

Strategic Public Relations Center

UNIVERSITY OF SOUTHERN CALIFORNIA
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**FOURTH ANNUAL PUBLIC RELATIONS
GENERALLY ACCEPTED PRACTICES (G.A.P.) STUDY
(2005 DATA)**

GAP IV

**SECTION VII: PATTERNS OF EXCELLENCE
SUGGESTED BY STATISTICAL
CORRELATIONS**

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VII. PATTERNS OF EXCELLENCE SUGGESTED BY STATISTICAL CORRELATIONS

When analyzing the GAP data the authors were particularly interested in discovering patterns of behavior that applied to significant numbers of respondents. This was achieved by identifying statistically valid correlations through which it could be said, with a reasonable level of assurance, that respondents would share certain characteristics based on their common responses to specific questions. In other words, those who provided identical answers to specific questions would be significantly more likely to provide identical answers to other questions as well. By applying this methodology, responses to single questions could be extrapolated to identify larger patterns of shared behavior, attitudes, etc.

For example, it was found that respondents who answered the question asking to whom they report by saying that they report to the CEO, were significantly **more likely** (as compared with those who did not report to the CEO) to also indicate that:

1. PR is taken more seriously within their organizations.
2. They receive a higher level of support from the “C-Suite.”
3. PR participates in organizational strategic planning.
4. PR is invited to senior level meetings dealing with non-communications issues.
5. The various communications functions in their organizations are better integrated and coordinated.
6. They make use of data from other functions (i.e. marketing) when evaluating PR results.
7. Their CEOs believe that organizational reputation contributes to success.
8. Their CEOs believe that PR contributes to financial success and market share.
9. Their organizations are “Flexible,” “People First,” and “Proactive.”

VII. PATTERNS OF EXCELLENCE SUGGESTED BY STATISTICAL CORRELATIONS (CONT'D)

These responses, when viewed collectively, suggest that a pattern links these respondents – a pattern consisting of many positive attributes, benefits, and outcomes for the PR function that result from reporting to the CEO. The importance of this finding is that it provides hard data that supports the long held, but generally subjective belief that this is the ideal reporting line for PR

This section consists entirely of such correlations, with some commentary. In each case reference is made to the section of the entire GAP IV report containing the question and data on which each correlation is based.

VII/A. CORRELATIONS WITH THE SIZE OF THE PR BUDGET

(From III/B-1. \$Total Average PR Budgets and Percentages of Budgets Allocated to Salaries)

- a. *Statistical correlations of responses from various questions reveal that companies with larger PR budgets are significantly **more likely** to indicate that:*
1. *They report to the “C-Suite.”*
 2. *They work with PR agencies.*
 3. *They work with more PR agencies.*
 4. *Their various communications functions are integrated and coordinated.*
 5. *They would be invited to meetings relating to organizational strategic planning.*
 6. **And they were significantly less likely to report to Marketing.**

The Data Suggest That:

- a. *It can be inferred that organizations with larger PR budgets are themselves larger in size. Ergo the correlations clearly suggest that in larger organizations PR is significantly more likely to report to the C-Suite and significantly less likely to report to Marketing. This, in turn, can be interpreted as suggesting that PR is seen as having a broader role in such organizations – one that goes beyond the sales-driven emphasis of the marketing function.*

VII/B. CORRELATIONS WITH PR REPORTING LINES

(From III/C-1: PR Function Reporting Lines)

- a. *Statistical correlations of responses from various questions reveal that in companies where PR reports to the “C-Suite” it is significantly **more likely** to be responsible for:*
1. *Community relations*
 2. *Corporate image advertising*
 3. *Corporate intranet*
 4. *Corporate reputation*
 5. *Crisis management*
 6. *Executive communications*
 7. *External website*
 8. *Government relations*
 9. *Issues management*
 10. *Public affairs*
- b. *Statistical correlations of responses from various questions reveal that in companies where PR reports to Marketing it is significantly **less likely** to be responsible for:*
1. *Corporate image advertising*
 2. *Corporate reputation*
 3. *Employee/Internal communication*
 4. *Government relations*
 5. *Issues management*
 6. *Public affairs*

The Data Suggest That:

- a. *Clearly the functions for which PR is responsible are more narrowly defined when it reports to Marketing. This reaffirms the observations in Section VII/C, above.*

VII/C. CORRELATIONS WITH THE APPROPRIATENESS OF PR REPORTING LINES

(From III/C-1: PR Function Reporting Lines, and III C-2: How Appropriate is this Line of Reporting?)

