

**Strategic Public Relations Center**

UNIVERSITY OF SOUTHERN CALIFORNIA  
*Annenberg School for Communications*



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

**GAP IV**

**SECTION V: CHARACTERISTICS OF  
GOVERNMENT AND NOT-FOR-PROFIT  
AGENCIES**

By

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## **V. GOVERNMENT AND NOT-FOR-PROFIT AGENCIES**

### **V/A. Government and Not-for-Profit Agencies: Respondent Data**

For the first time in the GAP series, this study breaks out data from not-for-profit and government agencies. To the authors' knowledge, the GAP study is the only concerted effort to analyze the PR practices of such organizations.

Section V divides the not-for-profits into three categories (Large: \$580 Million to \$6 Billion; Medium: \$100 Million to \$580 Million; and Small: Less than \$100 Million), on the basis of their answers to the question, "State your organization's gross revenues in whole dollars for the most recently completed fiscal year (i.e. 2004/2005)." However, the reader should bear in mind that the term "Gross Revenues" may be interpreted by these organizations in different ways, i.e. "Operating Budget," "Operating Income," etc. Government agencies are grouped together in the "All" category because of limited responses in various size categories, so it is important to bear in mind tremendous variations in their size and scope of responsibilities.

**V/A-1 and A-2. Respondents by Organization Size (Gross Revenue in Millions) and Category\***

Participants were asked to state their organizations’ gross revenues in whole dollars for the most recently completed fiscal year (i.e. 2004/2005). Not-for-profit respondents were grouped into three categories based on their responses to this question. However, these organizations may interpret the term “Gross Revenues” in different ways, i.e. “Operating Budget,” “Operating Income,” etc. Government agencies are considered as a single group due to the large range of government operating budgets.

<b>Table V/A-1: 2005 Respondents by Organizational Size: Operating Budget/Income*</b>			
<b>Type</b>	<b>Category</b>	<b>Average Operating Budget/Income ( in millions)</b>	<b>Respondents</b>
Not for Profit	\$580 Million-\$6 Billion	\$1,689	19
	\$100M-\$580M	\$302	29
	Less than \$100M	\$30	38
Government	All	\$1,453	12
* Operating Budget/Income refers to the data provided by non-profit and governmental respondents in answer to the question, "What were your organization's gross revenues in the most recently completed fiscal year."			
* US Postal Service budget of 68 billion, and was removed for this analysis (mean =6572)			

<b>Table V/A-2: Respondents by Category</b>		
<b>Type</b>	<b>Revenue Category</b>	<b>% of Total Respondents</b>
Not-for-Profit	\$580 Million-\$6 Billion	17%
	\$100M-\$580M	29%
	Less than \$100M	41%
Government	All	13%

**Significant Findings/Observations**

**In 2005:**

- a. 12 (66%) of 18 government respondents, and 86 (69%) of 125 non-profit respondents, answered this question.
- b. Government agencies had to be combined into a single group to assure valid results from that category as a whole.

**V/A-1 and A-2. Respondents by Organization Size (Gross Revenue in Millions) and Category\* (cont'd)**

**On a Year-Over-Year Basis:** N/A due to changes in reporting methodology

***The Data Suggest That:***

- a. *Because of extreme variances in size among government agency respondents and the small number of such respondents who answered this question, attempts to project the data are extremely problematic, as are any comparisons between government agencies and non-profit organizations.*

**Table V/A-3. Geographic Parameters of Respondents' Responsibilities**

For the first time, participants were asked to specify the geographic parameters of the communications organizations for which they have responsibility. This change was instituted to facilitate comparisons among like-sized organizations.

<b>Table V/A-3: 2005 Geographic Parameters of Respondent's Responsibilities</b>				
	<b>Not for Profit</b>			<b>Government</b>
<b>Parameters</b>	<b>\$580 Million-\$6 Billion</b>	<b>\$100M-\$580M</b>	<b>Less than \$100M</b>	<b>All</b>
US- local or regional	10	26	35	15
US -National	5	5	12	3
North America (US, Canada, Mexico)	1	1	3	0
Americas (North, Central, South)	0	0	0	0
International (US plus multiple companies)	6	6	5	0
Global	1	2	2	0
Total*	23	40	57	18

**Significant Findings/Observations**

**In 2005:**

- a. The vast majority of government agency respondents had local or regional responsibilities.
- b. The 120 not-for-profit respondents who answered this question were much more diverse in terms of the reach of their responsibilities, with 17 working at the international level and five having global responsibilities.

**On a Year-Over-Year Basis:** N/A due to changes in reporting methodology

***The Data Suggest That:***

- a. *Attempts to draw broad conclusions from the government agency data, and some categories of non-profits, would be highly problematic due to the limited number of respondents. In these cases the data should be seen as being directional, at best.*

**V/B-1. 2005 Total Average PR Budgets**

Respondents were asked to provide their PR budgets in two ways: 1) including salaries and related costs (i.e. benefits), and 2) excluding salaries and related costs (i.e. benefits).

<b>Table V/B-1: 2005 Total Average PR Budgets</b>						
<b>Type</b>	<b>Categories</b>	<b>PR Budgets w/ salaries</b>	<b>PR Budgets w/o salaries</b>	<b>PR salaries</b>	<b>Percent of PR Budgets dedicated to salaries*</b>	<b>Respondents</b>
Not for Profit	\$580 Million-\$6 Billion	\$7,018,744	\$5,082,564	\$1,532,192	47%	16
	\$100M-\$580M	\$2,019,895	\$1,031,433	\$917,213	48%	33
	Less than \$100M	\$641,688	\$310,050	\$330,302	53%	45
Government	All	\$2,680,613	\$1,388,484	\$737,503	55%	15

\* This data is based upon individual respondent data rather than aggregate percent averages.

**Significant Findings/Observations**

**In 2005:**

- a. The percentages of PR budgets dedicated to salaries are wholly consistent with other GAP findings.
- b. In Section III, Table III/B-1, it is shown that among all responding commercial organizations, salaries (including related costs) represent roughly 46% of total PR budgets. The table above suggests that government agencies and not-for-profits dedicate 7 – 9% more, on average, to salaries and related than do commercial enterprises.

**On a Year-Over-Year Basis:** N/A due to changes in reporting methodology

***The Data Suggest That:***

- a. The differences in the percentages of resources allocated to salaries and related by government and non-profit agencies, as compared with that of commercial enterprises, may be due to the former’s heavier reliance in internal staff rather than outside agencies.

**Table V/B-2. 2005: Percentile Budget Changes**

Respondents were asked to describe in percentile terms the extent to which their total PR budgets changed (if at all) in 2005 versus the prior year.

<b>Table V/B-2: 2005 Percentile Budget Changes</b>			
	<b>Average % Budget Change</b>		<b>Respondents</b>
<b>Type</b>	<b>Categories</b>	<b>2005</b>	<b>2005</b>
Not for Profit	\$580 Million-\$6 Billion	1.97%	19
	\$100M-\$580M	6.28%	37
	Less than \$100M	3.17%	50
Government	All	5.27%	15
Note: Lexington, KY had a 500% increase in budget which skewed the government mean. For the purposes of this table, Lexington, KY is excluded.			

**Significant Findings/Observations**

**In 2005:**

- a. All respondent agencies reported moderate to large budget increases.
- b. These data appear to be generally consistent with cumulative findings for all respondents to GAP IV (as shown in Table III/B-2).

