

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 VI: HEALTH CARE,
MANUFACTURING AND TECHNOLOGY
ORGANIZATIONS**

(READER: PLEASE SEE IMPORTANT NOTES ON PAGE ONE)

By

Jerry Swerling, M.A.

**Director of Public Relations Studies and the Strategic Public Relations Center
Professor of Professional Practice
USC Annenberg School for Communication**

Ian Mitroff, Ph.D.

**Associate Director, USC Annenberg Strategic Public Relations Center
Professor, Public Relations Studies, USC Annenberg School for Communication
Harold Quinton Professor of Business Policy, USC Marshall School of Business**

Jeffrey Hall, Ph.D. Candidate, Communication

**USC Annenberg School for Communication
Senior Research Associate, USC Annenberg Strategic Public Relations Center**

Lieutenant Colonel Daniel King, US Army, M.A. Candidate - Strategic Public Relations

**USC Annenberg School for Communication
Senior Research Associate, USC Annenberg Strategic Public Relations Center**

Louella Benson, Ed.D.

Senior Editorial Associate, USC Annenberg Strategic Public Relations Center

Patrick O'Boyle, M.A. Candidate - Strategic Public Relations

**USC Annenberg School for Communication
Editorial Associate, USC Annenberg Strategic Public Relations Center**

VI. HEALTH CARE, MANUFACTURING AND TECHNOLOGY ORGANIZATIONS

IMPORTANT INTRODUCTORY COMMENTS

The overall goal of the GAP Study, and the mission of the USC Annenberg Strategic Public Relations Center, is to advance 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, for the first time in the GAP series, GAP IV breaks out information from three specific industry categories: Health Care, Manufacturing, and Technology.

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

- 1. To assure 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, making those data non-projectable. 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 numerous category-specific responses 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 address 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 (i.e. budgets for health care organizations) to his or her own situation.

VI. HEALTH CARE, MANUFACTURING AND TECHNOLOGY ORGANIZATIONS

VI/A. Health Care, Manufacturing and Technology Organizations: Respondent Data

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

Participants were asked to indicate: (1) how they would categorize their organizations based on a list provided; (2) their level of responsibility, i.e. corporate or operating unit/divisional (a change instituted to facilitate comparisons among types of organizational structures, and (3) their U.S. gross revenues in whole dollars for the most recently completed fiscal year (i.e. 2004/2005).

Type	Average Revenues (in millions)	Respondents
	2005	2005
Health Care	\$8,041	56
Manufacturing	\$5,514	78
Technology	\$5,145	42

* Data limited to organizations that reported gross revenues

% of Total Respondents						
Type	Health Care		Manufacturing		Technology	
	Percentage	Respondents	Percentage	Respondents	Percentage	Respondents
Public company - Corporate Level	22%	16	45%	41	64%	32
Public Company - Division or unit	4%	3	20%	18	16%	8
Private Company - Corporate Level	12%	9	28%	26	16%	8
Private Company - Division or Unit	3%	2	4%	4	2%	1
Government agency (including military)	1%	1	0%	0	0%	0
Not-for-Profit Organization	57.5%	42	3%	3	2%	1

Significant Findings/Observations: see following page.

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

Significant Findings/Observations

In 2005:

- a. Of the 73 health care organizations represented in this study, more than half (57%) were “Not-for-Profit organizations” and 38% were various levels of public companies.
- b. Nearly 80% of all Health Care respondents reported their gross revenues, which collectively averaged \$8,041M - the highest among the three organizational categories.
- c. Of the 92 Manufacturing respondents, most (45%) categorized themselves as “Public company – Corporate level.” The next largest sub-group was “Private company – Corporate level” (28%) and “Public company – Division or unit” (20%).
- d. More than 80% of Manufacturing respondents reported their gross revenues (\$5,515M).
- e. Of the 50 Technology respondents, 64% were from “Public company – Company level,” and 16% (each) from “Public company – Division or unit” and “Private company – Corporate level.”
- f. More than 80% of technology respondents reported their gross revenues (\$5,145M).

On a Year-Over-Year Basis: N/A – new methodology

- a. *The Data Suggest That: The authors hypothesize that many of the (large number of) non-profits within the Health Care category are local, regional, and national hospitals and/or hospital chains, and/or other types of health related non-profits (i.e. patient advocacy groups).*
- b. *The presence of that large number of non-profits within the Health Care category will skew the data and make comparisons within the category problematic.*
- c. *The fact that Health Care shows the highest average revenue can be explained by the weight of the data from the 41% of corporate Health Care respondents, some of which are global in nature (see following table).*
- d. *The numbers of respondents within the Technology and Manufacturing categories should make category-wide conclusions and observations viable.*
- e. *Comparisons between Health Care, Manufacturing and Technology organizations should be seen in the context of their varying sizes, missions and natures.*

Table VI/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.

Table VI/A-3: 2005 Geographic Parameters of Respondent's Responsibilities			
Parameters	Health Care	Manufacturing	Technology
US- local or regional	50	9	3
US -National	14	18	8
North America (US, Canada, Mexico)	1	17	9
Americas (North, Central, South)	1	1	2
International (US plus multiple companies)	1	24	14
Global	5	23	14
Total	73	92	50

Significant Findings/Observations

In 2005:

- a. Approximately two of every three health care respondents had local or regional authority within the U.S.
- b. Generally speaking, Manufacturing and Technology respondents had much broader geographic responsibility.

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. *Within the Health Care category, the preponderance of local/regional authority, coupled with the large percentage of non-profit organizations, reinforces the hypothesis that these are local and/or regional health care provider organizations, i.e. hospitals.*
- b. *Manufacturing and Technology respondents have fairly well balanced domestic and international presences.*

Table VI/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).