- a. *Statistical correlations of responses from various questions reveal that companies in which PR reports to the “C-Suite” are significantly **more likely** to indicate that:*
- 1. This is the most appropriate reporting line.*
 - 2. PR is taken seriously within the organization.*
 - 3. They receive a higher level of support from the “C-Suite.”*
 - 4. PR is part of organizational strategic planning.*
 - 5. PR is invited to senior level meetings of various types.*
 - 6. The various communications functions are integrated and coordinated.*
 - 7. They make use of data from other functions when evaluating PR results.*
 - 8. Their CEOs believe that organizational reputation contributes to success.*
 - 9. Their CEOs believe that PR contributes to financial success and market share.*
 - 10. Their organizations are flexible, people first, and proactive*
- b. *Statistical correlations of responses from various questions reveal that companies in which PR reports to Marketing are significantly **less likely** to indicate that:*
- 1. This is an appropriate reporting line.*
 - 2. They have senior level support.*
 - 3. They would be invited to senior level, non-communications meetings.*
 - 4. They would be invited to strategic planning meetings.*
- c. *Statistical correlations of responses from various questions reveal that companies in which PR reports to Marketing are significantly **more likely** to indicate that:*
- 1. PR is seen as making a high contribution to sales (relative to responses from companies in which PR does not report to Marketing).*
 - 2. They anticipate a budget increase next year (i.e. 2006 – 2007).*

**VII/C. CORRELATIONS WITH THE APPROPRIATENESS OF PR REPORTING
LINES (CONT'D)**

- d. Statistical correlations of responses from various questions reveal that companies in which PR reports to Human Resources are significantly **less likely** to indicate that:*
- 1. This is an appropriate reporting line.*
 - 2. Their CEOs believe that PR contributes to maintaining market share, maintaining or increasing sales, and contributes to financial success.*
 - 3. PR makes a positive contribution to organizational success.*

VII/C. CORRELATIONS WITH THE APPROPRIATENESS OF PR REPORTING LINES (CONT'D)

(From III/C-1: PR Function Reporting Lines, and III C-2: How Appropriate is this Line of Reporting?)

- e. Statistical correlations of responses from various questions reveal that companies in which PR reports to Human Resources are significantly **more likely** to indicate that:
 - 1. PR reports to multiple units or functions.*

- f. Statistical correlations of responses from various questions reveal that companies in which PR reports to Legal are significantly **more likely** to indicate that:
 - 1. PR reports to multiple units or functions.
 - 2. The organization as a whole is “Strategic.”*

- g. Statistical correlations of responses from various questions reveal that companies in which PR reports to Strategic Planning are significantly **more likely** to indicate that:
 - 1. PR reports to multiple units or functions.
 - 2. They dedicate a higher percentage of the PR budget to evaluation.*

- h. Statistical correlations of responses from various questions reveal that companies in which PR reports to Finance are significantly **more likely** to indicate that:
 - 1. PR reports to multiple units or functions.
 - 2. The PR staff grew over the prior year.*

- i. Statistical correlations of responses from various questions reveal that companies in which PR reports to Finance are significantly **less likely** to indicate that:
 - 1. This is an appropriate reporting line.*

VII/C. CORRELATIONS WITH THE APPROPRIATENESS OF PR REPORTING LINES (CONT'D)

(From III/C-1: PR Function Reporting Lines, and III C-2: How Appropriate is this Line of Reporting?)

- j. *Statistical correlations of responses from various questions reveal that companies in which PR reports to the head of a business unit or division are significantly **less likely** to indicate that:*
1. *This is an appropriate reporting line.*
 2. *PR is taken seriously.*
 3. *PR is part of organizational Strategic Planning.*
 4. *There is support for PR by the “C-Suite.”*
 5. *Their CEOs believe that the PR evaluation methods they employ are adequate.*
 6. *Their CEOs believe that organizational reputation contributes to success.*
- k. *Statistical correlations of responses from various questions reveal that companies in which PR reports to the head of a business unit or division are significantly **more likely** to indicate that:*
1. *PR has a higher budget, as a percentage of the advertising budget, than is the case for other reporting lines.*

The Data Suggest That: see following page.