**On a Year-Over-Year Basis:** N/A due to changes in reporting methodology

***The Data Suggest That:***

- a. The reported budget increases among non-commercial organizations, which compare favorably with those of commercial organizations, suggest that these remain a fertile environment for the profession.
- b. After declining in 2002 and 2003, PR budgets are enjoying a two-year upswing among all types of organizations, with anticipated increases for 2005 providing strong evidence of the ongoing nature of the recovery.
- c. The large increases among smaller non-profit agencies, and government agencies, must be seen in the context of their relatively smaller base budgets.

**Table V/B-3. 2005 Ratio of PR Budgets to Gross Revenues: PR/GR Ratio**

A common question among PR professionals is, how much money should we be spending on PR, given the size of our organization, industry, etc.? To answer that question, in 2004 the authors created a new PR management tool, the PR/GR Ratio, which describes the number of dollars spent on PR for each \$1 million in gross revenues. They view this tool as a “work in progress” in need of further study, refinement and reader feedback.

<b>Table V/B-3: 2005 Ratio of PR Budgets to Operating Budget/Income: PR/OB-I Ratio</b>					
		<b>Average Operating Budget/ Income (in millions)</b>	<b>Average PR Budgets (actual figures)</b>	<b>PR/OB-I Ratio</b>	<b>Respondents</b>
<b>Type</b>	<b>Categories</b>	<b>2005</b>	<b>2005</b>	<b>2005</b>	<b>2005</b>
Not for Profit	\$580 Million-\$6 Billion	\$1,689	\$7,018,744	\$5,105	16
	\$100M-\$580M	\$302	\$2,019,895	\$8,636	29
	Less than \$100M	\$30	\$641,688	\$35,291	35
Government	All	\$1,453	\$2,680,613	\$9,128	12
* PR/OB-I Ratio calculated only using companies reporting budgets as well as PR budgets including salaries					
** Number of dollars spent on PR for each \$1 million in revenue					

**Significant Findings/Observations**

**In 2005:**

- a. As is the case with commercial organizations, among government and non-profit agencies PR/GR Ratio shrank as organizational size increased.
- b. PR/GR Ratios appear to have been much higher for these categories of organization than they were for commercial organizations (shown in III/B-3). However, this must be viewed in the context of substantial variances in organizational size and function, differing financial models, the work-in- progress nature of PR/GR Ratio, etc.

**On a Year-Over-Year Basis:** N/A due to changes in reporting methodology

**Significant Findings/Observations:** see following page.

**Table V/B-3. 2005 Ratio of PR Budgets to Gross Revenues: PR/GR Ratio (cont'd)**

***The Data Suggest That:***

- a. *If it is true that PR/GR ratios are substantially higher among government and non-profit agencies than they are among commercial enterprises, it is probably due to their very different financial and business models. However, one may also factor in the greater extent to which government and non-profit agencies generally rely on PR rather than other forms of communication.*

**Table V/B-4. 2005 Expected Change in PR Budget Next Fiscal Year**

Respondents were asked to describe the changes they expected in their PR budgets in the next fiscal year (i.e. FY 2006) as compared with the then current year (i.e. 2005).

<b>Table V/B-4: 2005 Expected Change in PR Budget Next Fiscal Year</b>			
<b>Type</b>	<b>Categories</b>	<b>Expected Change</b>	<b>Respondents</b>
Not for Profit	\$580 Million-\$6 Billion	2.45%	20
	\$100M-\$580M	2.32%	37
	Less than \$100M	5.64%	48
Government	All	1.93%	16

**Significant Findings/Observations:**

**In 2005:**

- a. These data are wholly consistent with data for commercial organizations.

**On a Year-Over-Year Basis:**

- a. When viewed in combination with 2004-2005 data re. budget changes (Table V-B-2), these responses suggest that non-profit and government agencies are enjoying a three-year period of solid budget gains.

***The Data Suggest That:***

- a. The multi-year trend in budget increases among non-commercial organizations, which compares favorably with results for commercial organizations, suggests that non-profits and government agencies remain a fertile environment for the profession.

**Table V/B-5. 2005 PR Budget Relative to Advertising**

Another question commonly asked by PR professionals is how large the organization’s PR budget should be relative to its advertising budget. For the first time, GAP IV attempted to address this question by asking respondents to provide their organizations’ advertising budgets, which could then be compared with their already reported PR budgets.

<b>Table V/B-5: 2005 PR Budget Relative to Advertising</b>			
<b>Type</b>	<b>Categories</b>	<b>Percent</b>	<b>Respondents</b>
Not for Profit	\$580 Million-\$6 Billion	0.39%	1
	\$100M-\$580M	1.47%	6
	Less than \$100M	4.80%	6
Government	All	3.22%	4

**Significant Findings/Observations**

- a. No reliable conclusions can be reached due to the small number of respondents who reported advertising budgets.

***The Data Suggest That:***

- a. *It is not surprising that only small numbers of respondents provided advertising budgets, given the nature of these organizations and the generally limited extent to which they make use of paid advertising.*

**Table V/B-6. 2005 Percentage of PR Budget Dedicated to Evaluation**

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

<b>Table V/B-6: 2005 Percent of PR Budget Dedicated to Evaluation</b>			
<b>Type</b>	<b>Categories</b>	<b>Percent</b>	<b>Respondents</b>
Not for Profit	\$580 Million-\$6 Billion	3.92%	13
	\$100M-\$580M	2.05%	27
	Less than \$100M	3.37%	35
Government	All	2.96%	12

**Significant Findings/Observations**

**In 2005:**

- a. These responses tended to be at the low end of the range reported by commercial organizations (2.3% - 7.5%).

**On a Year-Over-Year Basis:** N/A due to changes in reporting methodology

***The Data Suggest That:***

- a. *The lower percentages of budget allocated to evaluation by government and non-profit agencies may be attributable to their smaller overall budgets, which dictate a need to spend more on implementation.*
- b. *However, one could argue that these organizations have an even greater obligation to accountability than do commercial enterprises, and are therefore not spending enough on evaluation relative to those enterprises.*

**Table V/C-1. 2005 PR Function Reporting Lines**

Respondents were asked to indicate to whom they report, with multiple responses allowed.

<b>Table V/C-1: 2005 PR Function Reporting Lines</b>				
<b>Reporting Areas</b>	<b>Not for Profit</b>			<b>Government</b>
	<b>\$580 Million-\$6 Billion</b>	<b>\$100M-\$580M</b>	<b>Less than \$100M</b>	<b>All</b>
Executive Office	70%	80%	60%	72%
Head of Operating Unit	13%	18%	10%	33%
Marketing	0%	3%	7%	6%
HR	9%	3%	5%	11%
Legal	0%	0%	3%	11%
Finance	13%	13%	28%	11%
Strategic Planning	4%	13%	9%	17%

**Significant Findings/Observations**

**In 2005:**

- a. Among non-profit and government agencies, the vast majority of PR functions reported to the Executive Office.

**On a Year-Over-Year Basis:** N/A due to changes in reporting methodology

***The Data Suggest That:***

- a. *Among these types of organizations PR reports to the C-Suite at least as often and perhaps more often, than it does among commercial enterprises. This is most likely due to the generally smaller size of these organizations, the nature of their missions, etc.*
- b. *This top level reporting line offers the PR function the opportunity to play a major role in organizational decision making. Whether it takes advantage of that opportunity depends on the skills of the practitioner.*

**Table V/C-2. How Appropriate is This Line of Reporting?**

Respondents were asked to indicate the appropriateness of their reporting lines by selecting a number from 1 (“Strongly agree that it’s appropriate”) to 7 (“Strongly disagree that it’s appropriate”).

