CURRENT AND EMERGING TRENDS IN PUBLIC RELATIONS THEORY AND PRACTICE

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AGENDA

PR Education trends

- Models of delivery
- Commpred report (2012)
- Kruckeberg on professionalism

PR Measurement

- The ROI debate
- "Communication Controlling"

PR History: A new/old field

PR EDUCATION TRENDS

Models of delivery

- Liberal Arts plus professional units (US)

- Professional degree (UK

- Joint degree (English and/with PR)

- Are new models needed? More graduates enter PR without a specialist PR/Comms degree than have one

- Constant industry feedback that PR graduates lack differentiation, especially in critical thinking skills

EDUCATING FOR COMPLEXITY

Report on graduate degrees by US Commission on Public Relations Education

http://www.commpred.org/educatingforcomplexity/

Two forms of Masters degree proposed

- **Professional: for entry into PR employment**

- **Academic: pathway to doctoral studies**

- **Core curriculum followed by "fork in the road" choices**
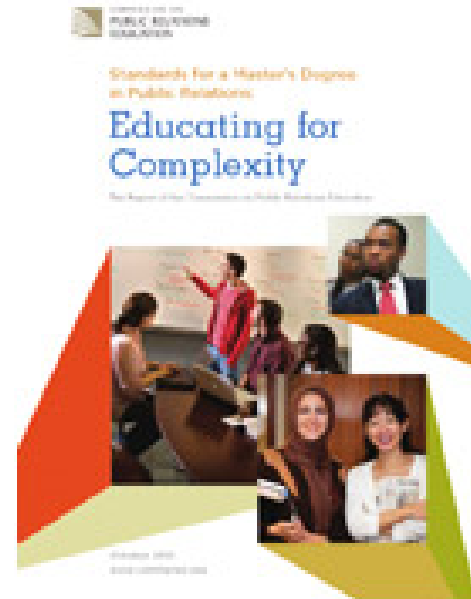
CORE CURRICULUM

- **Strategic public relations management**

- **Basic business principles and processes**

- **Communication/public relations theory and research methods**

- **Global influences on the practice of public relations**

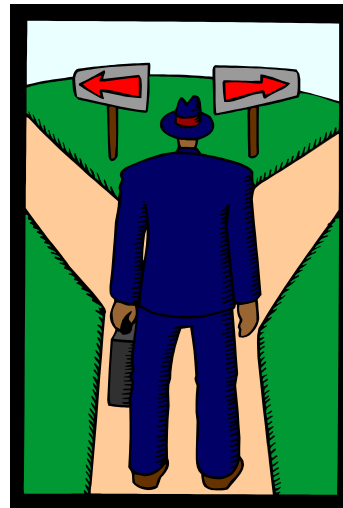- **Ethics**

'FORK IN THE ROAD'

Professional

Specialist options

Internship or advanced internship

Academic

More research courses

Dissertation

KRUCKEBERG ON PR EDUCATION

Prof Dean Kruckeberg, University of North Carolina Charlotte, Director of Center for Global Public Relations

Taken from speech to Middle East PR Association, January 2011.

EDWARD J. ROBINSON IN *COMMUNICATION AND PUBLIC RELATIONS* (1966)

Public relations is an <u>applied social and behavioral science</u>–with several <u>unifying generalizations</u>, regardless of application, which must be considered <u>scientific principles</u> in every sense of the word. These are:

1. A THEORETICAL AS WELL AS A PRACTICAL:

<u>Understanding of communication</u> – If you are to practice PR, you must be able to communicate, with a <u>theoretical understanding</u> of the communication process.

2. A THEORETICAL AS WELL AS A PRACTICAL:

Understanding of attitude and behavioral change, i.e., to understand <u>reasons behind</u> people's <u>attitudes</u> toward you and your organization.

3. A THEORETICAL AS WELL AS A PRACTICAL:

Understanding of business administration. A background in management theory is extremely useful, as well as in financial management, e.g., accounting.

4. MEMBERSHIP IN THE DOMINANT COALITION.

Robinson uses the term "<u>management team</u>," recognizing that it is impossible to practice this type of public relations without <u>integrating the overall public relations programming</u> into the <u>overall management</u> of the organization.

5. A STRONG SENSE OF ETHICS

The organization must achieve its ends in such a way that <u>others are not harmed</u>, and, ideally, they are aided in some manner. A <u>symbiotic relationship</u> is sought.