VII/C. CORRELATIONS WITH THE APPROPRIATENESS OF PR REPORTING LINES (CONT'D)

(From III/C-1: PR Function Reporting Lines, and III C-2: How Appropriate is this Line of Reporting?)

The Data Suggest That:

- a. *The statistical correlations make clear the many benefits of reporting to the “C-Suite” that have been anecdotally reported. Indeed, this reporting line is the only one deemed appropriate by GAP respondents, given that all others are seen as being less appropriate.*
- b. *While the benefits of reporting to the “C-Suite” rather than Marketing are clear, it is important to note that those reporting to Marketing nonetheless expressed a fairly high level of satisfaction with that arrangement. This suggests that the ideal reporting line can be situational, with Marketing being the most appropriate in organizations where PR is seen as a valued contributor to sales.*
- c. *The correlations make clear the very negative implications of other reporting lines, especially to HR and Business Units.*
- d. *The correlations suggest some interesting questions and hypotheses:*
 1. *When PR reports to Marketing, it (1) is seen as making a high contribution to sales, relative to responses from companies in which PR does not report to Marketing, and (2) is more likely to anticipate a budget increase next year (i.e. 2006 – 2007)*
 - *Does this suggest that a reporting line to Marketing puts PR in a stronger position to lay claim to the hard business outcome of increasing sales? And does that, in turn, increase the likelihood of garnering stronger financial support? Or is this a self-fulfilling prophecy: PR is under Marketing; therefore it must contribute to sales.*
 2. *When PR reports to Strategic Planning a larger percentage of the budget is allocated to evaluation.*
 - *Does this suggest that being part of the Strategic Planning function necessitates a higher degree of accountability?*

**VII/C. CORRELATIONS WITH THE APPROPRIATENESS OF PR REPORTING
LINES (CONT'D)**

3. *In cases where PR reports to the head of a business unit or division, efforts should be made to rectify the obvious negatives, perhaps by means of better integration with the corporate PR function.*

**VII/D. CORRELATIONS WITH THE USE OF PR EVALUATION
METHODOLOGIES**

(From Tables III/E-1 to E-3: Use of PR Evaluation Methodologies)

- a. *Statistical correlations of responses from various questions reveal that in companies where PR reports to the “C-Suite” it is significantly **more likely** that the following metrics for PR evaluation are used:*
1. *Crisis avoidance/mitigation*
 2. *Influence on corporate culture*
 3. *Influence on corporate reputation*
 4. *Influence on employee attitudes*
 5. *Influence on stakeholder awareness*
 6. *Influence on stakeholder opinions*
- b. *Statistical correlations of responses from various questions reveal that in companies where PR reports to the Marketing it is significantly **more likely** that the following metrics for PR evaluation are used:*
1. *Contribution to sales*
 2. *Total circulation of clips*
 3. *Total number of clips*
 4. *Number of clips in “top tier” media*
- c. *Statistical correlations of responses from various questions reveal that in companies where PR reports to Marketing it is significantly **less likely** that the following metrics for PR evaluation are used:*
1. *Crisis avoidance/mitigation*
 2. *Influence on employee attitudes*
 3. *Influence on stakeholder awareness*
 4. *Influence on stakeholder opinions*

**VII/D. CORRELATIONS WITH THE USE OF PR EVALUATION
METHODOLOGIES (CONT'D)**

*d. Statistical correlations of responses from various questions reveal that in companies with larger PR budgets it is significantly **more likely** that the following metrics for PR evaluation are used:*

- 1. Content analysis*
- 2. Influence on corporate reputation*
- 3. Influence on share of voice*
- 4. Influence on employee attitudes*

The Data Suggest That:

a. The differences in evaluation metrics used in organizations reporting to the “C-Suite” vs. Marketing are striking, to say the least. The former are far more strategic and organizational in nature, while the latter are far more publicity and sales-oriented