<b>Table V/C-2: How Appropriate is this Line of Reporting</b>				
<i>1= Highly Inappropriate, 7=Highly Appropriate</i>				
Reporting Areas	Not for Profit		Government	
	All	Respondents	All	Respondents
Executive Office	6.66	83	6.46	13
Head of Operating Unit	5.38	16	6.17	6
Marketing	6.40	5	7.00	1
HR	5.00	6	6.00	2
Legal	7.00	2	7.00	2
Finance	5.96	24	6.00	2
Strategic Planning	3.63	11	6.33	3

**Significant Findings/Observations**

**In 2005:**

- a. These data must be viewed in the context of the small number of respondents having certain reporting lines, i.e. non-profits reporting to Legal, and Government Agencies reporting to five of the seven possibilities (though this is also a reflection of the infrequent existence of those lines).
- b. All respondents from government and not-for-profit agencies appear to have been quite satisfied with their reporting lines, with the exception of not-for-profit organizations reporting to strategic planning.

**On a Year-Over-Year Basis:** N/A due to changes in reporting methodology

***The Data Suggest That:***

- a. *Arguably one of the benefits of working for an agency of this type is a relatively high degree of satisfaction with one’s reporting environment and a strong opportunity to influence organizational direction.*

**Table V/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 September 30, 2005.

<b>Table V/C-3: 2005 Average PR Staff Size</b>			
<b>Type</b>	<b>Categories</b>	<b>Average</b>	<b>Respondents</b>
Not for Profit	\$580 Million-\$6 Billion	26.15	23
	\$100M-\$580M	12.15	39
	Less than \$100M	3.29	58
Government	All	27.61	18

**Significant Findings/Observations**

**In 2005:**

- a. The average staff sizes of the larger respondent non-profits, and of all respondent government agencies, were on a par with those of Fortune 2000 companies. (See III/C-3.)

**On a Year-Over Year Basis:** N/A due to changes in reporting methodology

***The Data Suggest That:***

- a. When viewed in combination with previously reported data suggesting that the PR budgets of larger non-profits, and government agencies, are on a par with those of many large corporations (see V/B-1), these data on staff size strongly suggest that non-profit and government agencies are indeed fertile grounds for the profession.
- b. Th authors hypothesize that the conventional wisdom suggesting that such organizations offer less opportunity than the private sector may be out of date. However, this does not take into consideration average salaries.

**Table V/C-4. 2005 Percentage Change in PR staff size**

Respondents were asked to describe (in percentile terms) how the size of their PR staffs changed (if at all) from September 30, 2004 to September 30, 2005.

<b>Table V/C-4: 2005 Percent change in PR staff size</b>			
<b>Type</b>	<b>Categories</b>	<b>Average</b>	<b>Respondents</b>
Not for Profit	\$580 Million-\$6 Billion	1.65%	23
	\$100M-\$580M	3.45%	40
	Less than \$100M	2.71%	58
Government	All	2.78%	18

**Significant Findings/Observations**

**In 2005:**

- a. All respondents reported that their PR staffs grew from 2004 to 2005.

**On a Year-Over Year Basis:** N/A due to changes in reporting methodology

***The Data Suggest That:***

- a. These data further reinforce the view that non-profit and government agencies are indeed fertile grounds for the profession.

**Table V/D-1. Public and Private Companies, Government and Not-for-Profit Agencies:  
Use of Outside PR Agencies**

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

<b>Table V/D-1: 2005 Use PR Agencies</b>			
<b>Type</b>	<b>Categories</b>	<b>Use Agencies</b>	<b>Respondents</b>
Not for Profit	\$580 Million-\$6 Billion	60%	20
	\$100M-\$580M	52%	40
	Less than \$100M	48%	54
Government	All	59%	17

**Significant Findings/Observations**

**In 2005:**

- a. Not surprisingly, the overall frequency of use of PR agencies by these organizations was not as extensive as it is in the private sector.
- b. The percentages of larger non-profits (60%) and government agencies (59%) reporting that they work with agencies are one a par with the use of agencies by Fortune 5001 = (Why is there an “equals” sign between 5001 and 20,000?) 20,000 companies (64%).

**On a Year-Over-Year Basis:** N/A due to changes in reporting methodology

***The Data Suggest That:***

- a. *Given that these organizations generally report making somewhat lesser use of agencies than the private sector, they generally have large internal staffs (see V/C-3), but they do not allocate inordinately large percentages of their PR budgets to internal staff salaries and related costs (see V/B-5). These data suggest that such organizations are more likely to handle PR activities “in house,” and dedicate larger percentages of their budgets to direct expenses relating to program activities.*

**Table V/D-2. 2005 Percentage of PR Budget Allocated to Agency Fees**

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

<b>Type</b>	<b>Categories</b>	<b>% of PR Budget</b>	<b>Respondents</b>
Not for Profit	\$580 Million-\$6 Billion	49%	5
	\$100M-\$580M	12%	15
	Less than \$100M	14%	23
Government	All	14%	5

**Significant Findings/Observations**

**In 2005:**

- a. Data for larger non-profits, and all government agencies, must be viewed in the context of the very small number of responses (5) in those two categories.
- b. With the exception of the (possibly) anomalous data for large non profits, these responses are substantially lower than those of the private sector, where the average is 25%.

**On a Year-Over-Year Basis:** N/A due to changes in reporting methodology

***The Data Suggest That:***

- a. *Given that these organizations (1) generally report allocating smaller percentages of their budgets to outside agencies but still use them to an extent, (2) generally have large internal staffs (see V/C-3), but (3) do not allocate inordinately large percentages of their PR budgets to internal staff salaries and related costs (see V/B-5), these data suggest that such organizations are more likely to (1) handle PR activities “in house,” (2) work with agencies on a pro bono basis, and (3) dedicate larger percentages of their budgets to direct expenses relating to program activities.*

**Table V/D-3 and D-3a: Selecting an Agency or Adding an Assignment to an Existing Agency. . . Who is Involved in the Decision-Making Process?**

Respondents were asked to cite all departments involved in the agency selection process.

<b>Table V/D-3: 2005 Selecting an Agency or Adding an Assignment to an Existing Agency...Who is Involved in the Decision Process?</b>				
<b>Department</b>	<b>Not for Profit</b>			<b>Government</b>
	<b>\$580 Million-\$6 Billion</b>	<b>\$100M-\$580M</b>	<b>Less than \$100M</b>	<b>All</b>
Public Relations	75%	85%	79%	82%
Corp Communications	65%	65%	40%	59%
C-Suite	55%	50%	47%	35%
Marketing	50%	72%	58%	29%
Legal	10%	5%	2%	24%
Purchasing / Resourcing	5%	8%	7%	35%
Respondents	20	40	57	17

<b>Table V/D-3a: 2005 Ranking of Selecting an Agency or Adding an Assignment to an Existing Agency...Who is Involved in the Decision Process?</b>				
<b>Department</b>	<b>Not for Profit</b>			<b>Government</b>
	<b>\$580 Million-\$6 Billion</b>	<b>\$100M-\$580M</b>	<b>Less than \$100M</b>	<b>All</b>
Public Relations	1	1	1	1
Corp Communications	2	3	4	2
C-Suite	3	4	3	3 (tie)
Marketing	4	2	2	4
Legal	5	6	6	5
Purchasing / Resourcing	6	5	5	3 (tie)
Respondents	20	40	57	17

**Significant Findings/Observations: see following page.**

**Table V/D-3 and D-3a. 2005 Selecting an Agency or Adding an Assignment to an Existing Agency. . . Who is Involved in the Decision-Making Process? (cont'd)**

**Significant Findings/Observations**

**In 2005:**

- a. Not surprisingly, the public relations department was cited by more than three-quarters of both government and not-for-profit agency respondents, and also ranked by respondents overall as the department most often involved.
- b. The lesser involvement of Corporate Communications is probably due to the lesser use of that title in the non-profit and governmental worlds.
- c. Procurement was far more likely to be involved among government agencies than among non-profits or any kind of commercial enterprise (see III/D-3).
- d. The involvement of the “C-Suite” is notable for the manner in which it (generally) increased with declining organizational size.

