

# Unlocking the Potential of Public Relations

Developing Good Practice

A report jointly funded by the  
Department of Trade & Industry and  
the Institute of Public Relations

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**dti**

**PRWEEK**

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# Foreword

Maintaining and improving the UK's competitive position demands an ethical, dynamic and strategic public relations industry that works to promote transparent corporate governance, and a full understanding of the management of the relationships on which the 'bottom-line' success of every business depends.

I have been delighted to lead a powerful team of industry experts, supported by the Institute of Public Relations and the Department of Trade and Industry, who have carried through the most searching examination of the competitiveness of the public relations industry for a decade.

This study highlights that the already significant contribution of the public relations industry to the UK economy can be greatly increased through better understanding by business leaders about what the best of public relations can achieve.

Equally the report shows that there is also much to be done by public relations professionals themselves, across all the industry sectors, to take forward and strengthen industry initiatives in ethics, training and education, public relations planning and evaluation. The challenges to the public relations industry are clearly identified in the report conclusions and Steering Group recommendations.

We now have a blueprint for unlocking the potential of public relations.

I call on our entire public relations industry to support the Institute of Public Relations in making this happen.



**Michael Murphy**  
Chairman, IPR/DTI Steering Group  
& CEO, hatch-group

# Project Overview

With 10 years having past since the last major study (BDO, 1994) and after a period of consolidation and slower growth (the report findings give grounds for optimism that this could be over), the Institute of Public Relations wanted to assess the current state of the public relations industry and recommend actions to improve the competitiveness and overall performance of public relations within the UK economy.

A jointly funded project proposal was agreed with the Department of Trade and Industry, and consultants (the European Centre for Business Excellence) were appointed through competitive tendering to develop a project framework to meet the following objectives:

- Examine what constitutes good practice in public relations
- Raise awareness of good practices across the public relations industry
- Recommend actions to support further development of good public relations practices.

A senior cross-representative industry Steering Group was established to oversee the study that included a combination of quantitative and qualitative research methods. Findings from postal and online questionnaires were corroborated from qualitative findings drawn from discussion/focus groups and in depth interviews.

The postal and online surveys elicited a rich usable response of 812 returns (51.9% in-house, 44.4% consultancy) covering a good spread of small, medium and large organisations and a relatively senior respondent profile. 42% of in-house respondents were from private sector organisations, 38% were from the public sector and the remainder were from not-for-profit and 'other' categories.

Reflecting on the study findings and conclusions, the Steering Group has agreed detailed recommendations for action.

The study provides a broad overview of current public relations practices within the UK and defines a number of good practice principles that are drivers of excellent performance in public relations and gives some indication of future direction.

It is important to emphasise that it was not the purpose of the report to generate a quantitative overview of the public relations industry. As such statistical findings within the full report (available online at [www.ipr.org.uk](http://www.ipr.org.uk)) capture only a 'snapshot of a rolling wave'.

Taken together the qualitative and quantitative elements of the study provide a strong basis for targeting activities to improve the competitiveness and overall performance of public relations within the UK.

**A full copy of the *Unlocking the Potential of Public Relations* report is available online at [www.ipr.org.uk](http://www.ipr.org.uk)**



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# Summary of Key Findings

- There appears to be a broad consensus as to the main purposes of public relations and a fair degree of satisfaction about the extent to which these purposes are achieved. Public relations must increasingly be seen in the context of longer-term strategic relationship management and engagement on emerging trends such as corporate social responsibility. See Figs 1 and 2
- There appears to be a lack of consensus, particularly amongst in-house public relations practitioners, about the importance and effectiveness of audience research. Clearly more needs to be done to improve the application of research techniques across the public relations industry. See Figs 3 and 4
- Respondent replies show variations in approaches to the role of communications strategy making and the extent to which this supports overall business strategy.
- Organisations are now outsourcing a broad range of public relations activity to consultancies. However, the commissioning process is identified as a major problem area, with public relations consultancies believing the quality of brief (public relations objective setting) provided by clients to be fairly poor. This points to a need for greater training and development in the area of public relations procurement and its management. See Figs 5 and 6