6. AN UNDERSTANDING OF RESEARCH METHODOLOGY

To practice public relations, you must constantly <u>receive reliable feedback</u> so that you can <u>intelligently shape and modify</u> your programs. You must continually perform research to determine the <u>attitudes</u> and the less stable <u>opinions</u> that people have of your organization or client.

WHAT <u>REMAINS COMMON</u> IN EXAMPLES OF GLOBAL INITIATIVES TO ASSURE EXCELLENCE IN PUBLIC RELATIONS EDUCATION IS THAT THEY OCCUR WITHIN A <u>PROFESSIONAL COMMUNITY</u> THROUGH THE <u>FORMAL STRUCTURE</u> OF <u>PROFESSIONAL ASSOCIATIONS</u>, …

… all of which <u>must fully engage</u> in the <u>global discussion</u> of public relations practice, scholarship and education— each professional community, nationally, regionally and globally, must <u>make its unique contributions</u> to public relations as this <u>professionalized occupation</u> continues to evolve into a <u>unified body of knowledge</u> and <u>best practices worldwide</u>

ROI – USAGE IN PR

ROI AND PR EVALUATION:

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UNIVERSITY OF LEIPZIG

INTERNATIONAL PUBLIC RELATIONS
RESEARCH CONFERENCE 2012
MIAMI, FL, USA

DEFINING ROI

"The … definition of ROI is a ratio of how much profit or cost saving is realised from an activity against its actual cost … often expressed as a percentage. In reality few PR programmes can be measured in such a way …" (IPR, 2004)

ROI is "a term commonly and non-specifically used by public relations practitioners when discussing the value to be created from communication activities" (Watson & Zerfass, 2011)

THE CONTEXT

PR has gradually taken up 'ROI' – not without misgivings

- Black (1971): "Fashionable to measure ROI in … business …but in the field of public relations it has little significance."

- CIPR (2004) stated: "term PR ROI is often used very loosely. This is not only confusing but also misleading"

Watson (2005) found almost no use of ROI in academic papers

EMPIRICAL INSIGHTS

ROI questions within European Communication Monitor 2011 (ECM), based on a UK pilot study

2,209 completed responses from 43 countries

Q1: Do you regularly use the term 'ROI' or 'Return on Investment' when planning and evaluating communication activities?

Q2: Would you agree or disagree with the following statements? *(seven statements, four of them consistent with the standard economic definition of ROI)*

Q1 – USE OF 'ROI'

47.6%
use the term 'return on investment'

5.9%
do not know the term 'return on investment'

46.5%
do not use the term 'return on investment'