**On a Year-Over-Year Basis:** N/A due to changes in reporting methodology

***The Data Suggest That:***

- a. *The involvement level of purchasing/resourcing departments in government agencies is undoubtedly due to the stringent, complex purchasing procedures found in most levels of government.*
- b. *As compared with the private sector, it is not as common among these organizations for functions beyond those directly involved in PR to be engaged in the agency selection process.*

**Table V/D-4. Nature of Agency Relationships**

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

Table V/D-4: 2005 Nature of Agency Relationships						
Type	Categories	Agency of Record	Multiple Agencies	Pre-Approved Criteria	Ad-Hoc Basis	Respondents
Not for Profit	\$580 Million-\$6 Billion	25%	25%	8%	42%	12
	\$100M-\$580M	43%	14%	5%	38%	21
	Less than \$100M	41%	22%	7%	30%	27
Government	All	10%	40%	20%	30%	10

**Significant Findings/Observations**

**In 2005:**

- a. With the highest single percentage being 43%, there was no clear favored type of agency relationship.
- b. “Agency of Record” was much more common among non-profits than in the private sector, where 19.8% of all corporate respondents reported utilizing this model. (See III/D-4.)
- c. Clearly government agencies favored the “Multiple Agency” model.

**On a Year-Over-Year Basis:** N/A due to changes in methodology

***The Data Suggest That:***

- a. *The traditional agency of record model is not favored by most not-for-profit or government agencies. This has implications for the continuity of agency/client relationships, agency staffing, agency/client loyalty, etc.*
- b. *The greater frequency of the AOR model among smaller non-profits, as compared with commercial enterprises, may be attributable to their reliance on consistent pro bono assistance from a single agency.*
- c. *Government agencies may have more internal accountability issues to consider, making them more reliant on the pre-approved criteria model.*
- d. *The government agency tendency to use multiple agencies or agencies on an ad-hoc basis may reflect an effort to avoid the perception of favoritism toward one agency of record.*

**Table V/D-5. Number of Agencies Used**

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

<b>Table V/D-5: 2005 Number of Agencies Used</b>			
<b>Type</b>	<b>Categories</b>	<b>Average</b>	<b>Respondents</b>
Not for Profit	\$580 Million-\$6 Billion	4.62	12
	\$100M-\$580M	1.47	19
	Less than \$100M	1.96	26
Government	All	3.80	10

**Significant Findings/Observations**

**In 2005:**

- a. The relatively large numbers of agencies used by larger not-for-profits and government agencies are surprising, since they are larger than those reported by any type of private sector company. However, these findings must be viewed in the context of the relatively small number of respondents, as well as the commonality of pro bono agency relationships among those organizations.

**On a Year-Over-Year Basis:** N/A due to changes in methodology

**Tables V/D-6 and V/D-6a. Reasons for Working with Agencies, and Ranked Reasons for Working with Agencies**

The methodology for this question changed in GAP IV, in that respondents who work with outside agencies were asked to select all applicable reasons for doing so, rather than respond via levels of agreement as was done in GAP III.

<b>Table V/D-6: 2005 Reasons for Working with Agencies</b>				
	<b>Not for Profit</b>			<b>Government</b>
<b>Reason</b>	<b>\$580 Million- \$6 Billion</b>	<b>\$100M-\$580M</b>	<b>Less than \$100M</b>	<b>All</b>
Extra arms & legs	55%	38%	40%	41%
They offer unique expertise	50%	43%	30%	47%
Strategic / market insight and experience	50%	30%	33%	47%
Compliment our internal capabilities	45%	38%	40%	59%
Objective point of view	30%	38%	28%	29%
Cheaper than adding staff	25%	10%	14%	29%
Limits on internal head count	15%	10%	11%	24%
Ability to quantify results	15%	8%	7%	24%
Respondents	20	40	57	17

<b>Table V/D-6a: 2005 Ranking of Reasons for Working with Agencies</b>				
	<b>Not for Profit</b>			<b>Government</b>
<b>Reason</b>	<b>\$580 Million- \$6 Billion</b>	<b>\$100M- \$580M</b>	<b>Less than \$100M</b>	<b>All</b>
Extra arms & legs	1	2 (tie)	1(tie)	3
They offer unique expertise	2 (tie)	1	3	2 (tie)
Strategic / market insight and experience	2 (tie)	3	2	2 (tie)
Complement our internal capabilities	3	2 (tie)	1(tie)	1
Objective point of view	4	2 (tie)	4	4 (tie)
Cheaper than adding staff	5	4 (tie)	5	4 (tie)
Limits on internal head count	6 (tie)	4 (tie)	6	6
Ability to quantify results	6 (tie)	5	7	5
Respondents	20	40	57	17

**Significant Findings/Observations: see following page.**

**Tables V/D-6 and V/D-6a. Reasons for Working with Agencies, and Ranked Reasons for Working with Agencies (cont'd)**

**Significant Findings/Observations**

**In 2005:**

- a. Of the eight reasons for working with outside agencies presented, none emerged as dominant.
- b. As with corporate respondents, non-profits cited “Extra arms & legs” most often.
- c. Government agencies cited “Complement our internal capabilities” most often.
- d. “Ability to quantify results” received the lowest citations and the lowest rankings among both types of organizations.

**On a Year-Over-Year Basis:** N/A due to change in methodology

***The Data Suggest That:***

- a. *The lack of any dominant, high scoring reason suggests that these organizations either give equal weight to many reasons or see no compelling single reason.*

**Table V/D-7: Respondents Opinions re. Working with Agencies**

Respondents who indicated that they currently work with outside PR agencies were asked if they had reservations about doing so.

<b>Table V/D-7: 2005 No Reservations about Working with Agencies</b>			
<b>Type</b>	<b>Category</b>	<b>No Reservations</b>	<b>Respondents</b>
Not for Profit	\$580 Million-\$6 Billion	40%	20
	\$100M-\$580M	38%	37
	Less than \$100M	42%	57
Government	All	65%	17

**Significant Findings/Observations:**

**In 2005:**

- a. A substantial 65% of government agency respondents now working with agencies have no reservations about doing so, but the percentages are significantly lower among non-profits.

**On a Year-Over-Year Basis:** N/A due to change in methodology

***The Data Suggest That:***

- a. *The fact that non-profits generally have smaller budgets and/or must rely on pro bono support probably explains the lower percentages.*

**Table V/D-7a and V/D-7b: Reservations About Working with Agencies, and Their Rankings**

Respondents who indicated that they currently work with outside PR agencies, and that they had reservations about doing so, were asked to identify those reservations by selecting from the list of options shown in the table below.