Table VI/B-1: 2005 Total Average PR Budgets					
Type	PR Budgets w/ salaries	PR Budgets w/o salaries	PR salaries	Percentage of PR Budgets dedicated to salaries*	Respondents
Health Care	\$2,272,545	\$1,425,824	\$850,011	38%	56
Manufacturing	\$4,825,620	\$2,453,013	\$2,421,068	50%	70
Technology	\$3,702,369	\$1,768,631	\$1,868,994	50%	33

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

Significant Findings/Observations

In 2005:

- a. The Manufacturing and Technology categories dedicated 50% of their budgets to salaries and related, which is wholly consistent with overall GAP findings.

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. *The substantially lower percentage dedicated to salaries by Health Care organizations is undoubtedly a result of the presence of so many local and regional non-profit organizations in that category.*
- b. *The average budgets of the Manufacturing and Technology respondents, when compared with those of all corporate respondents (see III/B-1), suggest that they are generally in the \$3.1 - \$6 Billion (Fortune 501 – 1000) revenue range.*

Table VI/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.

Table VI/B-2: 2005 Percentile Budget Changes		
Type	Average % Budget Change	Respondents
Health Care	5.84	64
Manufacturing	-1.44	90
Technology	3.80	43

Significant Findings/Observations

In 2005:

- a. Health Care and Technology respondents saw budgets increase in 2005.
- b. Manufacturing organizations saw a slight decrease or remained flat.

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. *The large increase in Health Care must be viewed in the context of their much smaller average budgets.*
- b. *The increase in Technology may be evidence of that industry’s post bubble recovery.*

Tables VI/B-3 and VI/B-3a. 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.

Table VI/B-3: 2005 Ratio of PR Budgets to Gross Revenues: PR/GR Ratio				
	Average Gross Revenue (GR in millions)	Average PR Budgets (actual figures)	PR/GR Ratio (\$)	Respondents
Type	2005	2005	2005	2005
Health Care	\$8,041	\$2,272,545	\$7,516	57
Manufacturing	\$5,514	\$4,825,620	\$12,614	76
Technology	\$5,145	\$3,702,369	\$20,156	35
* PR/GR Ratio calculated only using companies reporting gross revenues as well as budgets including salaries				
** Number of dollars spent on PR for each \$1 million in revenue				

Significant Findings/Observations

In 2005:

- a. The combining of organizations of all revenue sizes into single, industry-wide categories produced non-reliable information re. PR/GR Ratio. Refer instead to III/B-3.

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. *The combining of organizations of all revenue sizes into single, industry-wide categories produces non-reliable information re. PR/GR Ratio. Refer instead to III/B-3.*

Table VI/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).

Table VI/B-4: 2005 Expected Change in PR Budget Next Fiscal Year		
Type	Expected Change	Respondents
Health Care	3.75%	46
Manufacturing	7.19%	60
Technology	0.20%	32

Significant Findings/Observations

In 2005:

- a. As stated in discussion of Table VI/B-2, Health Care respondents saw their PR budgets grow.
- b. Manufacturing respondents collectively anticipated significant increases in 2006.

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. *The increase in Health Care must be viewed in the context of their much smaller average budgets.*

Table VI/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 previously reported PR budgets.

Table VI/B-5: 2005 PR Budget Relative to Advertising		
Type	Percent	Respondents
Health Care	0.57%	13
Manufacturing	3.67%	20
Technology	1.23%	9

Significant Findings/Observations

In 2005:

- a. The advertising-to-public relations budget relationship was computed from actual reported advertising and public relations budgets; these are not estimated figures.
- b. The small numbers of respondents in each category who provided both advertising and PR budgets, as well as the combining of all sizes of organizations into industry-wide categories, make projectable results problematic.
- c. Despite the comments above, the data are remarkably consistent with those of all corporate respondents to GAP IV, which averaged 1.28% (see III/B-5).

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. Section V found that larger not-for-profit organizations have a lower PR budget relative to advertising, so taking the not-for-profit influence of the health care industry into consideration; Table VI-5 data are not unexpected.

b. Further study of this important question is imperative. However, if these averages are close to the reality of the situation, the profession has a great deal of work to do in demonstrating its value relative to advertising.

Table VI/B-6. 2005 Percentage 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.

Table VI/B-6: 2005 Percentage of PR Budget Dedicated to Evaluation		
Type	Percentage	Respondents
Health Care	3.19%	46
Manufacturing	3.97%	60
Technology	5.47%	32

Significant Findings/Observations

In 2005:

- a. These data are remarkably consistent with those of all corporate respondents to GAP IV, which averaged 4.0% (see III/B-6).

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. *With these averages as low as they are (and with an overall average of 4% being allocated to evaluation by all respondents), while no benchmarks exist for appropriate expenditures on research and evaluation, the authors believe that the percentages allocated to evaluation are lower than the ideal, especially at a time when (1) the profession is facing a window of opportunity to demonstrate its value relative to other disciplines, and (2) pressure to be held to higher levels of accountability is increasing exponentially.*

Tables VI/C-1. and VI/C-2. 2005 PR Function Reporting Lines and Their Appropriateness

Respondents were asked to indicate: (1) to whom they report (with multiple responses allowed), and (2) the appropriateness of that reporting line (by selecting a number from 1 [“Strongly agree that it’s appropriate”] to 7 [“Strongly disagree that it’s appropriate”]).

Table VI/C-1: 2005 PR Function Reporting Lines			
	Health Care	Manufacturing	Technology
Executive Office	77%	49%	56%
Head of Operating Unit	16%	15%	22%
Marketing	18%	26%	36%
HR	11%	12%	4%
Legal	3%	4%	6%
Finance	4%	6%	14%
Strategic Planning	4%	2%	6%

Table VI/C-2: How Appropriate is this Line of Reporting			
<i>1= Highly Inappropriate, 7=Highly Appropriate</i>			
	Health Care	Manufacturing	Technology
Appropriateness	6.08	5.55	5.08

Significant Findings/Observations: see following page

Tables VI/C-1. and VI/C-2. 2005 PR Function Reporting Lines and Their Appropriateness
(cont'd)

Significant Findings/Observations

In 2005:

- a. More respondents, irrespective of industry type, reported to the Executive Office than any other department.
- b. Irrespective of industry type, Marketing was the second-most cited reporting line, with more than one-third of respondent Technology PR functions reporting there.
- c. All respondents appear to have felt that their reporting lines were appropriate, with the highest level of appropriateness in reporting by Health Care (6.08).

