	20(tie)
Issues management	14(tie)	14	13(tie)	12	11(tie)	14(tie)
Marketing PR/Product PR	4(tie)	1	7(tie)	8	2	2
Monitoring and participation in online social networking*		20(tie)		20(tie)		18(tie)
Monitoring and participation in other online media*		20(tie)		16(tie)		17
Monitoring and participation in the blogosphere*		19		15		11(tie)
Philanthropy	16	17	11(tie)	16(tie)	16(tie)	14(tie)
Public affairs	10	9(tie)	13(tie)	13	11(tie)	16

* New item in 2007

Base: All health care organizations, manufacturing organizations, and technology organizations providing data about functions for which PR departments have primary budgetary responsibility

Data source: Q12a-x by Q5a; see Appendix for question wording

Note: Differences in rankings between 2005 and 2007 are not calculated because question methodology changed in 2007

*** Findings/observations in 2007:**

- a. Budgetary responsibility over marketing/product PR ranked first among health care industry respondents.
- b. Corporate communications ranked first among respondents from technology and manufacturing sectors.

The data suggest to us that:

Health care respondents have budgetary responsibility for fewer functions, perhaps because of the smallness of their budgets and staffs, and because they represent largely local and regional organizations with little national or international exposure.

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

VI/H-1 and H-1a: Integration of Communication Function(s)

Respondents were asked to describe the extent to which they believe that the various communications functions within their organizations are integrated by choosing a number between 1 (“Not at all integrated”) and 7 (“Extremely well integrated”).

Table VI/H-1: Extent to which Communications Functions are Integrated , Year-Over-Year					
1= Not at all integrated, 7=Extremely well integrated					
Type	Average			Respondents	
	2005	2007	Dif 05 & 07	2005	2007
Health Care	5.28	5.15	-0.13	72	72
Manufacturing	4.64	4.68	0.04	88	57
Technology	4.56	5.03	0.47	48	35
Base: All health care organizations, manufacturing organizations, and technology organizations providing data about integration of communications functions					
Data source: Q29a by Q5a; see Appendix for question wording					

Table VI/H-1a: 2007 Extent to which PR/Communications Function is Integrated With Other Departments		
1= Not at all integrated, 7=Extremely well integrated		
Industry	Average	Respondents
Health Care	5.31	72
Manufacturing	4.79	58
Technology	5.14	35
Base: All health care organizations, manufacturing organizations, and technology organizations providing data about integration of PR/Communications function with other departments		
Data source: Q29b by Q5a; see Appendix for question wording		

*** Findings/observations in 2007:**

Respondents generally believe that their various communications functions were integrated, with health care respondents expressing the most confidence on the topic.

The data suggest to us that:

- a. *Health care and technology respondents, with scores of 5.15 and 5.03 respectively, report higher levels of integration among the communication functions than the cumulative GAP V average of 4.92 (see Table III/H-1). This may be due to the likely much smaller size of the former and the likely somewhat smaller size of the latter.*
- b. *On the other hand, manufacturing's integration score of 4.68 falls well short of the 4.92 GAP V cumulative average. This may be due to their likely larger size, more traditional structures, etc.*

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

VI/H-2: Organizational Description

Respondents were asked to describe their organizational environment by selecting a number from 1 to 7 to express their organization's place on a descriptive scale. For example, if they see their organization as being more rigid than flexible, they would circle 1, 2, or 3 on the 1 – 7 scale where 1 is rigid, 7 is flexible, and 4 is neutral.

Functions	Health Care			Manufacturing					Technology						
	Average		Respondents	Average			Respondents		Average			Respondents			
	2005	2007	Dif 05 & 07	2005	2007	2005	2007	Dif 05 & 07	2005	2007	2005	2007	Dif 05 & 07	2005	2007
Rigid - Flexible	4.63	4.61	-0.02	71	72	4.27	4.54	0.27	92	59	4.25	4.89	0.64	38	35
Autocratic - Democratic	4.14	4.39	0.25	71	71	3.83	4.14	0.31	92	59	3.82	4.40	0.58	39	35
Profits first - People first	4.64	4.56	-0.08	70	71	3.39	3.63	0.24	92	59	3.39	4.09	0.70	39	35
Unethical - Ethical	6.04	5.50	-0.54	71	72	5.80	5.69	-0.11	92	59	5.86	5.80	-0.06	39	35
Reactive - Proactive	3.91	4.40	0.49	71	72	3.99	4.25	0.26	92	59	4.18	4.60	0.42	39	35
Tactical - Strategic	4.06	4.40	0.34	70	72	4.40	4.81	0.41	91	59	4.41	4.34	-0.07	39	35
Poor external reputation - Good external reputation	5.24	5.14	-0.10	71	72	5.41	5.41	0.00	92	59	5.16	5.31	0.15	39	35
Unsuccessful - Successful	5.36	5.29	-0.07	71	72	5.44	5.56	0.12	91	59	5.06	5.51	0.45	39	35