Type	Category	Return on investment	Staff turnover	Junior level of assigned team	Lack of knowledge / insight into our business	Ability to quantify results	Cost	Ability to execute projects	Current / potential conflicts of interest	Respondents
Not for Profit	\$580 Million-\$6 Billion	75%	33%	42%	50%	17%	92%	25%	8%	12
	\$100M-\$580M	69%	19%	46%	73%	27%	77%	19%	0%	26
	Less than \$100M	51%	11%	26%	54%	17%	83%	17%	9%	35
Government	All	38%	13%	38%	63%	13%	75%	38%	5%	8

Reason	Not-for-Profit			Government
	\$580Million-\$6Billion	\$100M-\$580M	Less than \$100M	All
Cost	1	1	1	1
Return on investment	2	3	3	3 (tie)
Lack of knowledge / insight into our business	3	2	2	2
Junior level of assigned staff	4	4	4	3 (tie)
Staff turnover	5	6 (tie)	6	4 (tie)
Ability to execute projects	6	6 (tie)	5 (tie)	3 (tie)
Ability to quantify results	7	5	5 (tie)	4 (tie)
Current / potential conflicts of interest	8	7	7	5

**Significant Findings/Observations: See following page.**

**Table V/D-7 and V/D7-a. Reservations About Working with Agencies, and Their Rankings**  
**(cont'd)**

**Significant Findings/Observations**

**In 2005:**

- a. Not surprisingly, among all non-profits, “Cost” was the #1 ranked reservation about working with outside agencies.
- b. The small number of governmental respondents (8) makes any projection of their data problematic.
- c. The larger the not-for-profit organization, the more “Staff turnover,” and “Junior level of assigned team” and “Ability to executive projects” became reservations about working with outside agencies.

**On a Year-Over-Year Basis:** N/A due to changes in methodology

***The Data Suggest That:***

- a. *Not surprisingly, non-profits are most concerned about financial issues.*

**Tables V/E-1, E-2: Use of PR Evaluation Methodologies, 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 at all") to 7 ("Use significantly").

<b>Table V/E-1: Use of PR Evaluation Methodologies 2005</b>				
<i>1=Do Not Use, 7=Use Significantly</i>				
<b>Methodology</b>	<b>Not for Profit</b>			<b>Government</b>
	<b>\$580 Million- \$6 Billion</b>	<b>\$100M-\$580M</b>	<b>Less than \$100M</b>	<b>All</b>
Ad equivalency of clips	3.24	3.38	2.57	2.76
Content analysis of clips	4.50	4.35	3.43	3.88
Contrib. to market share	2.00	3.03	2.16	1.75
Contrib. to profitability	2.29	2.38	2.34	1.71
Contrib. to sales	2.82	2.21	2.55	1.94
Crisis avoidance mitigation	3.86	4.15	2.98	4.56
Infl. on corporate culture	3.59	4.03	3.57	3.88
Infl. on corporate reputation	4.91	5.09	4.04	4.47
Infl. on employee attitudes/morale	4.27	4.03	3.60	4.35
Infl. on share of voice	3.37	2.94	2.65	3.06
Infl. on stakeholder awareness	3.77	4.24	4.00	4.00
Infl. on stakeholder opinion	4.00	4.21	3.63	4.11
Infl. on stock performance	1.90	1.04	1.06	1.33
Total circulation	3.71	3.22	3.31	2.24
Total impressions	3.71	4.06	3.75	3.53
Total number of clips	3.91	4.27	4.13	3.88
Total number of clips in "top tier" media	5.00	3.71	3.75	3.94

**Significant Findings/Observations: see following pages.**

**Tables V/E-1, E-2: Use of PR Evaluation Methodologies, Ranking of Evaluation Methods**  
**(cont'd)**

<b>Table V/E-2: Use of PR Evaluation Methodologies 2005: Ranking</b>				
<i>1=Do Not Use, 7=Use Significantly</i>				
<b>Methodology</b>	<b>Not for Profit</b>			<b>Government</b>
	<b>\$580 Million- \$6 Billion</b>	<b>\$100M-\$580M</b>	<b>Less than \$100M</b>	<b>All</b>
Total number of clips in "top tier" media	1	9	4 (tie)	6
Infl. on corporate reputation	2	1	2	2
Content analysis of clips	3	2	8	7 (tie)
Infl. on employee attitudes/morale	4	8 (tie)	6	3
Infl. on stakeholder opinion	5	5	5	4
Total number of clips	6	3	1	7 (tie)
Crisis avoidance mitigation	7	6	10	1
Infl. on stakeholder awareness	8	4	3	5
Total circulation	9 (tie)	11	9	11
Total impressions	9 (tie)	7	4 (tie)	8
Infl. on corporate culture	10	8 (tie)	7	7 (tie)
Infl. on share of voice	11	13	11	9
Ad equivalency of clips	12	10	12	10
Contrib. to sales	13	15	13	12
Contrib. to profitability	14	14	14	14
Contrib. to market share	15	12	15	13
Infl. on stock performance	16	16	16	15

**Significant Findings/Observations**

**In 2005:**

- a. As with all commercial respondents, large non-profits ranked “Influence on market share” as their number one methodology. Smaller non-profits ranked it much lower, suggesting a different way of thinking about their missions.
- b. Government agencies ranked “Crisis avoidance/mitigation” #1, while all other types of organizations, including companies, ranked it much lower.
- c. Among all non-profit and governmental respondents, of the 17 listed methods of PR measurement and evaluation, only two scored higher than 5: “Influence on corporate reputation” among mid-sized not-for-profits (5.09) and “Total number of clips in ‘top tier’ media” among large non-profits (5.00).

**Tables V/E-1, E-2: Use of PR Evaluation Methodologies, Ranking of Evaluation Methods (cont'd)**

**Significant Findings/Observations**

**In 2005:**

- d. Purely quantitative (rather than qualitative) methods of evaluating media coverage (“Ad equivalency of clips,” “Total circulation,” “Total impressions,” “Total number of clips,” “Total number of clips in ‘top tier’ media”) performed within the 3-4 range, as did the more qualitative “Content analysis of clips.”

**On a Year-Over-Year Basis:** N/A due to changes in methodology

***The Data Suggest That:***

- a. *The seeming lack of enthusiasm for any single methodology suggests that there remains a need for a more generally accepted approach to evaluation.*
- b. *Such indicators as "corporate culture," "employee attitudes/morale" and "share of voice" are critical to environments that foster volunteerism, donations, votes and other types of support, i.e. non profits.*
- c. *The low interest in evaluations of "hard" quantitative contributions to the organization – such as market share, profitability, sales and stock performance – is not surprising, given the missions of governmental and not-for-profit agencies.*
- d. *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, it ignores all other public relations functions, thereby reinforcing the notion that PR is nothing more than publicity and media relations. This does a disservice to the increasingly sophisticated and complex nature of the profession.*

**Table V/E-3: PR Evaluation: Use of Data From Other Functions**

In order to assess the extent to which PR is integrated with other disciplines and utilizes data from those disciplines when evaluating its activities, respondents were asked to describe the extent to which they make use of data from other organizational functions (Marketing, HR, Sales, etc.) when evaluating their PR activities, by selecting a number from 1 (“Make no use”) to 7 (“Make extensive use”).

<b>Table V/E-3: 2005 Use of Data from Other Functions</b>			
<i>1= Make No Use, 7= Make Extensive Use</i>			
<b>Type</b>	<b>Categories</b>	<b>Average</b>	<b>Respondents</b>
Not for Profit	\$580 Million-\$6 Billion	4.68	22
	\$100M-\$580M	4.69	39
	Less than \$100M	4.43	56
Government	All	4.47	17

**Significant Findings/Observations**

**In 2005:**

- a. Government and not-for-profit agencies made higher than neutral use of data from other functions (between 4.47 by government agencies and 4.68 by larger not-for-profits).
- b. Their usage of such data is on a par with that of commercial respondents (4.5).