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. *Among all corporate respondents to GAP IV, 64% report to the C-Suite and 25% report to Marketing. This suggests that, at least among GAP IV respondents, PR functions in Technology and Manufacturing are less likely to report to the C-Suite and more likely to report to Marketing.*
- b. *The healthy showing of PR reporting to Marketing – particularly by Manufacturing and Technology – may be due to a greater emphasis on sales rather than overall reputation.*

Table 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 September 30, 2005.

Type	Average	Respondents
Health Care	8.75	73
Manufacturing	10.52	93
Technology	8.98	49

Significant Findings/Observations

In 2005:

- a. Manufacturing PR departments, which reported the largest PR budgets, had the largest number of PR employees (10.52) in 2005. Health Care, which reported the smallest PR budgets, had the fewest (8.75).

On a Year-Over Year Basis: N/A – new methodology

The Data Suggest That:

- a. *The average size of Health Care respondents' PR staffs is not appreciably smaller than those of the other two categories. This presents a bit of a paradox, given the presence of so many non-profits in the Health Care category. This may be due to the ability of non-profits to hire relatively large staffs, in part because of the lower salaries they pay.*

Table VI/C-4. 2005 Percent 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.

Table VI/C-4: 2005 Percent change in PR staff size		
Type	Average	Respondents
Health Care	2.51%	73
Manufacturing	1.91%	92
Technology	3.69%	48

Significant Findings/Observations

In 2005:

- a. All respondents reported percentile increases in the sizes of their PR staffs from 2004 to 2005.
- b. The largest increase occurred within the Technology industry (3.69%) while the smallest occurred within the Manufacturing industry (1.91%).
- c. These data are wholly consistent with previously reported changes in budgets.
- d. These data are wholly consistent with those of all corporate respondents to GAP IV, which averaged 3.0% (see III/C-4).

On a Year-Over Year Basis: N/A – new methodology

The Data Suggest That:

- a. *The growth in Technology may be a reflection of that industry's post bubble recovery.*
- b. *Manufacturing's decrease in the total PR budget in 2005 may be the reason why the industry's PR staff size has grown at a slower rate than that of the other two industries.*

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

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

Table VI/D-1: 2005 Use PR Agencies		
	Use Agencies	Respondents
Type	2005	2005
Health Care	58%	71
Manufacturing	66%	88
Technology	77%	48

Significant Findings/Observations

In 2005:

- a. The majority of respondents in all three industries worked with outside agencies.
- b. Technology used outside PR agencies most (77%), followed by Manufacturing (66%) and Health Care (58%).
- c. These data are wholly consistent with those of all corporate respondents to GAP IV, 62% of which work with agencies (see III/D-1).

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. *The lesser use of agencies by Health Care respondents can be explained by the large number of local and regional non-profit organizations among them.*

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

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

Table VI/D-2: 2005 Percent of PR Budget Allocated To Agency Fees		
Type	% of PR Budget	Respondents
Health Care	25%	31
Manufacturing	27%	45
Technology	33%	28

Significant Findings/Observations

In 2005:

- a. Among the three industries, Technology allocated the highest percentage of PR budgets (33%) to agency fees.
- b. These data are wholly consistent with those of all corporate respondents to GAP IV, which allocated an overall average of 25% of their budgets to agency fees.

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. The smaller percentages of PR budgets allocated to agency fees by Health Care respondents can be explained by the large number of local and regional non-profit organizations among them.

Tables VI/D-3 and VI/D-3a. 2005 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.

Table VI/D-3: 2005 Selecting an Agency or Adding an Assignment to an Existing Agency...Who is Involved in the Decision-Making Process?			
Department	Health Care	Manufacturing	Technology
Public Relations	75%	63%	78%
Corp. Communications	67%	64%	78%
C-Suite	42%	39%	51%
Marketing	67%	45%	57%
Legal	4%	11%	18%
Purchasing / Resourcing	7%	12%	20%

Table VI/D-3a: 2005 Ranking of Selecting an Agency or Adding an Assignment to an Existing Agency...Who is Involved in the Decision-Making Process?			
Department	Health Care	Manufacturing	Technology
Public Relations	1	1	1 (tie)
Corp. Communications	2 (tie)	2	1 (tie)
Marketing	2 (tie)	3	2
C-Suite	3	4	3
Purchasing / Resourcing	4	5	4
Legal	5	6	5

Significant Findings/Observations: see following page.

Tables VI/D-3 and VI/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, for the three industries examined, Public Relations (63% to 78%) and Corporate Communications (64% to 78%) were the departments most often involved in the agency selection process.
- b. Among all corporate respondents to GAP IV, Marketing was involved in the process 50% of the time. This compares with 67% in Health Care, 57% in Technology, and 45% in Manufacturing.
- c. Among all corporate respondents to GAP IV, the C-Suite was involved in the process 42% of the time. This compares with 42% in Health Care, 51% in Technology, and 39% in Manufacturing.
- d. Purchasing/Resourcing and Legal were the departments lowest ranked, respectively, and the least involved. However, it should be noted that one of every five Technology companies involved both departments in the decision process.