Usage of the ROI concept differs according to

- **Hierarchy** (CCO/Agency CEO 53.7%, team member 34.5%)
- **Type of organisation** (Agencies 59.3%, Joint stock 51.1%, Non Profit 32.,5%, Governmental 28.2%)
- **Country** (Spain 65.2%, UK 60.3%, Germany 34.1%, Norway 30.1%)
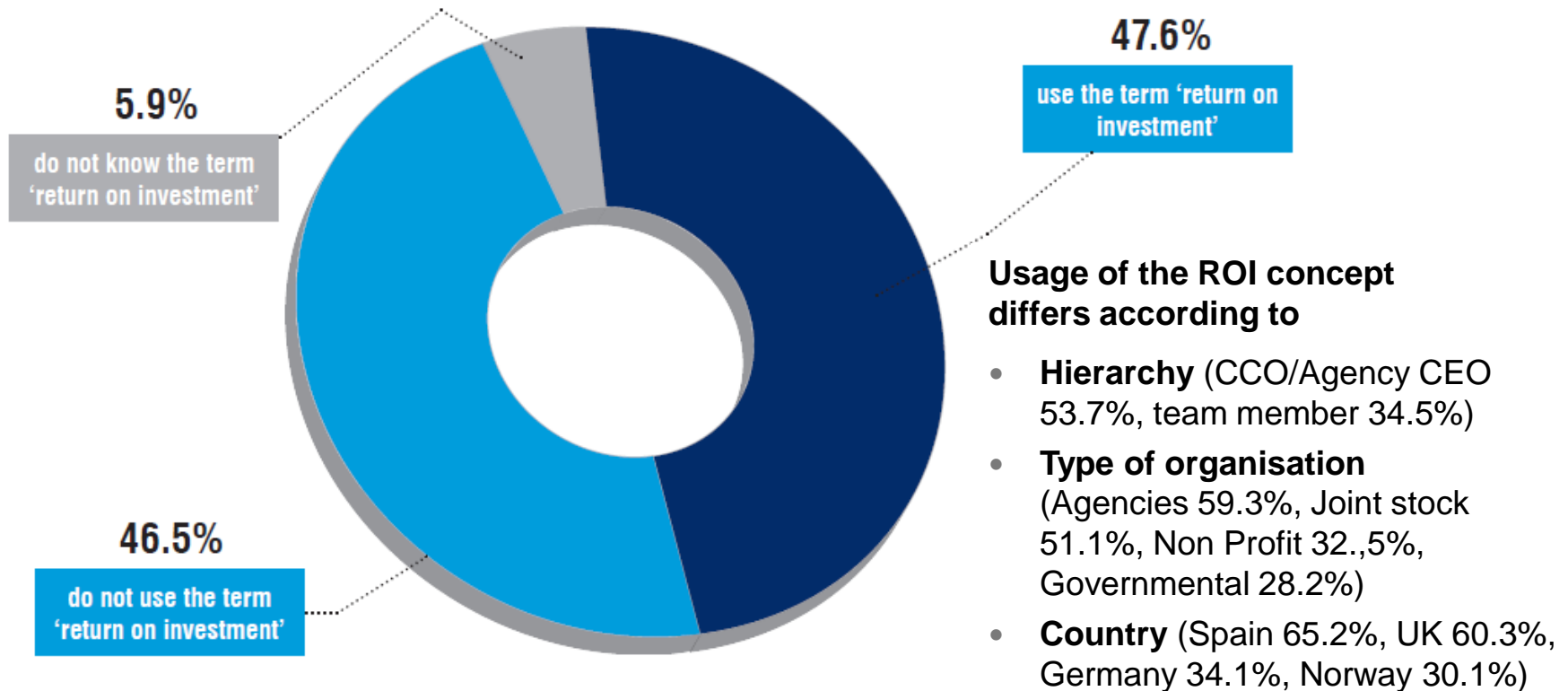
Q2 – PRACTITIONER VIEWS ON ROI

ROI can be expressed in achievement of communication objectives — 83.1%

ROI requires financial assessments of the resources used for communication * — 72.5%

ROI can demonstrate the non-financial value of communication — 70.5%

ROI expresses communication's contribution to the formation of organisational strategy — 62.8%

ROI needs a standardised financial valuation of results achieved by communication * — 58.0%

ROI is the ratio of financial profit resulting from a communication activity against its actual cost * — 52.8%

ROI has to be defined in monetary terms * — 38.3%

Q2 - ANALYSIS

'*Financial*' category proposes ROI is shaped by financial assessment of resources and a standardised financial evaluation of results which results in a ratio of profit and costs arising from communication activity. These have a mean of 61.1%.

'*Non-financial*' are composed of ROI as an expression of achievement of objectives, the creation of non-financial value and contribution to formation of organisational strategy. These average 72.1%.

May have validity as the two groups indicate different ROI concepts.

TWO EXPRESSIONS OF ROI

Classic: programme- or company-specific, based on media analysis metrics and limited to short-term publicity/promotional activity. Doesn't focus on relationships or value creation.

Quasi-ROI: focused on non-financial objectives and outcomes, using models of communication management, including communication scorecards and value link models.

MISUNDERSTANDING ROI

In business, costs incurred as "investments" are treated differently to normal operating costs

Equipment bought to improve productivity and increase profits is added to organisational balance sheets and depreciated over a period

Expenditure on PR and communications, including advertising, is treated as a cost and not added to balance sheets, according to international accounting conventions

PR ISN'T JUST ABOUT MONEY

Conceiving PR solely in a economic frame ignores other spheres in which monetary value creation is not relevant or a minor part of objectives and strategies

For example, governmental and not-for-profits make up a large part of PR activity

Other PR effects of public relations are not simply measurable in ROI terms or monetarily-linked value: Campaigns to increase awareness and understanding, e.g. health promotion programs, or that support
an organisation so it can take part in policy formation

APPLES AND ORANGES

In financial management, ROI is about real financial results

In some PR discussions, "Decreased Costs" and "Avoided Costs" are included in ROI calculations

These are intangibles being turned into tangibles: 'Guesstimates', not valid data