**On a Year-Over-Year Basis:** N/A due to changes in methodology

***The Data Suggest That:***

- a. *The purpose of this question is to determine the extent to which practitioners are seeking out information that might be of use in correlating PR activities with business outcomes. The results are promising.*

**Tables V/F-1 to V/F-1a. Senior Management’s Views and Rankings of Nine Organizational Functions’ Contributions to Success**

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 functions.

<b>Table V/F-1: 2005 Senior Management Views of Nine Organizational Functions' Contributions to Success:</b>				
<i>1=Does Not Contribute Significantly, 7= Contributes Significantly</i>				
	<b>Not for Profit</b>			<b>Government</b>
<b>Type</b>	<b>\$580 Million-\$6 Billion</b>	<b>\$100M-\$580M</b>	<b>Less than \$100M</b>	<b>All</b>
Marketing	5.67	5.59	5.83	6.07
PR	5.58	5.68	5.85	6.07
Finance	5.32	5.97	5.49	5.07
Information Systems	5.21	5.44	5.42	4.93
Strategic Planning	4.84	5.62	5.41	5.80
HR	4.42	5.05	4.67	5.33
Sales	4.38	4.38	4.98	3.80
Legal	4.16	4.54	4.33	4.73
Security	2.83	3.68	3.26	4.87

<b>Table V/F-1a: 2005 Senior Management Rankings of Nine Functions' Contributions to Success</b>				
<i>1=Does Not Contribute Significantly, 7= Contributes Significantly</i>				
	<b>Not for Profit</b>			<b>Government</b>
<b>Type</b>	<b>\$580 Million-\$6 Billion</b>	<b>\$100M-\$580M</b>	<b>Less than \$100M</b>	<b>All</b>
Marketing	1	4	2	1
PR	2	2	1	1
Finance	3	1	3	4
Information Systems	4	5	4	5
Strategic Planning	5	3	5	2
HR	6	6	7	3
Sales	7	8	6	8
Legal	8	7	8	7
Security	9	9	9	6

**Significant Findings/Observations: see following page.**

**Tables V/F-1 to V/F-1a. Senior Management’s Views and Rankings of Nine Organizational Functions’ Contributions to Success (cont’d)**

**Significant Findings/Observations**

**In 2005:**

- a. PR was tied as the top contributor to success among respondent government agencies, and is close to a tie (with Marketing) among large non profits.
- b. It is interesting to compare the scores given to PR by various types of respondent organizations:

➤ Government agencies	5.58
➤ Large non-profits:	5.58
➤ Mid sized non-profits	5.68
➤ Small non-profits	5.85
➤ Fortune 500	5.87
➤ Fortune 20000+	5.53

**On a Year-Over-Year Basis:** N/A due to changes in methodology

***The Data Suggest That:***

- a. *One of the benefits of working for government and non-profit agencies is the extent to which those organizations believe in the importance of PR, which bodes well for the overall work environment in those arenas.*
- b. *The responses from all types of GAP respondents are remarkably consistent and say a great deal about the degree of self confidence now enjoyed by the profession.*

**Table V/F-2. Degree of Management Support for PR**

Respondents were asked to rate the level of support the PR function receives from senior management in their organizations using a 1 (“Not supportive”) to 7 (“Highly supportive”) scale.

<b>Table V/F-2: 2005 Degree of Management Support for PR</b>			
<i>1= Very Little Support, 7= Very Strong Support</i>			
<b>Type</b>	<b>Categories</b>	<b>2005</b>	<b>Respondents</b>
Not for Profit	\$580 Million-\$6 Billion	5.96	23
	\$100M-\$580M	6.05	40
	Less than \$100M	5.74	58
Government	All	6.22	18

**Significant Findings/Observations**

**In 2005:**

- a. PR received very high levels of support within respondent government and not-for-profit agencies.
- b. PR received the highest level of support within government agencies (6.22).
- c. It is interesting to compare the cumulative average scores for various types of respondent organizations:
  - Government agencies            6.22
  - Large non-profits:                5.96
  - Mid sized non-profits            6.05
  - Small non-profits                 5.74
  - Fortune 500                         5.95
  - Fortune 20000+                   5.58

**On a Year-Over-Year Basis:** N/A due to changes in methodology

**Table V/F-2. Degree of Management Support for PR (cont'd)**

**Significant Findings/Observations**

***The Data Suggest That:***

- a. One of the benefits of working for government and non-profit agencies is the extent to which they support the PR function, which bodes well for the overall work environment in which PR functions.*
- b. The responses from all types of GAP respondents are remarkably consistent and say a great deal about the degree of support the profession receives from all types of organizations.*

**Table V/F-3. 2005 Extent to Which PR Recommendations are Taken Seriously**

Respondents were asked to rate the extent to which PR recommendations are taken seriously by senior management in their organizations by selecting a number from 1 (“Not taken seriously”) to 7 (“Taken very seriously”).

<b>Table V/F-3: 2005 Extent to which PR Recommendations are Taken Seriously</b>			
<i>1= Not Very Seriously, 7= Taken Very Seriously</i>			
<b>Type</b>	<b>Categories</b>	<b>2005</b>	<b>Respondents</b>
Not for Profit	\$580 Million-\$6 Billion	5.83	23
	\$100M-\$580M	5.90	40
	Less than \$100M	5.83	58
Government	All	6.00	18

**Significant Findings/Observations**

**In 2005:**

- a. Scores of 5.83 to 6.0 clearly indicate that PR recommendations were taken seriously in respondent government and non-profit agencies.
- b. It is interesting to compare the cumulative average scores for various types of respondent organizations:
  - Government agencies 6.00
  - Large non-profits: 5.83
  - Mid sized non-profits 5.90
  - Small non-profits 5.83
  - Fortune 500 5.95
  - Fortune 20000+ 5.61

**On a Year-Over-year Basis:** N/A due to changes in methodology

**Table V/F-3. 2005 Extent to Which PR Recommendations are Taken Seriously (cont'd)**

**Significant Findings/Observations**

***The Data Suggest That:***

- a. *One of the benefits of working for government and non-profit agencies is the extent to which PR recommendations are taken seriously, which bodes well for the overall work environment in which PR functions.*
- b. *The responses from all types of GAP respondents are remarkably consistent and say a great deal about the perceived value of PR's contribution to organizational success.*

**Table V/F-4. Extent to Which PR Contributes 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”).

<b>Table V/F-4: 2005 Extent to which PR Contributes to Strategic Decision Making and Planning</b>			
<i>1= Never, 7= Always</i>			
<b>Type</b>	<b>Categories</b>	<b>2005</b>	<b>Respondents</b>
Not for Profit	\$580 Million-\$6 Billion	5.09	23
	\$100M-\$580M	5.40	40
	Less than \$100M	5.34	58
Government	All	5.89	18

**Significant Findings/Observations**

**In 2005:**

- a. With scores ranging from a low of 5.09 to a high of 5.40, it is clear that PR contributed to strategic decision-making and planning in not-for-profit organizations.
- b. PR functions within government agencies contributed to strategic decision-making and planning to an even greater extent (5.89).
- c. It is interesting to compare the cumulative average scores for various types of respondent organizations:
  - Government agencies            5.89
  - Large non-profits:                5.09
  - Mid sized non-profits            5.40
  - Small non-profits                 5.34
  - Fortune 500                         5.43
  - Fortune 20000+                    5.18