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. *The lower involvement of Legal and Purchasing/Resourcing in decision making has been consistent with every organization type and size in this study.*

Table VI/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 VI/D-4: 2005 Nature of Agency Relationships					
Type	Agency of Record	Multiple Agencies	Pre-Approved Criteria	Ad-Hoc Basis	Respondents
Health Care	40%	30%	7%	23%	43
Manufacturing	20%	23%	3%	16%	58
Technology	32%	30%	2%	10%	37

Significant Findings/Observations

In 2005:

- a. Agency of Record was cited by 20% of all corporate respondents to GAP IV. This suggests that the AOR model was more popular than average among Health Care (40%) and Technology (32%) organizations.
- b. However, with the highest single percentage cited being only 40%, there is no clearly preferred type of relationship among these three industries.

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. *No clear tendency toward any type of agency relationship can be drawn.*
- b. *The relatively high occurrence of Agency of Record among Health Care organizations can be explained by the large number of local and regional non-profit organizations among them.*
- c. *That the traditional “Agency of Record” is not strongly favored by any of the industries has possible implications for such issues as the continuity of agency/client relationships, agency staffing and agency/client loyalty.*

Table VI/D-5. Number of Agencies Used

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

Type	Average	Respondents
Health Care	2.09	40
Manufacturing	2.63	56
Technology	2.46	37

Significant Findings/Observations

In 2005:

- a. These data are wholly consistent with those of all corporate respondents to GAP IV, which worked with an overall average of 2.46 agencies.

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. *The relatively smaller number of agencies worked with by Health Care organizations can be explained by the large number of local and regional non-profit organizations among them.*

Tables VI/D-6 and VI/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 worked 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.

Table VI/D-6: 2005 Reasons for Working with Agencies			
Reason	Health Care	Manufacturing	Technology
Extra arms & legs	55%	56%	61%
They offer unique expertise	41%	45%	57%
Strategic / market insight and experience	37%	39%	59%
Complement our internal capabilities	45%	51%	55%
Objective point of view	34%	29%	37%
Cheaper than adding staff	14%	25%	18%
Limits on internal head count	16%	26%	33%
Ability to quantify results	11%	13%	24%

Table VI/D-6a: 2005 Ranking of Reasons for Working with Agencies			
Reason	Health Care	Manufacturing	Technology
Extra arms & legs	1	1	1
Complement our internal capabilities	2	2	4
They offer unique expertise	3	3	3
Strategic / market insight and experience	4	4	2
Objective point of view	5	5	5
Limits on internal head count	6	6	6
Cheaper than adding staff	7	7	8
Ability to quantify results	8	8	7

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, the highest responses (55%-61%) across the board were for the #1-ranked “Extra arms & legs.”
- b. The second most cited reason (41%-57%) was ‘Complement our internal capabilities,’ ranked #2 by Health Care and Manufacturing, and #4 by Technology.

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. *Quantifiable reasons were the least likely reasons for working with outside agencies.*
- b. *The need for additional labor is an obvious factor when it comes to working with outside agencies.*
- c. *Technology companies appear to have attached greater value to “Unique expertise” and “Strategic market insight and experience,” perhaps due to the special knowledge required to succeed in technology.*

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.

Table VI/D-7: 2005 Reservations about Working with Agencies		
Type	No Reservations	Respondents
Health Care	41%	70
Manufacturing	43%	82
Technology	59%	49

Significant Findings/Observations:

In 2005:

- a. These data are generally consistent with those for all GAP IV respondents, i.e. 45% reporting that they have no reservations about working with agencies. (See III/D-7.)

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. *Technology companies are particularly confident about their agency relationships, while Health Care and Manufacturing organizations are more in line with the norm.*

Tables VI/D-7a and VI/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	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
Health Care	66%	32%	43%	75%	27%	80%	27%	7%	44
Manufacturing	57%	26%	30%	61%	19%	80%	17%	6%	54
Technology	62%	29%	29%	62%	33%	76%	29%	19%	21

Reasons	Health Care	Manufacturing	Technology
Cost	1	1	1
Lack of knowledge / insight into our business	2	2	2 (tie)
Return on investment	3	3	2 (tie)
Junior level of assigned staff	4	4	4 (tie)
Staff turnover	5	5	4 (tie)
Ability to quantify results	6	6	3
Ability to execute projects	7	7	4 (tie)
Current / potential conflicts of interests	8	8	5

Significant Findings/Observations: see following page.

Tables VI/D-7a and VI/D7-b. Reservations About Working with Agencies, and Their Rankings (cont'd)

Significant Findings/Observations

In 2005:

- a. Among those respondents that were working with agencies who had reservations about doing so, 80% of Technology and Manufacturing respondents, and 76% of Technology respondents, cited “Cost” as their #1 reservation, by far.
- b. Ranked #2 across the board was “Lack of knowledge/insight into our business,” which was a bigger concern for Health Care (75%).
- c. “Return on investment” ranked #3 across the board.

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. *Health Care has a higher degree of concern about financial issues, which can be explained by the large number of local and regional non-profit organizations among them.*

Tables VI/E-1 to VI/E-2: 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 2005			
<i>1=Do Not Use, 7=Use Significantly</i>			
Methodology	Health Care	Manufacturing	Technology
Ad equivalency of clips	3.12	2.80	3.05
Content analysis of clips	3.93	3.76	4.50
Contrib. to market share	3.02	2.05	2.78
Contrib. to profitability	2.79	2.34	2.80
Contrib. to sales	2.67	2.73	3.24
Crisis avoidance mitigation	3.97	3.19	3.15
Infl. on corporate culture	4.16	3.50	3.59
Infl. on corporate reputation	4.61	4.08	4.56
Infl. on employee attitudes/morale	4.62	4.15	3.93
Infl. on share of voice	3.11	3.03	3.77
Infl. on stakeholder awareness	3.67	3.32	3.98
Infl. on stakeholder opinion	3.38	3.17	3.78
Infl. on stock performance	1.87	2.56	3.40
Total circulation	3.29	3.70	3.24
Total impressions	3.76	3.62	3.57
Total number of clips	4.00	3.73	4.11
Total number of clips in "top tier" media	3.75	3.62	4.54

Significant Findings/Observations: see following pages.

