

Excellence in Public Relations and Communication Management

Executive summary/Initial Data Report, September 1991

Introduction

In 1985 the IABC Research Foundation awarded a grant to a six-member research team headed by James E. Grunig, Ph.D., of the University of Maryland. The team began the project with an extensive literature review of theories from public relations, management, sociology, psychology, marketing, communication, anthropology, philosophy and feminist studies.

The theories were the foundation of a new theory of the characteristics that public relations departments must have to make organizations more effective and to explain how and why communication makes organizations more effective.

The theory of excellence describes 14 characteristics of excellent communication departments and three effects of their communication programs. Details are included in a book summarizing the literature review and conceptualization of a theory of excellence in public relations and its relationship to organizational effectiveness. "Excellence in Public Relations and Communication Management-Volume I," was published by Lawrence Erlbaum Associates, Publishers, in 1992. The theory was tested using a questionnaire designed to measure the characteristics of excellent public relations, administered in a survey of more than 200 organizations (corporations, government agencies, non profit organizations and associations) in Canada, the United Kingdom and the United States. In each organization, one or more heads of communication units, the CEO or someone close to the CEO, and an average of .15 employees completed the questionnaires.

Initial Results

Preliminary results from the first questionnaires returned were announced at IABC's international conferences in 1990 and 1991. For the Data Report, the research team analyzed data from 225 organizations from which complete or partial data have been gathered (204 heads of public relations units and 3,249 employees). Data expected 30-40 more organizations should not substantially change these results.

The initial analyses were conducted to determine the extent to which CEOs value the communication function in their organizations and to estimate the return on investment that CEOs attribute to communication activities. The analyses also confirmed the basic characteristics of excellent communication departments and determined the extent to which organizations must be excellent before their public relations units can be excellent.

Communication's Value The initial results confirm the theory of excellence and effectiveness developed by the research team. Results show that:

- CEOs, in general, value public relations highly. On the average, CEOs estimate that public relations brings a 184 percent return on investment.
- Heads of public relations units estimate an almost identical return of 188 percent.
- CEOs also estimate that public relations is one-and-one-half times as valuable as the average department in an organization.
- Heads of public relations units estimate that public relations contributes about twice the value of other departments.
- At the same time, heads of communication units underestimate the rate of return and the value that CEOs attribute to public relations. That is, they underestimate the extent to which CEOs value the contribution of communication to organizational effectiveness.

Excellent Communication The results also show that:

- CEOs who believe that public relations has the greatest value also believe that it should be practiced essentially as spelled out by the research team's theory of excellence.
- CEOs believe that public relations departments should be characterized by participation in strategic management, symmetrical communication, combined judiciously with two-way asymmetrical communication, and leadership by communication managers rather than technicians.
- The CEO also seems to have a critical role in fostering excellence in communication. The CEO, part of the "dominant coalition" of powerful senior managers, understands and supports the public relations function, providing a critical condition for excellence in public relations.
- CEOs in organizations with excellent communication units say communication with external groups is important for the organization, and they devote a large proportion of their time to external communication.

**Excellent
Versus Average
Communication**

Heads of excellent public relations departments also report that their units practice public relations according to these same principles of excellence. However, excellent public relations departments often seem to be found in organizations whose CEOs do not value public relations. In addition, CEOs who value excellent communication often do not have excellent departments in the organizations they head — in large part because of a shortage of knowledgeable, strategic public relations managers and an oversupply of public relations technicians.

Many CEOs who value public relations seem to be preoccupied with media relations to a greater extent than the senior practitioners in excellent communication units. Many also seem to think that their senior communication manager should be a "communication liaison" — a senior communication counselor — rather than a high-level manager. They do not seem to believe these liaisons should be involved in strategic decisions of the organizations. Heads of excellent public relations units, however, report that they fill even this less powerful managerial role less than CEOs want them to.

The report describes the average public relations department and suggests that most departments do not have the potential for excellence. For example, average departments:

- Have more knowledge of the press agency and public information models of public relations than of more sophisticated two-way models
- Have extensive knowledge of technical communication functions and of routine management functions such as managing people, developing budgets, and setting goals.
- Have little knowledge of strategic management functions such as evaluation research, environmental scanning and segmenting publics.

**Organizational
Culture**

The results of these first analyses confirm that excellent organizations:

- Have participative cultures, organic structures, symmetrical systems of internal communication and high job satisfaction among their employees.
- Take steps to foster the careers of their female employees — making maximum use of all human resources.
- Include the senior public relations executive in the dominant coalition and value public relations highly.
- The report also presents evidence that the presence of activist groups in the environment encourages organizations to develop excellent communication departments.

These conditions in and around organizations create a nurturing environment for excellent public relations, although the results suggest that they do not ensure excellence. In excellent organizations, the senior public relations executive is part of the dominant coalition and the CEO and other members of the dominant coalition value public relations highly. This power-control theory seems to explain why some public relations units are excellent and why the CEO's demand for excellence in communication in some organizations is matched with the presence of an excellent public relations department. The results also suggest that communication managers with the most power have that power because they have knowledge of strategic, symmetrical and managerial public relations.

**Excellence
Index**

The final section of the "Initial Data Report" combines the characteristics of excellent public relations and excellent organizations into an excellence scale that can be used to measure the excellence of the public relations unit in organizations. In the next phase, the research team will conduct qualitative interviews with people in the organizations scoring highest on the index of excellence. It also will look more in depth at how excellent and less-excellent public relations department conduct communication programs for their three most important publics. The team will:

- examine how organizations deal with activists;
- compare the extent to which excellent public relations departments are separate from marketing;
- look at the effect of integrated vs. multiple departments on excellence.
- analyze data on the strategies organizations use to deal with activist groups;
- analyze the ways in which excellent public relations departments treat female employees and the effects that women have on excellence in communication.

Coming Next

The research team already has the data already to complete these analyses. Its in-depth interviews of people in excellent departments should help to explain more thoroughly the conditions that made excellence possible. The interviews may also provide the research team with evidence that excellent public relations makes organizations more effective.

This report shows that CEOs believe that public relations produces nearly twice its costs in returns or reduced costs for the organization. In the last stage of the research, the research team also will attempt to place a dollar value on this contribution.

These additional analyses will be compiled into two books, one a technical and one a "popular" treatment of final research results.