VII/E. CORRELATIONS WITH SENIOR MANAGEMENT’S VIEW OF PR’S CONTRIBUTION

(From III/F-1, F-1a. Senior Management’s Views of Nine Organizational Functions’ Contributions to Success)

Note: In this question, respondents were asked to rank on a scale of 1 (“Does not contribute significantly”) to 7 (“Does contribute significantly”) their senior management’s perceptions of the contributions to success made by nine common organizational functions. Following are the results: (1) Finance, 5.59; (2) Sales, 5.53; (3) Marketing, 5.42; (4) PR, 5.30; (5) Strategic Planning, 5.19; (6) Info Systems, 5.09; (7) HR, 4.78; (8) Legal, 4.71; (9) Security, 3.38.

- a. *Statistical correlations of responses from various questions reveal that those respondents’ whose answers to this question exceed the mean score for Public Relations (as compared with those whose answers are lower than the mean), were significantly **more likely** to report that:*
- 1. Their CEOs’ see PR as making a larger contribution to organizational success.*
 - 2. PR is taken seriously, given a higher level of support by senior management, is part of organizational strategic planning, and is invited to senior level non-communication meetings.*
 - 3. PR is responsible for issues management and public affairs.*
 - 4. They make use of data from other functions when evaluating PR.*
 - 5. Their CEOs believe that reputation contributes to maintaining market share, PR contributes to financial success, and PR contributes to maintaining or increasing sales.*
 - 6. There is a higher level of integration among the communications functions.*
 - 7. The organization is flexible, democratic, people first, and proactive.*

VII/E. CORRELATIONS WITH SENIOR MANAGEMENT'S VIEW OF PR'S CONTRIBUTION (CONT'D)

8. *Use the following measurement tools: clip content analysis, contribution to market share, contribution to sales, crisis avoidance/ mitigation, influence on corporate culture, influence on corporate reputation, influence on employee attitudes, influence on share of voice, influence on stakeholder awareness, influence on stakeholder opinions, total impressions, total number of clips, and total number of clips in top tier media.*

The Data Suggest That:

- a. *These correlations are extremely important because they provide a clear, statistically valid profile of organizations in which PR is seen as making a more substantial contribution to success, relative to other functions. Arguably there is a cause and effect at work here: the greater the extent to which the practitioner succeeds, the greater the likelihood that PR will be seen as making a relatively large contribution to success. At the same time, the greater the CEO's belief in PR's contribution, the greater the likelihood that the practitioner will be given the tools needed to succeed. However, the authors firmly believe that, on balance, the practitioner's competence and success is the determining factor, because CEO's tend to reward success and disincentivize anything less.*

VII/F. CORRELATIONS WITH THE ISSUES MANAGEMENT FUNCTION

(From III/G-1h: Functions for Which Respondents Have Budgetary Responsibility)

- a. *Statistical correlations of responses from various questions reveal that in companies where respondents have responsibility for Issues Management, they are significantly **more likely** to report that:*
- 1. Their CEOs view PR as making a larger contribution to organizational success.*
 - 2. They have larger PR staffs.*
 - 3. PR is taken seriously, given a higher level of support from senior management, and is part of organizational strategic planning.*
 - 4. PR is invited to senior level non-communication meetings.*
 - 5. PR is responsible for **all** functions listed in III/G-1 except Corporate Image Advertising, Investor Relations, and Marketing PR.*
 - 6. They make use of data from other functions when evaluating PR.*
 - 7. The various communications functions are integrated.;*
 - 8. Describe their organizations as being “Democratic,” “People First,” and “Proactive.”*
 - 9. They use the following methods when evaluating PR: Clip content analysis, crisis avoidance/mitigation, influence on corporate culture, influence on corporate reputation, influence on employee attitudes, influence on stakeholder opinions, and influence on stakeholder attitudes.*

The Data Suggest That:

- a. *The Issues Management function may be an indicator of PR’s prestige and presence in the organization. Its presence among PR’s responsibilities is highly indicative of the likelihood to which PR will also entail many other import functions, as well as the extent to which PR is supported by senior management.*

VII/G. CORRELATIONS WITH CHANGE IN PR STAFF SIZE

(From III/C-4: Change in PR Staff Size)