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

Table VI/E-2: Ranking of Evaluation Methods			
<i>1=Do Not Use, 7=Use Significantly</i>			
Methodology	Health Care	Manufacturing	Technology
Clip ad equivalency	1	1	6
Infl. on share of voice	2	2	1
Total number of clips	3	7	9
Infl. on employee attitudes/morale	4	4	4
Contrib. to profitability	5	9	13
Infl. on corporate culture	6	3	3
Crisis avoidance mitigation	7	6 (tie)	10
Infl. on stock performance	8	6 (tie)	2
Infl. on stakeholder awareness	9	8	5
Infl. on stakeholder opinions	10	10	7
Total number of clips "top tier" media	11	5	12
Contrib. to market share	12	11	14
Contrib. to sales	13	11	8
Content analysis of clips	14	15	16
Total impressions	15	14	15
Total circulation	16	12	12
Infl. on corporate reputation	17	13	11

Significant Findings/Observations

In 2005:

- a. The highest score earned by any of the 17 listed methods, among all three organizational categories, was a semi-neutral 4.62 (“Influence on employee attitudes/morale,” among Health Care organizations).
- b. Very few evaluation methods scored 4.0 or higher:
 1. “Influence on corporate culture,” by Health Care, Manufacturing, Technology
 2. “Influence on employee attitudes/morale,” by Health Care and Manufacturing
 3. “Total number of clips,” by Health Care and Technology
 4. “Content analysis of clips,” by Technology
 5. “Total number of clips in ‘top tier’ media,” by Technology

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

- c. Evaluation methods scoring 2.5 or lower were “Influence on stock performance,” by Health Care; “Contribution to market share,” by Manufacturing and Technology; and “Contribution to profitability,” by Manufacturing and Technology.
- d. “Clip advertising equivalency” was ranked #1 by Health Care and Manufacturing, but only #6 by Technology.
- e. “Influence on stock performance” scored 3.40 by Technology, 2.56 by Manufacturing, and 1.87 by Health Care (reflecting the large number of non-profits in that category).
- f. Purely quantitative methods (“Ad equivalency of clips,” “Total circulation,” “Total impressions,” “Total number of clips” and “Total number of clips in ‘top tier’ media”) performed within the 3-4 range.

On a Year-Over-Year Basis: N/A – new 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. *Health Care and Technology are the most enthusiastic about using evaluation methods, while Manufacturing appears to be more unenthusiastic toward current methods.*
- c. *Despite the lack of a generally accepted method for measuring corporate reputation, “Influence on corporate reputation” is the measure used most.*
- d. *Indicators of harder, quantitative contributions to the organization (contributions to “Market share,” “Profitability,” “Sales,” “Stock performance”) scored poorly.*
- e. *Indicators of softer, qualitative contributions (influences on “Corporate culture,” “Corporate reputation,” “Employee attitudes/morale,” “Share of voice”) did better.*
- f. *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”).

Table VI/E-3: 2005 Use of Data from Other Functions		
<i>1= Strongly Disagree, 7= Strongly Agree</i>		
Type	Average	Respondents
Health Care	4.92	72
Manufacturing	4.41	87
Technology	4.23	48

Significant Findings/Observations

In 2005:

- a. Respondents in all three categories appear to have made some use of data from other functions.

On a Year-Over-Year Basis: N/A – new methodology

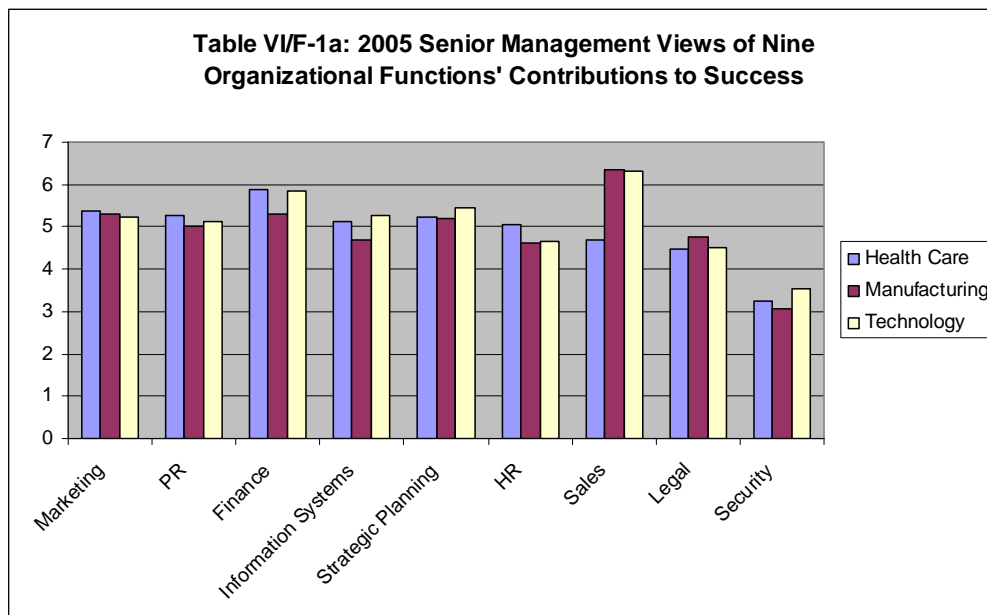
The Data Suggest That:

- 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. It appears that some progress is being made in this area.*

Tables VI/F-1 to VI/F-1a. Senior Management 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 (“Contributes significantly”) how their senior management views contributions by nine common functions to their companies’ success.