It's like comparing apples and oranges – they are round fruit but not the same
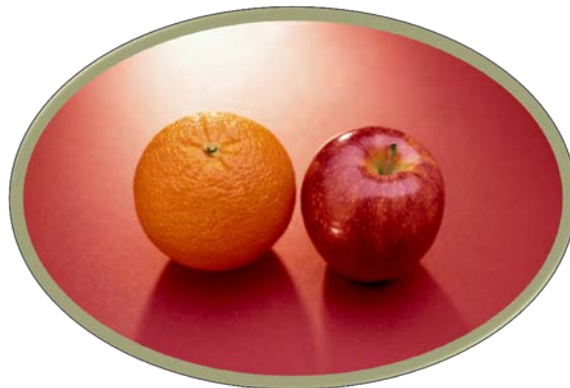
ROI CONCLUSIONS

"... the complexity of communication processes and their role in business interactions means it is not possible to calculate Return on Investment in financial terms."

Watson & Zerfass (2011), p. 11

"I tend to use the term ROI because PR people want to hear it used. I will now cease and desist from using it."

James E. Grunig (2011)

"I dislike any attempt to hijack the term ROI. Accountants know what ROI means, and they can only view any softening or redirection or substitution of its meaning by marketers trying to validate their investment plans as smoke and mirrors."

Philip Sheldrake (2011), p. 117

SUMMARY

ROI is a problem term, but we know it means that value has been created

Its meaning to managers is precise and financial;
but to PR practitioners, it is loose and vaguely relate to "value"

It is time to create PR's own language and create advantage:

- Show financial results and ROI where possible (i.e. short-time campaigns driving sales)

- Name financial savings where appropriate (i.e. employer branding efforts)

- Link communication goals to measurable business goals (outgrowth/outflow); these are not always financial, but also reputational, relational etc.

- Define measurable goals for any communication activities along the interaction process (input, output, outcome)

LITERATURE

Black, S. (1971). *The role of public relations in management.* London: Pitman.

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Watson, T., & Zerfass, A. (2011). Return on Investment in Public Relations. A critique of concepts used by practitioners from communication and management sciences perspectives. *PRism, (8) 1*, 1-14.

Zerfass, A., Verhoeven, P., Tench, R., Moreno, A., & Vercic, D. (2011). *European Communication Monitor 2011. Empirical Insights into Strategic Communication in Europe. Results of a Survey in 43 Countries.* Brussels: EACD/EUPRERA, Helios Media.

COMMUNICATION CONTROLLING

AGENDA

Principles of Communication Controlling

Value links

Implementation

Case study examples

"CONTROLLING" IN THE GERMAN SPEAKING WORLD

"Controlling" means "performance management".

Controlling in general needs measurement. But controlling isn't just measurement.

Controlling needs controllers. But controlling isn't that what controllers do.

Controlling is "leading by measurable goals". Only in relation to goals, do figures and indicators make sense.

Controlling is teamwork. Controllers are the business partner of managers.

"COMMUNICATION CONTROLLING"

Total approach to communication performance management, aligned with corporate objectives

Used at Deutsche Telekom, Siemens, BASF, Roche, Henkel, Commerzbank, etc

Close links between German and Austrian PR associations and management accountancy professional body – ICV. Jointly agreed a position paper

PRINCIPLES

Contribution of communication to corporate value creation

"Soft" factors such as reputation, trust and preferences contribute to corporate value

Corporate communication drives these factors, once it is included in the strategic management process

Social media and stakeholder pressure is forcing organisations to improve communication and networks

FRAMEWORK - 1

Framework lays the structural foundation for communication controlling. It enables the systematic development of value chains running from corporate strategy to communication measures and their impacts onwards to corporate goal achievement.

In this way, the entire process of value creation through communication is made transparent.

Programs are broken down to subsequent communication objectives at each impact level, supplemented with appropriate metrics and targets.

The resulting value links establish a corridor of plausible cause-effect relations across all levels of communicative impact.

FRAMEWORK - 2

Fundamental to Communication Controlling

Developed from Lindenmann's three step evaluation taxonomy: Output, Out-take, Outcome. (Out-take is not used)

Added to it are Inputs (costs and resources) and Outflow (the creation of value)

"Shows the gradual impact of communications on stakeholders and how communications are involved in the value creation process" (DPRG 2011, p. 12)

LEVELS OF IMPACT AND EVALUATION OF COMMUNICATIONS (DPRG/ICV 2009)

Levels of Impact

Measure-ment Range

Indica-tors (e.g.)