Base: All health care organizations, manufacturing organizations, and technology organizations providing gross revenue data and data about organizational descriptions
Data source: Q37 by Q5a; see Appendix for question wording

* Findings/observations in 2007:

- a. The highest numbers were uniformly given to the measurement unethical-ethical, demonstrating a confidence among all three industries that their organizations were considerably more ethical than unethical – technology (5.80), manufacturing (5.69), and health care (5.50).
- b. The 3.63 reported by manufacturing means that respondents believe that industry puts profits slightly before people.

* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

c. Some interesting comparisons (see Table III/H-2 for detailed corporate data):

• **Profits First – People First (1 – 7)**

- Health care 4.56
- Manufacturing 3.63
- Technology 4.09
- Large not-for-profits: 5.00 (9 respondents)
- Mid-size not-for-profits 5.31
- Small not-for-profits 5.33
- Government agencies 5.60
- Larger public company: 3.56
- Larger private company: 3.85
- Smaller public company: 3.61
- Smaller private company: 3.75

• **Unethical – Ethical (1 – 7)**

- Health care 5.50
- Manufacturing 5.69
- Technology 5.80
- Large not-for-profits: 6.22 (9 respondents)
- Mid-size not-for-profits 5.69
- Small not-for-profits 5.68
- Government agencies 5.46
- Larger public company: 5.91
- Larger private company: 5.63
- Smaller public company: 5.72
- Smaller private company: 5.09

- **Poor External Reputation – Good External Reputation (1 – 7)**

- Health care 5.14
- Manufacturing 5.41
- Technology 5.31
- Large not-for-profits: 6.00 (9 respondents)
- Mid-size not-for-profits 5.31
- Small not-for-profits 5.51
- Government agencies 5.19
- Larger public company: 5.33
- Larger private company: 5.70
- Smaller public company: 5.05
- Smaller private company: 5.60

- **Reactive – Proactive (1 – 7)**

- Health care 4.40
- Manufacturing 4.25
- Technology 4.60
- Large not-for-profits: 4.11 (9 respondents)
- Mid-size not-for-profits 3.86
- Small not-for-profits 4.25
- Government agencies 3.98
- Larger public company: 4.26
- Larger private company: 4.48
- Smaller public company: 4.16
- Smaller private company: 4.72

- **Rigid – Flexible (1 – 7)**

○ Health care	4.61
○ Manufacturing	4.54
○ Technology	4.89
○ Large not-for-profits:	4.89 (9 respondents)
○ Mid-size not-for-profits	4.21
○ Small not-for-profits	4.60
○ Government agencies	4.12
○ Larger public company:	4.27
○ Larger private company:	4.63
○ Smaller public company:	4.40
○ Smaller private company:	4.75

The data suggest to us that:

- Differences among these three industries should be viewed within the context of their different sizes, missions, etc., and the large number of not-for-profit organizations included in the health care category.*
- The extent to which respondents commonly and decisively describe their organizations as being ethical is encouraging.*
- On the profits first/people first scale, while manufacturing is the most profit oriented of the three categories examined in this section, in a broader comparison it does no worse than companies of most sizes.*
- On the unethical/ethical scale, of the three categories, technology respondents had the highest score, and that type of company finishes second to only large not-for-profits (note: this was a category in which there were only 9 respondents), ahead of all other not-for-profits and government agencies.*
- It is worth noting that the health care category gave itself lower scores on ethics than did technology, manufacturing, not-for-profits of all sizes, larger private companies, larger public companies, and smaller public companies.*
- On the poor external reputation/good external reputation scale, the three types of companies give themselves high, but still relatively middling scores.*
- On the rigid/flexible scale, technology respondents tie with large not-for-profits (a category in which there were only 9 respondents) for the highest, flexibility-leaning score.*
- On the poor external reputation/good external reputation scale, the three types of companies give themselves high, but still relatively middling scores.*