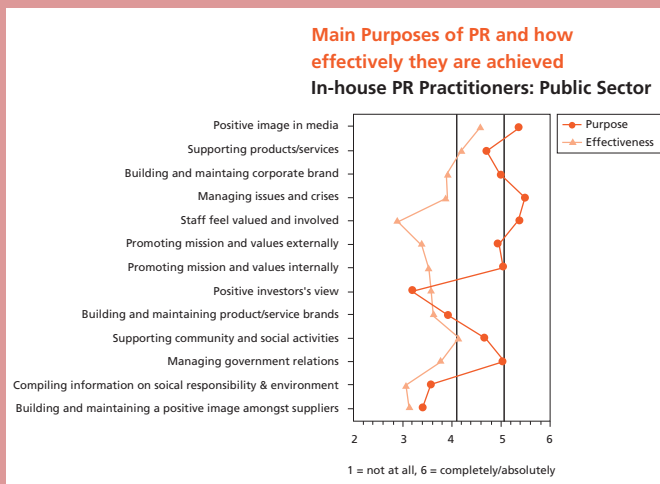


Fig 1

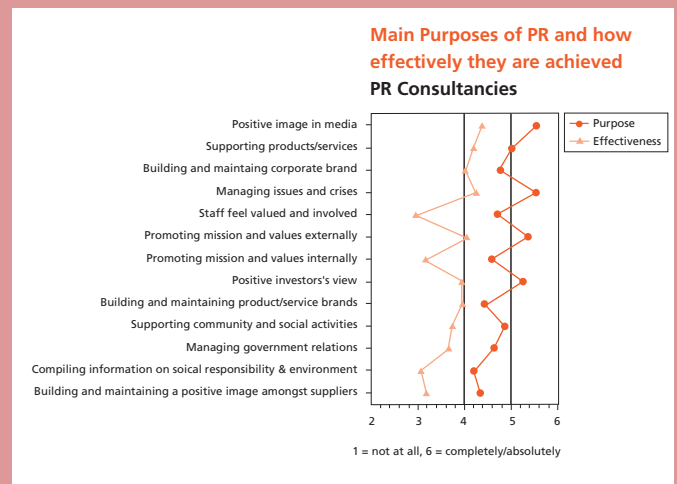


Fig 2

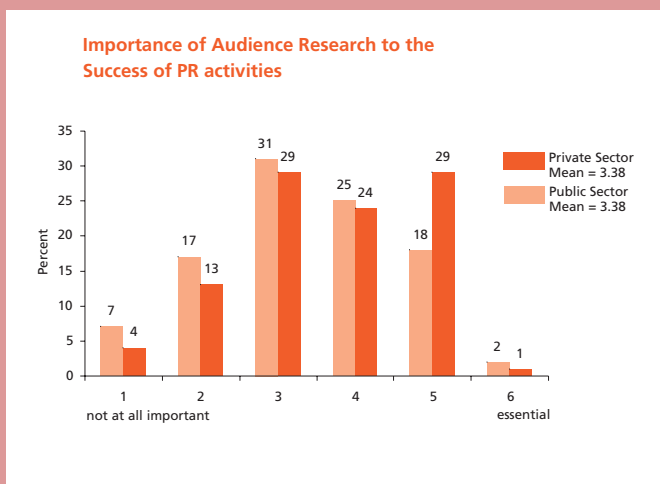


Fig 3

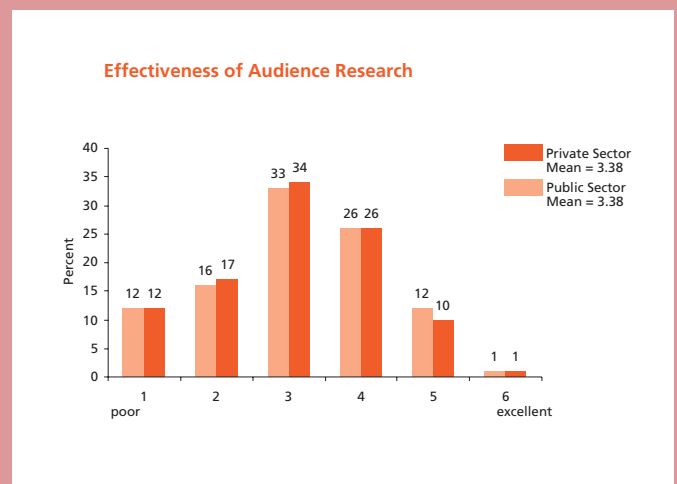


Fig 4

- The study reaffirms the need for public relations practitioners to be more capable across a wide range of competency areas. Interestingly the understanding of business strategy, planning and budget management were seen as less important than other communication and personal competencies. This may, in part at least, explain some of the perceived problems with alignment of public relations strategy and the commissioning of public relations consultancy and research. See Fig 7
- Less than 50% of consultancies and in-house organisations appear to have formal training and development programmes for public relations professionals. This suggests a need for real progress in education and training across the public relations industry. See Fig 8