MEA-SURED OBJECT

Input	Output		Outcome		Outflow
	Internal Output	External Output	Direct Outcome	Indirect Outcome	Value Creation
Ressources Employee Assignment Financial Expenses	Process Efficiency Quality of Works Product	Media Coverage Content	Perception Utilization Knowledge	Opinion Attitudes Emotion Behavioral Disposition Behavior	Impact on Strategic and/or Financial Targets (Value Chain) Impact on Tangible and/or Intangible Assets (Capital Accumulation)
Personnel Costs Outsourcing Costs ...	*Budget Compliance Throughput Times No. of Shortcomings Readability/Fogg-Index Satisfaction of Internal Clients ...*	*Clippings Visits Downloads Impact Ratio Share of Voice ...*	*Awareness Unique Visitors Session Length Reader per Issue* *Recall Recognition ...*	*Reputation Index Brand Image Strategic Awareness of Employees Purchase Intention Leads Innovative Ideas Project Participation ...*	*Sales No. of Project Agreements Cost Reduction Reputation Capital Brand Value Employee Performance ...*
ORGANISATION		MEDIA/CHANNELS	STAKEHOLDERS		ORGANISATION

Initiation of Communication Processes → Communication Processes → Results of Communication Processes

Low Impact on Value Creation
Strong Influence of Communications Management

High Impact on Value Creation
Weak Influence of Communications Management

DEFINITIONS

Input: expenditures on communication-related services; the use of financial and human resources

Output (two forms – internal and external): Internal is about the efficiency of producing and delivering communications; External is about the reach of the communication (media presence; website visits, etc)

DEFINITIONS

Outcome is the "actual impact on stakeholders": the effect of the communication upon stakeholders' perception of an organisation including their use of content and resulting increase in knowledge. They are both direct and indirect.

Outflow is the economic impact that results from influence on stakeholders exerted by corporate communications

"It becomes visible what communications have actually contributed to achieving the financial and strategic goals of the organization." (DPRG 2011, p.14)

VALUE LINKS

External communications

Market communications

VALUE LINK EXAMPLE FOR EXTERNAL COMMUNICATIONS

Outflow

Strategic LICENCE TO OPERATE	
Support of local establishment	Low transaction costs

Indirect Outcome

Trust in the company and the senior management	Public acceptance of advantages resulting from the new establishment

Direct Outcome

Awareness of the company and its field of activity	Knowledge of reasons speaking in favor of the new settlement

External Output

Availability of communicative offers for relevant stakeholder groups (e.g. number of contacts, clippings, visits, media coverage of corporate key messages and strategic issues)

Internal Output

Efficient production and sufficient quality of communicative offers (e.g. open day, local publications, local and regional media and PR activities)

Input

Efficient allocation of financial and human resources in tune with corporate strategy

Value link example for market communications

Outflow	Strategic Readiness — Intended bookings for new destination .

Indirect Outcome

Inclusion of new destination into relevant set of customers/potential customers

Direct Outcome

Awareness of offers and knowledge of its advantages	Stimulation of interest in the offer and information-seeking behavior

External Output

Availability of communicative offers for relevant stakeholder groups (e.g. media coverage of corporate key messages and strategic issues, number of media cooperation)

Internal Output

Efficient production and sufficient quality of communicative offers (e.g. feature stories, press trips, media cooperation packages)

Input

Efficient allocation of financial and human resources in tune with corporate strategy