Table VI/F-1: 2005 Senior Management Views of Nine Organizational Functions' Contributions to Success:			
<i>1=Does Not Contribute Significantly, 7= Contributes Significantly</i>			
Type	Health Care	Manufacturing	Technology
Marketing	5.39	5.29	5.23
PR	5.26	5.02	5.13
Finance	5.88	5.29	5.83
Information Systems	5.13	4.69	5.26
Strategic Planning	5.22	5.19	5.44
HR	5.06	4.63	4.65
Sales	4.7	6.34	6.30
Legal	4.49	4.78	4.51
Security	3.23	3.08	3.52



Significant Findings/Observations: see following page.

Tables VI/F-1 to VI/F-1a. Senior Management Views and Rankings of Nine Organizational Functions' Contributions to Success (cont'd)

Significant Findings/Observations

In 2005:

- a. Health Care ranked Finance #1 (5.88), while Manufacturing and Technology gave that honor to Sales (6.34 and 6.30 respectively).
- b. From an overall standpoint Public Relations did quite well, with scores of 5.26 (Health Care), 5.02 (Manufacturing), and 5.13 (Technology). This compares with an average score from all GAP IV corporate respondents of 5.04.
- c. Marketing earned scores of 5.39 (Health Care), 5.29 (Manufacturing), and 5.23 (Technology). This compares with an average score from all GAP IV corporate respondents of 5.05.
- d. It is interesting to compare the scores given to PR by various types of respondent organizations:

➤ Health Care	5.26
➤ Manufacturing	5.02
➤ Technology	5.13
➤ 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
➤ All Corporate Respondents	5.30

On a Year-Over-Year Basis: N/A – new methodology

Tables VI/F-1 to VI/F-1a. Senior Management Views and Rankings of Nine Organizational Functions' Contributions to Success (cont'd)

The Data Suggest That:

- a. While rankings are interesting, the small ranges between raw scores suggest that rankings can be misleading.*
- b. The three industries agree that Finance is an especially important contributor.*
- c. Manufacturing and Technology respondents are in agreement on the top three contributors to success, which are quantifiable in nature.*
- d. PR's perceived contribution in 2005 appears to have been both rational and reasonable: somewhat behind certain disciplines (i.e. Finance), on par with others (i.e. Marketing), and ahead of some (i.e. Legal, Security). Industry veterans will immediately recognize the improvement this represents over the situation that existed just a few years ago, when PR was seen as a luxury rather than a necessity.*

Table VI/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.

Table VI/F-2: 2005 Degree of Management Support for PR		
<i>1= Not Supportive, 7= Highly Supportive</i>		
Type	2005	Respondents
Health Care	5.89	73
Manufacturing	5.18	93
Technology	5.24	50

Significant Findings/Observations

In 2005:

- a. Among all three industries, PR received strong support from senior management.
- b. Support appears to have been strongest among Health Care organizations.
- e. It is interesting to compare the cumulative average scores for various types of respondent organizations:

- Health Care 5.89
- Manufacturing 5.18
- Technology 5.24
- 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
- All Corporate Respondents 5.52

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. *The PR function is receiving strong levels of support from senior management in the Health Care, Manufacturing and Technology industries. This is further evidence of strong professional self perception and confidence.*

Table VI/F-3. 2005 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 very seriously”) to 7 (“Taken very seriously”).

Table VI/F-3: 2005 Extent to Which PR Recommendations are Taken Seriously		
<i>1= Not Very Seriously, 7= Taken Very Seriously</i>		
Type	2005	Respondents
Health Care	6.00	73
Manufacturing	5.23	93
Technology	5.32	50

Significant Findings/Observations

In 2005:

- a. Clearly, PR recommendations were taken very seriously in all three industry categories.
 - a. Health Care 6.00
 - b. Manufacturing 5.23
 - c. Technology 5.32
 - d. Government agencies 6.00
 - e. Large non-profits: 5.83
 - f. Mid sized non-profits 5.90
 - g. Small non-profits 5.83
 - h. Fortune 500 5.95
 - i. Fortune 20000+ 5.61
 - j. All corporate respondents 5.56

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. *The responses from all types of GAP respondents are remarkably consistent and say a great deal about the perceived value of PR and its contribution to organizational success.*

Table VI/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”).

Table VI/F-4: Extent to Which PR Contributes to Strategic Decision Making and Planning		
<i>1= Never, 7= Always</i>		
Type	2005	Respondents
Health Care	5.18	73
Manufacturing	4.68	93
Technology	4.54	50

Significant Findings/Observations: see following page

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

Significant Findings/Observations

In 2005:

- a. With scores ranging from a low of 4.54 (Technology) to a high of 5.18 (Health Care), it is clear that PR contributed – to a moderate degree – to strategic decision making and planning.
- b. It is interesting to compare the cumulative average scores for various types of respondent organizations:
 - Health Care 5.18
 - Manufacturing 4.68
 - Technology 4.54
 - 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
 - All Corporate Respondents 5.05

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. *Health Care PR departments are more likely to contribute to strategic decision making and planning than those of manufacturing and technology organizations.*
- b. *Practitioners are being asked to bring the PR point of view to bear on the broader strategic planning of their organizations.*

Table 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 invited”) to 7 (“Always invited”).

Table VI/F-5: Likelihood of PR being Invited to Meetings Dealing with Strategic Planning		
<i>1=Never, 7= Always</i>		
Type	2005	Respondents
Health Care	5.14	73
Manufacturing	4.54	92
Technology	4.28	50

Significant Findings/Observations: see following page

Table VI/F-5. Likelihood of PR Being Invited to Meetings Dealing with Strategic Planning
(cont'd)

Significant Findings/Observations

In 2005:

- a. Respondents in all three categories believed, to a moderate degree, that PR would be invited to meetings dealing with strategic planning.
- b. It is interesting to compare the cumulative average scores for various types of respondent organizations:

➤ Health Care	5.14
➤ Manufacturing	4.54
➤ Technology	4.28
➤ 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
➤ All Corporate Respondents	4.84

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. *Health Care again is more enthusiastic about the likelihood of participating in strategic planning and being invited to related meetings. However, this must be seen in the context of the large numbers of local and regional non-profit organizations included in that category.*

Table VI/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”).