**On a Year-Over-Year Basis:** N/A due to changes in methodology

**Table V/F-4. Extent to Which PR Contributes to Strategic Decision-Making and Planning**  
**(cont'd)**

**Significant Findings/Observations**

***The Data Suggest That:***

- a. This data further suggests that practitioners are being asked to bring the PR point of view to bear on the broader strategic planning of their organizations.*
- b. One of the benefits of working for government and non-profit agencies is the extent to which PR can influence the overall direction of the organization.*

**Table V/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 invited”) to 7 (“Always invited”).

<b>Table V/F-5: Likelihood of PR being Invited to Meetings Dealing with Strategic Planning</b>			
<i>1=Never, 7= Always</i>			
<b>Type</b>	<b>Categories</b>	<b>2005</b>	<b>Respondents</b>
Not for Profit	\$580 Million-\$6 Billion	5.41	22
	\$100M-\$580M	5.67	40
	Less than \$100M	5.25	57
Government	All	5.83	18

**Significant Findings/Observations**

**In 2005:**

- a. Non-profit and government agency respondents believe PR would be invited to meetings dealing with organizational strategic planning.
- d. It is interesting to compare the cumulative average scores for various types of respondent organizations:
  - Government agencies 5.83
  - Large non-profits: 5.41
  - Mid sized non-profits 5.67
  - Small non-profits 5.27
  - Fortune 500 5.30
  - Fortune 20000+ 4.90

**On a Year-Over-Year Basis:** N/A due to changes in methodology

***The Data Suggest That:***

- a. *One of the benefits of working for government and non- profit agencies is the extent to which PR can influence the overall direction of the organization.*
- b. *The category comparison data suggest that PR may have a greater opportunity to contribute in non-profit and government agencies than in commercial enterprises.*

**Table V/F-6. Likelihood of PR 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 invited”) to 7 (“Always invited”).

<b>Table V/F-6: Likelihood of PR being Invited to Meetings Dealing with Important Issues that May or May Not have Communications Implications</b>			
<i>1=Definitely Not Invited, 7= Definitely Invited</i>			
<b>Type</b>	<b>Categories</b>	<b>2005</b>	<b>Respondents</b>
Not for Profit	\$580 Million-\$6 Billion	5.05	22
	\$100M-\$580M	5.35	40
	Less than \$100M	5.34	58
Government	All	5.50	18

**Significant Findings/Observations**

**In 2005:**

- a. Respondents believed PR would likely be invited to meetings dealing with important issues that may or may not have had communication implications.
- b. This was particularly true of government agencies.
- c. It is interesting to compare the cumulative average scores for various types of respondent organizations:
  - Government agencies            5.50
  - Large non-profits:                5.05
  - Mid sized non-profits            5.35
  - Small non-profits                5.34
  - Fortune 500                        5.37
  - Fortune 20000+                  4.89

**On a Year-Over-Year Basis:** N/A due to changes in methodology

**Table V/F-6. Likelihood of PR Being Invited to Meetings Dealing with Important Issues That May or May Not Have Communications Implications (cont'd)**

***The Data Suggest That:***

- c. The category comparison data suggest that PR may have a greater opportunity to contribute in non-profit and government agencies than in Fortune 20,000+ companies.*

**Table V/F-7. 2005 To What Extent Does the CEO Believe That...:**

Respondents were asked to describe (using a scale of 1 [“Strongly disagree”] to 7 [“Strongly agree”]) 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

<b>Table V/F-7: 2005 To what Extent does the CEO Believe that:</b>						
<i>1= Strongly Disagree, 7= Strongly Agree</i>						
<b>Type</b>	<b>Categories</b>	<b>Evaluation methods are adequate</b>	<b>Organizational reputation contributes to success</b>	<b>PR contributes to maintaining or increasing market share</b>	<b>PR contributes to financial success</b>	<b>PR contributes to maintaining or increasing sales</b>
Not for Profit	\$580 Million-\$6 Billion	4.57	6.36	5.47	5.06	4.94
	\$100M-\$580M	4.67	6.41	5.55	5.38	5.41
	Less than \$100M	5.07	6.26	5.86	5.77	5.76
Government	All	5.63	6.47	6.27	6.5	6.11

**Significant Findings/Observations: see following page.**

**Table V/F-7. 2005 To What Extent Does the CEO Believe That...: (cont'd.)**

**Significant Findings/Observations**

**In 2005:**

- a. All respondents reported that their CEOs believe “Organizational reputation contributes to success.”
- b. Government agency respondents reported that their CEOs believe in the other four statements to a greater degree than non-profit respondents.
- c. Respondents were neutral to moderately in agreement with “Evaluation methods are adequate.”

**On a Year-Over-Year Basis:** N/A due to changes in methodology

***The Data Suggest That:***

- a. *Although by slight margins, government agencies are more enthusiastic than not-for-profit organizations about CEO perceptions.*

**V/G-1 and G-1a. 2005 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 (Additional or “Other” listings were invited).

<b>Table V/G1: 2005 All Functions for which Respondents have Budgetary Responsibility</b>					
<b>Function</b>	<b>Not for Profit</b>			<b>Government</b>	<b>Corporate</b>
	<b>\$580 Million- \$6 Billion</b>	<b>\$100M- \$580M</b>	<b>Less than \$100M</b>	<b>All</b>	<b>\$580 Million- \$1.6 Billion</b>
Corporate communications	96%	90%	79%	72%	90%
Employee communications	87%	87%	45%	72%	83%
Crisis management	78%	83%	55%	67%	69%
Community relations	70%	70%	67%	83%	65%
Corporate external web site	70%	82%	71%	78%	60%
Corporate image - Graphic standards	70%	87%	74%	78%	65%
Marketing PR	70%	87%	76%	67%	50%
Executive communications	65%	57%	45%	67%	62%
Corporate reputation	61%	65%	50%	44%	60%
Advertising - corporate image	52%	87%	66%	78%	56%
Issues management	43%	50%	34%	39%	38%
Public affairs	43%	67%	64%	72%	45%
Corporate intranet	39%	40%	28%	39%	36%
Advertising - issues	30%	63%	50%	61%	24%
Government relations	26%	20%	28%	17%	27%
Philanthropy	26%	18%	26%	28%	50%
Advertising - product	22%	63%	57%	61%	23%
Corporate ethics / ombudsman	13%	0%	10%	6%	6%
Corporate governance / standards	9%	3%	7%	28%	6%
Investor relations	0%	0%	3%	6%	28%