IMPLEMENTATION

Communication Controlling has four phases

- Analysis
- Conception
- Operationalization
- Steering / Reporting

IMPLEMENTATION STEPS OF COMMUNICATION CONTROLLING

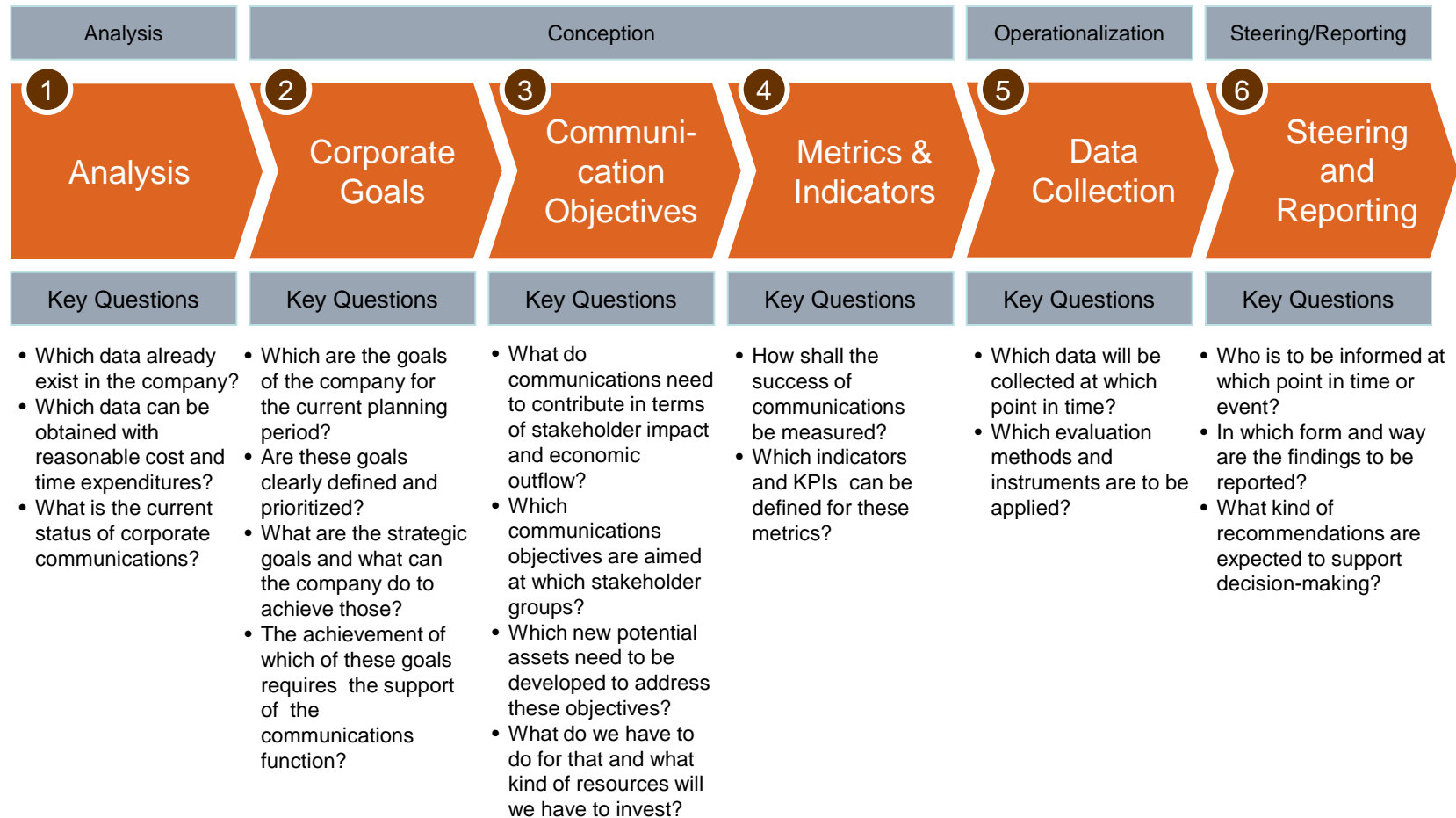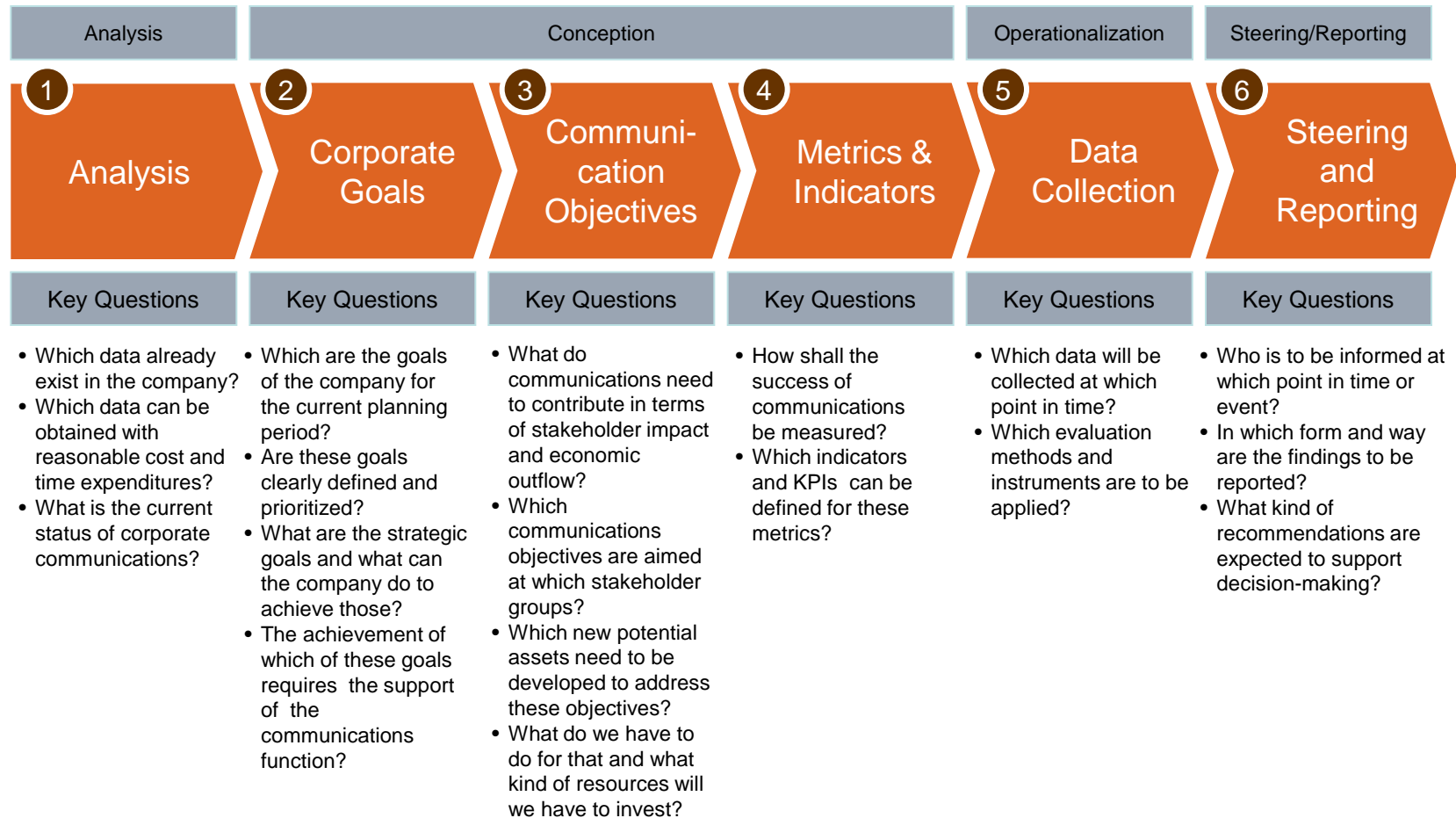| Analysis	Conception			Operationalization	Steering/Reporting
1 Analysis	**2** Corporate Goals	**3** Communi- cation Objectives	**4** Metrics & Indicators	**5** Data Collection	**6** Steering and Reporting
Key Questions	Key Questions	Key Questions	Key Questions	Key Questions	Key Questions
• Which data already exist in the company? • Which data can be obtained with reasonable cost and time expenditures? • What is the current status of corporate communications?	• Which are the goals of the company for the current planning period? • Are these goals clearly defined and prioritized? • What are the strategic goals and what can the company do to achieve those? • The achievement of which of these goals requires the support of the communications function?	• What do communications need to contribute in terms of stakeholder impact and economic outflow? • Which communications objectives are aimed at which stakeholder groups? • Which new potential assets need to be developed to address these objectives? • What do we have to do for that and what kind of resources will we have to invest?	• How shall the success of communications be measured? • Which indicators and KPIs can be defined for these metrics?	• Which data will be collected at which point in time? • Which evaluation methods and instruments are to be applied?	• Who is to be informed at which point in time or event? • In which form and way are the findings to be reported? • What kind of recommendations are expected to support decision-making?