Table VI/F-6: Likelihood of PR being Invited to Meetings Dealing with Important Issues that May or May Not have Communications Implications		
<i>1=Definitely Not Invited, 7= Definitely Invited</i>		
Type	2005	Respondents
Health Care	5.22	73
Manufacturing	4.27	92
Technology	4.82	50

Significant Findings/Observations: see following page

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

Significant Findings/Observations

In 2005:

- a. Respondents believed, to a moderate degree, that PR would be invited to meetings dealing with important issues that may or may not have communication implications.
- b. Again, Health Care respondents believed they had a stronger likelihood of being invited to these meetings. However, this must be viewed in the context of the large number of local and regional non-profit organizations included in this category.
- c. It is interesting to compare the cumulative average scores for various types of

respondents:

➤ Health Care	5.22
➤ Manufacturing	4.27
➤ Technology	4.82
➤ 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
➤ All Corporate Respondents	4.90

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. *The category comparison data suggest that PR may have a greater opportunity to contribute in Health Care, Government Agencies, and Non profits than in Fortune 20,000+ companies.*

Table VI/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

Table VI/F-7: 2005 To What Extent does the CEO Believe that:					
<i>1= Strongly Disagree, 7= Strongly Agree</i>					
Type	Evaluation methods are adequate	Organizational reputation contributes to success	PR contributes to maintaining or increasing market share	PR contributes to financial success	PR contributes to maintaining or increasing sales
Health Care	4.82	6.00	5.29	4.98	5.05
Manufacturing	4.83	5.68	4.70	4.71	4.67
Technology	4.52	5.49	4.78	4.94	4.69

Significant Findings/Observations: see following page.

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

Significant Findings/Observations

In 2005:

- a. 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.
- b. Respondents reported that their CEOs believe, to a moderate degree, “PR contributes to maintaining or increasing marketing share,” “PR contributes to financial success,” and “PR contributes to maintaining or increasing sales.”
- c. Respondents are less confident in reporting the extent to which their CEOs believed “Evaluation methods are adequate.”

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. *Although by slight margins, Health Care PR departments are generally more positive than Manufacturing or Technology about CEO perceptions. However, this must be viewed in the context of the large number of local and regional non-profit organizations included in that category.*

Tables VI/G-1 and VI/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 (Additional or “Other” listings were invited).

Table VI/G-1: 2005 All Functions for which Respondents have Budgetary Responsibility			
Function	Health Care	Manufacturing	Technology
Corporate communications	88%	84%	84%
Employee communications	82%	67%	70%
Crisis management	78%	66%	52%
Community relations	74%	58%	50%
Corporate external web site	74%	66%	50%
Corporate image - Graphic standards	84%	63%	54%
Marketing PR	78%	58%	74%
Executive communications	55%	58%	64%
Corporate reputation	66%	59%	58%
Advertising - corporate image	77%	58%	52%
Issues management	42%	40%	38%
Public affairs	63%	40%	38%
Corporate intranet	42%	44%	34%
Advertising - issues	55%	35%	34%
Government relations	32%	22%	20%
Philanthropy	33%	44%	32%
Advertising - product	56%	35%	32%
Corporate ethics / ombudsman	10%	12%	12%
Corporate governance / standards	10%	9%	16%
Investor relations	14%	20%	36%

Significant Findings/Observations: see following pages.

Tables VI/G-1 and VI/G-1a: All Functions for Which Respondents have Budgetary Responsibility, and Their Rankings (cont'd)

Table VI/G-1a: 2005 Ranking of all Functions for which Respondents have Budgetary Responsibility			
Function	Health Care	Manufacturing	Technology
Corporate communications	1	1	1
Corporate image - Graphic standards	2	4	6
Employee communications	3	2	3
Crisis management	4 (tie)	3 (tie)	7 (tie)
Marketing PR	4 (tie)	6 (tie)	2
Advertising - corporate image	5	6 (tie)	7 (tie)
Community relations	6 (tie)	6 (tie)	8 (tie)
Corporate external web site	6 (tie)	3 (tie)	8 (tie)
Corporate reputation	7	5	5
Public affairs	8	8	9 (tie)
Advertising - product	9	9	12 (tie)
Executive communications	10 (tie)	6 (tie)	4
Advertising - issues	10 (tie)	9	11(tie)
Issues management	11(tie)	8	9 (tie)
Corporate intranet	11(tie)	7 (tie)	11(tie)
Philanthropy	12	7 (tie)	12 (tie)
Government relations	13	10	13
Investor relations	14	11	10
Corporate ethics / ombudsman	15 (tie)	12	15
Corporate governance / standards	15 (tie)	13	14

Significant Findings/Observations: see following pages.

Tables VI/G-1 and VI/G-1a: All Functions for Which Respondents have Budgetary Responsibility, and Their Rankings (cont'd)

Significant Findings/Observations

In 2005:

- a. “Corporate communications” was the function most cited (scores 84% to 88%) across the board, and ranked #1.
- b. Responses to other functions varied widely, never finding common ground.
- c. With the exception of #1, the three industry organizations ranked the budgetary responsibility functions differently:
 1. Health Care’s top three were “Corporate communications,” “Corporate image/Graphic standards,” and “Employee communications.”
 2. Manufacturing’s top three were “Corporate communications,” “Employee communications,” and (a tie for #3) “Crisis management” and “Corporate external web site.”
 3. Technology’s top three were “Corporate communications,” “Marketing PR” and “Employee communications.”
- d. Applying a 50% minimum rate of citation, Health Care PR functions tended to have responsibility for Corporate communications, Employee communications, Crisis management, Community relations, Corporate external web site, Corporate image – Graphic standards, Marketing PR, Executive communication, Corporate reputation, Advertising – Corporate image, Public affairs, and Advertising – issues.
- e. Applying a 50% minimum rate of citation, Manufacturing PR functions tended to have responsibility for Corporate communications, Employee communications, Crisis management, Community relations, Corporate external web site, Corporate image – Graphic standards, Marketing PR, Executive communication, Corporate reputation, and Advertising – corporate image. (As compared with Health Care, note the absence of Public affairs and Advertising – issues.)
- f. Applying a 50% minimum rate of citation, Technology PR functions tended to have had responsibility for precisely the same functions as was the case in Manufacturing. (Again, as compared with Health Care, note the absence of Public affairs and Advertising – issues.)