**Significant Findings/Observations: see following pages.**

**V/G-1 and G-1a. 2005 All Functions for Which Respondents have Budgetary Responsibility, and Their Rankings (cont'd)**

<b>Table V/G1a: 2005 Ranking of all Functions for which Respondents have Budgetary Responsibility</b>					
<b>Function</b>	<b>Not for Profit</b>			<b>Government</b>	<b>Corporate</b>
	<b>\$580 Million- \$6 Billion</b>	<b>\$100M- \$580M</b>	<b>Less than \$100M</b>	<b>All</b>	<b>\$580 Million- \$1.6 Billion</b>
Corporate communications	1	1	1	3 (tie)	1
Employee communications	2	2 (tie)	11	3 (tie)	2
Crisis management	3	3	9	4 (tie)	3
Community relations	4 (tie)	4 (tie)	5	1	4 (tie)
Corporate external web site	4 (tie)	4 (tie)	4	2 (tie)	6 (tie)
Corporate image - Graphic standards	4 (tie)	2 (tie)	3	2 (tie)	4 (tie)
Marketing PR	4 (tie)	2 (tie)	2	4 (tie)	8
Executive communications	5	8	11	4 (tie)	5
Corporate reputation	6	6	10 (tie)	6	6 (tie)
Advertising - corporate image	7	2 (tie)	6	2 (tie)	7
Issues management	8 (tie)	9	12	7 (tie)	10
Public affairs	8 (tie)	5	7	3	9
Corporate intranet	9	10	13 (tie)	7 (tie)	11
Advertising - issues	10	7 (tie)	10 (tie)	5 (tie)	14
Government relations	11 (tie)	11	13 (tie)	9	13
Philanthropy	11 (tie)	12	14 (tie)	8	8
Advertising - product	12	7 (tie)	8	5 (tie)	15
Corporate ethics / ombudsman	13	14 (tie)	14 (tie)	10 (tie)	16 (tie)
Corporate governance / standards	14	13	15	8	16 (tie)
Investor relations	15	14 (tie)	16	10 (tie)	12

**Significant Findings/Observations: see following page.**

**V/G-1 and G-1a. 2005 All Functions for Which Respondents have Budgetary Responsibility, and Their Rankings (cont'd)**

**Significant Findings/Observations**

**In 2005:**

- a. Among not-for-profits, “Corporate communications” was ranked #1 across the board.
- b. Among government agencies, the most frequently cited function was “Community relations.”
- c. Functions receiving 65% or higher and ranked in the top 10 by government and not-for-profit agencies were:
  1. Corporate communications
  2. Employee communications (ranked #11 by small not-for-profits)
  3. Crisis management
  4. Community relations
  5. Corporate external web site
  6. Corporate image – Graphic standards
  7. Marketing
- d. It is interesting to note that “Corporate governance/standards” was cited by 28% of government agencies, but by fewer than 10% of not-for-profits and just 9% of corporate respondents.
- e. Comparing responses from all commercial enterprises (see III/G-1) with those of government and non-profit agencies, one finds that there are surprisingly few differences in the rankings of functional responsibilities, other than the obvious ones (i.e. investor relations, marketing PR, etc.).

**On a Year-Over-Year Basis:** N/A due to changes in methodology

***The Data Suggest That:***

- a. While the functions for which PR is responsible may remain the same across organizational types, the goals and objectives of those functions, and the strategies and tactics employed to achieve them, will clearly vary.

**V/H-1. 2005 Extent to Which Communication Functions are Integrated**

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 integrated”).

<b>Table V/H-1: 2005 Extent to which Communications Functions are Integrated</b>			
<i>1= Not At All Integrated, 7=Extremely Integrated</i>			
<b>Type</b>	<b>Categories</b>	<b>2005</b>	<b>Respondents</b>
Not for Profit	\$580 Million-\$6 Billion	4.45	20
	\$100M-\$580M	5.10	40
	Less than \$100M	4.81	54
Government	All	5.00	17
Corporate	\$580 Million-\$1.6 Billion	4.87	77
	\$100M-\$580M	4.73	117
	Less than \$100M	4.72	146

**Significant Findings/Observations**

**In 2005:**

- a. It appears that respondents believed that the various communications functions are somewhat integrated, though there remains substantial room for improvement.
- b. It is interesting to compare the cumulative average scores for various types of respondent organizations:
  - Government agencies      5.00
  - Large non-profits:            4.45
  - Mid sized non-profits        5.10
  - Small non-profits            4.81
  - Fortune 500                    5.00
  - Fortune 20000+                4.72

**On a Year-Over-Year Basis:** N/A due to changes in methodology

**V/H-1. 2005 Extent to Which Communication Functions are Integrated (cont'd)**

***The Data Suggest That:***

- a. *It is noteworthy that large and small non-profits, along with small companies, achieved the lowest integration score. This may prevent such organizations in their entirety, and their PR functions in particular, from achieving their full potential.*

**V/H-1. 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.”

<b>Table V/H-2: 2005 Organizational Description</b>				
<b>Functions</b>	<b>Not for Profit</b>			<b>Government</b>
	<b>\$580 Million- \$6 Billion</b>	<b>\$100M-\$580M</b>	<b>Less than \$100M</b>	<b>All</b>
Rigid - Flexible	4.35	4.03	4.39	3.82
Autocratic - Democratic	4.25	4.38	4.43	3.47
Profits first - People first	4.55	5.00	5.16	4.93
Unethical - Ethical	4.85	5.90	5.89	5.53
Reactive - Proactive	3.65	4.18	3.84	4.71
Tactical - Strategic	3.95	4.00	4.27	4.94
Poor external reputation - Good external reputation	4.75	5.73	5.35	5.35
Successful - Unsuccessful	4.60	5.55	5.18	5.53

**Significant Findings/Observations**

**In 2005:**

- a. Government agencies described themselves as being:
  1. At 3.82, somewhat more “Rigid” than “Flexible”
  2. At 3.47, a good deal more “Autocratic” than ”Democratic”
  3. At 4.93, somewhat more “People first” than “Profits first”
  4. At 5.53, much more “Ethical” than “Unethical”
  5. At 4.71, somewhat more “Proactive” than “Reactive”
  6. At 4.94, somewhat more “Strategic” than “Tactical”
  7. At 5.35, much more likely to have a “Good external reputation” than a “Poor external reputation”
  8. At 5.53, much more “Successful” than “Unsuccessful”

## **V/H-1. Organizational Description (cont'd)**

### **Significant Findings/Observations**

#### **In 2005:**

- b. Taken as a whole, non-profit organizations described themselves as being:
  - 1. At 4.35, 4.03, and 4.39, balanced between “Rigid” and “Flexible”
  - 2. At 4.25, 4.38, and 4.43, balanced between “Autocratic” and “Democratic”
  - 3. At 4.55, 5.00, and 5.16, somewhat more “People first” than “Profits first”
  - 4. At 4.85, 5.90, and 5.89, much more “Ethical” than “Unethical”
  - 5. At 3.65, 4.18, and 3.85, somewhat more “Reactive” than “Proactive”
  - 6. At 3.95, 4.00, and 4.27, balanced between “Strategic” and “Tactical”
  - 7. At 4.75, 5.73, and 5.35, somewhat to a good deal more likely to have a “Good external reputation” than a “Poor external reputation”
  - 8. At 4.60, 5.55, and 5.18, somewhat to a good deal more “Successful” than “Unsuccessful”
  
- c. By comparison, all commercial respondents described themselves as being:
  - 1. At 4.25, slightly more “Flexible” than “Rigid”
  - 2. At 3.99, balanced between “Autocratic” and “Democratic”
  - 3. At 4.05, balanced between “Profits first” and “People first”
  - 4. At 5.90, far more “Ethical” than “Unethical”
  - 5. At 4.01, balanced between “Proactive” and “Reactive”
  - 6. At 4.20, only slightly more “Strategic” than “Tactical”
  - 7. At 5.38, definitely having a “Good external reputation” versus a “Poor external reputation”
  - 8. At 5.38, definitely more “Successful” than “Unsuccessful”

**On a Year-Over-Year Basis:** N/A due to changes in methodology

#### ***The Data Suggest That:***

- a. While commercial enterprises give themselves a strong score for ethics (5.90), it is somewhat surprising that respondent government agencies and non-profits give themselves ethics scores that are lower than that of the companies.