IMPLEMENTATION STEPS OF COMMUNICATION CONTROLLING

Analysis	Conception			Operationalization	Steering/Reporting
1 Analysis	**2** Corporate Goals	**3** Communi-cation Objectives	**4** Metrics & Indicators	**5** Data Collection	**6** Steering and Reporting
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MAKING IT WORK

How clearly has the organisation defined its corporate objectives?

Are "scorecards" used?

Is measurement and evaluation part of corporate culture?

How is the communications function organised?

"Strong and visible" top management commitment is needed

Close cooperation with management accountants

IN PRACTICE – SHORT CASE STUDIES
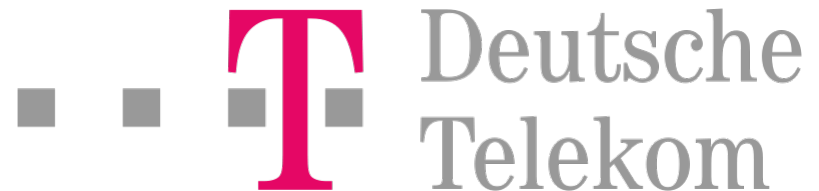
Henkel

Deutsche Telekom

Siemens

IN PRACTICE -1

Henkel used Balanced Scorecard since 2002 – linked communication into it, worldwide

Deutsche Telekom – communication strategy corporate strategy objectives

IN PRACTICE - 2

Worldwide internal communications performance management, based on research-set KPIs

SIEMENS

CONCLUSION

Communication Controlling leads the company's communication process by setting measurable goals based on strategy

Communication Controlling helps top managers understand how the corpcomms function contributes value *and* how it puts corporate strategy into action

It will be the basis of a global standard of communication performance management

PR HISTORY

AGENDA

Recent output

"State of Play"

Historiographic directions

KEY POINTS

Move from Grunig's four "models"

Time for less corporatist approach;

"Reimagine" PR history

Proto-PR and "Public Relations"

Different directions in historiography

ANALYSING OUTPUT

2008: 8 articles #

2010: 33 papers (+2 keynotes)

2011: 29 papers (+1 keynote)

2012: 33 papers (+1 keynote)

TOTAL: 107 papers & keynotes

2010-2012: 180 abstracts (95 papers presented)

Papers from *JCOM* special edition

ANALYSIS BY IHPRC THEMES

#1 History and Events (38)

#2 Professional & Practice (22)

#3 National Histories (21)

#4 Historiography (12)

#5 Theories of Public Relations (10)

#6 Proto-PR (5)

BY CLASSIFICATION (TOSH 2009 & WATSON)

CLASSIFICATION	FREQUENCY
#1 Analytic:	55
#1 Descriptive:	37
#3 Critical:	15

BY CLASSIFICATION (BENTELE 2012)

CLASSIFICATION	FREQUENCY
National PR Histories	21
Specific Events of National or International PR History	64
Reflective, meta-theoretical or methodological studies	22

WHERE NEXT - 1

<u>Other voices</u>

"US scholars have always tended to assume that activities referred to as PR have been invented by Americans and exported elsewhere."

L'Etang 2008, p.328

Example of Germany and Austria

WHERE NEXT - 2

Away from Grunigian models

Not appropriate for cultures "with different paths of historical evolution"

L'Etang 2008, p.319

Proto-PR and Public Relations

Before 1870, it is Proto-PR: not "seen as strategically planned activity in medieval times and … did not use the framing of language and best practice accumulated now"

Watson 2008, p.20

HISTORIOGRAPHIC DIRECTIONS

"What historians write, about past events, about history" **(Tucker 2009, xi)**

Lamme & Miller (2010): "*Removing the Spin: New Theory of Public Relations History*"

Bentele (2009, 2010, 2012): Functional-Integrative Stratification model

McKie & Xifra (2012): Challenge existing historiography; postmodern analyses

LAMME & RUSSELL

"… time to remove the spin from public relations history" (p. 356)

Embrace the Embarrassing

Be historians, not promoters or censors of public relations' history

BENTELE (2010)

Two directions in 45 years of PR historiography:

1. **Fact-and-Event Oriented (FEOT) – Facts in historical order; focuses on personalities and their activities**

2. **Model-and-Theory Oriented (MTOT) – Give social explanation for developments; uses models/theories to reflect conceptual basis**

MCKIE & XIFRA (2012)

Go beyond professional limits and occupational barriers; take globalisation and environmental impact into account

Research products of history; e.g. "invention of tradition", nationalism campaigns

"Bottom up" research for the undocumented perspectives

History is "increasingly liquid and is being refashioned and retheorised"

LET'S *GET DANGEROUS*

PR historiography 'comfortable' for too long

Take a more analytical, critical view

Move away from corporatist emphasis

"Reimagine" PR history from activist view

Build oral histories of unconsidered and ignored voices

Show PR's strengths, failings, impacts

LET'S *COOPERATE*

Increase cooperation between PR historians

Map archives available for researchers

Comparative studies; track international PR across cultures

Get greater leverage for bids to research bodies and industry associations

Create a peer reviewed journal for PR history (WiP)

CONCLUSION

Push the boundaries; Away from Anglo-American focus

Separate proto-PR from 'public relations'

Avoid Grunigian analysis

Seek new and "other" voices

Take a critical stance; "Reimagine" the history of PR

Be more *dangerous*

Cooperate across borders