Tables VI/G-1 and VI/G-1a: All Functions for Which Respondents have Budgetary Responsibility, and Their Rankings (cont'd)

Significant Findings/Observations

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. Respondent Health Care PR organizations have budgetary responsibility for more functions, though this must be viewed in the context of the large number of local and regional non-profits included in this category.
- b. Respondent Technology and Manufacturing PR organizations are responsible for fewer functions – no doubt a result of the greater frequency with which they report to Marketing (36% and 26% respectively), which would tend to narrow their focus.

Table VI/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”).

Table VI/H-1: 2005 Extent to which Communications Functions are Integrated		
<i>1= Not At All Integrated, 7=Extremely Integrated</i>		
Type	2005	Respondents
Health Care	5.28	72
Manufacturing	4.64	88
Technology	4.56	48

Significant Findings/Observations

In 2005:

- a. It appears that respondents believed that the various communications functions were 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:

- Health Care 5.28
- Manufacturing 4.64
- Technology 4.56
- 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
- All Corporate Respondents 4.76

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. *It is noteworthy that Manufacturing and Technology respondents achieved relatively low integration scores. This may prevent such organizations in their entirety, and their PR functions in particular, from achieving their full potential.*

Table VI/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.”

Table VI/H-2: Organizational Description			
Functions	Health Care	Manufacturing	Technology
Rigid – Flexible	4.63	4.27	4.25
Autocratic - Democratic	4.14	3.83	3.82
Profits first - People first	4.64	3.39	3.39
Unethical – Ethical	6.04	5.80	5.86
Reactive – Proactive	3.91	3.99	4.18
Tactical – Strategic	4.06	4.40	4.41
Poor external reputation - Good external reputation	5.24	5.41	5.16
Unsuccessful – Successful	5.36	5.44	5.06

Significant Findings/Observations

In 2005:

- a. Health Care organizations described themselves as being:
 - 1. At 4.63, somewhat more “Flexible” than “Rigid”
 - 2. At 4.14, balanced between “Autocratic” and ”Democratic”
 - 3. At 4.64, somewhat more “People first” than “Profits first”
 - 4. At 6.04, far more “Ethical” than “Unethical”
 - 5. At 3.91, somewhat more “Reactive” than “Proactive”
 - 6. At 4.06, balanced between “Strategic” and “Tactical”
 - 7. At 5.24, much more likely to have a “Good external reputation” than a “Poor external reputation”
 - 8. At 5.36, much more “Successful” than “Unsuccessful”

Table VI/H-1: Organizational Description (cont'd)

Significant Findings/Observations

In 2005:

- b. Manufacturing organizations described themselves as being:
 - 1. At 4.27, balanced between “Flexible” and “Rigid”
 - 2. At 3.83, somewhat more “Autocratic” than “Democratic”
 - 3. At 3.39, decidedly more “Profits first” than “People first”
 - 4. At 5.80, far more “Ethical” than “Unethical”
 - 5. At 3.99, somewhat more “Reactive” than “Proactive”
 - 6. At 4.40, balanced between “Strategic” and “Tactical”
 - 7. At 5.41, much more likely to have a “Good external reputation” than a “Poor external reputation”
 - 8. At 5.44, much more “Successful” than “Unsuccessful”
- c. Technology organizations described themselves as being:
 - 1. At 4.25, balanced between “Flexible” and “Rigid”
 - 2. At 3.82, somewhat more “Autocratic” than “Democratic”
 - 3. At 3.39, decidedly more “Profits first” than “People first”
 - 4. At 5.86, far more “Ethical” than “Unethical”
 - 5. At 4.18, balanced between “Reactive” and “Proactive”
 - 6. At 4.41, balanced between “Strategic” and “Tactical”
 - 7. At 5.16, much more likely to have a “Good external reputation” than a “Poor external reputation”
 - 8. At 5.06, much more “Successful” than “Unsuccessful”
- d. Health Care respondents saw themselves as being more Flexible, Democratic, People first, and Ethical than those in either Manufacturing or Technology, though this must be viewed in the context of the large number of non-profit organizations included in the Health Care category.
- e. There are remarkable similarities between the Manufacturing and Technology profiles, which is striking given the common view that the former is more traditional in nature than the latter.

Table VI/H-1: Organizational Description (cont'd)

Significant Findings/Observations

In 2005:

- f. All three types of organizations described themselves as being extremely ethical.
- g. Overall, respondents described their organizations as being:
 - 1. Somewhat more “Flexible” than “Rigid” (especially so among Health Care respondents)
 - 2. Somewhat less “Democratic” than “Autocratic” (with Health Care being more neutral (4.14) than Manufacturing (3.83) and Technology (3.82).
 - 3. Decidedly more “Profits first” than “People first,” with the exception of Health Care organizations.
 - 4. Much more likely to have a “Good external reputation” than a “Poor external reputation.”
 - 5. Universally neutral about being “Proactive” rather than “Reactive.”
 - 6. Slightly more “Strategic” than “Tactical,” or balanced between the two.
 - 7. A good deal more “Successful” than “Unsuccessful.”

On a Year-Over-Year Basis: N/A – new methodology

The Data Suggest That:

- a. The extent to which respondents describe their organizations as being ethical is encouraging.
- b. Differences among these three industries should be viewed within the context of their different sizes, missions, etc., and the large number of non-profit organizations included in the Health Care category.