- a. *Statistical correlations of responses from various questions reveal that in companies where the PR staff has increased in size over the last 1 – 2 years, it is significantly **more likely** to be responsible for:*
1. *Issues management*
 2. *Corporate intranet*
 3. *Corporate communications*
 4. *Investor relations*

The Data Suggest That:

- a. *Issues Management and Corporate Intranet (as well as other forms of new and emerging media) may be growth areas for the profession. This may also be true of Investor Relations, though recent trends increasingly suggest that the IR discipline tends to have a dotted line, rather than solid line relationship with PR.*

VII/H. CORRELATIONS WITH THE DEGREE OF COMMUNICATIONS INTEGRATION

(From III/H-1: Extent to Which Communications Functions are Integrated)

- a. *Statistical correlations of responses from multiple questions reveal that practitioners who describe the various communications functions as being more integrated are significantly **more likely** to:*
1. *Report that their CEOs view PR as making a larger contribution to organizational success.*
 2. *Be responsible for corporate image advertising, product advertising, corporate external website, community relations, corporate graphics standards, corporate intranet, employee/internal communications, executive communications, government relations, lobbying, and issues management.*
 3. *Report to the CEO or COO, and indicate that their reporting line is appropriate;*
 4. *Report that PR is taken seriously, that there is more support for PR, and that PR participates in organizational strategic planning.*
 5. *Be invited to senior level non-communication meetings.*
 6. *Make use of data from other functions when evaluating PR.;*
 7. *Report that their CEOs believe that reputation contributes to maintaining market share, PR contributes to financial success, and PR contributes to maintaining or increasing sales;*
 8. *Describe their organizations as being flexible, democratic, proactive, strategic, and successful.*
 9. *Use the following methods of PR evaluation: contribution to market share, contribution to sales, crisis avoidance/ mitigation, influence on corporate culture, influence on corporate reputation, influence on employee attitudes, influence on share of voice, influence on stakeholder awareness, influence on stakeholder opinions, and influence on stock performance.*

**VII/H. CORRELATIONS WITH THE DEGREE OF COMMUNICATIONS
INTEGRATION (CONT'D)**

The Data Suggest That:

- a. *Greater integration among the communications functions appears to be either a cause or an effect of numerous other beneficial attributes. However, there is no denying that integration, or at least coordination, is beneficial to the organization as a whole and PR in particular.*

III/I: CORRELATIONS WITH ORGANIZATIONAL ENVIRONMENT

(From III/H-2a: How Would You Describe Your Organization as a Whole?)

- a. *Statistical correlations of responses from various questions reveal that companies describing themselves as being more “Successful” are significantly **more likely** to:*
 1. *Describe themselves as having a good reputation.*
 2. *Describe themselves as being strategic, ethical, and proactive.*
 3. *Report that their CEO believes reputation contributes to success.*
 4. *Describe the communications functions as being integrated.*

- b. *Statistical correlations of responses from various questions reveal that companies describing themselves as being more “Ethical” are significantly **more likely** to describe themselves as being more:*
 1. *Successful*
 2. *Strategic*
 3. *Proactive*
 4. *Flexible*
 5. *Democratic*
 6. *Having a good external reputation*

- c. *Statistical correlations of responses from various questions reveal that companies describing themselves as being more “Strategic” are significantly **more likely** to:*
 1. *Describe themselves as being more successful, ethical, proactive, flexible, and having a good external reputation,*
 2. *Report that their CEOs believe that organizational reputation contributes to success,*
 3. *Report that their CEOs believe that PR: contributes to financial success; is taken seriously; receives a higher level of support from senior management; is part of organizational strategic planning, and is invited to strategic planning meetings.*
 4. *Describe the communications functions as being integrated.*

III/I: CORRELATIONS WITH ORGANIZATIONAL ENVIRONMENT(CONT'D)

5. *Use the following measurement methods: clip content analysis, crisis avoidance/mitigation, influence on corporate culture, influence on corporate reputation, influence on employee attitudes, influence on share of voice, and influence on stakeholder awareness.*

The Data Suggest That:

- a. *These correlations make clear the many benefits to the PR function, and to individual PR practitioners, of working for organizations that can be described as being “Successful,” “Ethical,” and “Strategic.”*