- Public relations evaluation was seen as moderately effective across a range of indicators but both consultants and in-house practitioners felt the ability to benchmark performance between different providers of public relations was relatively poor.
- Respondents expressed positive views as to the future prospects for industry growth. However, this relative optimism can only be fully realised if the problems areas identified by the study findings are systematically addressed.

**These represent only a selection of report findings. For a full copy of the report, please visit [www.ipr.org.uk](http://www.ipr.org.uk)**

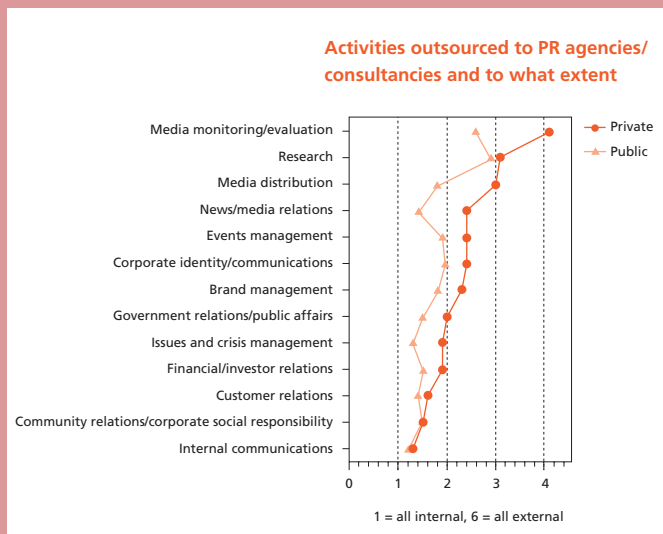


Fig 5

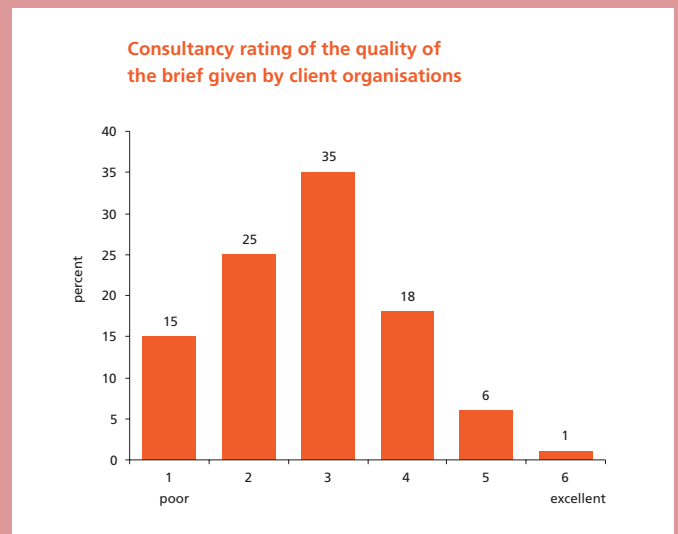


Fig 6

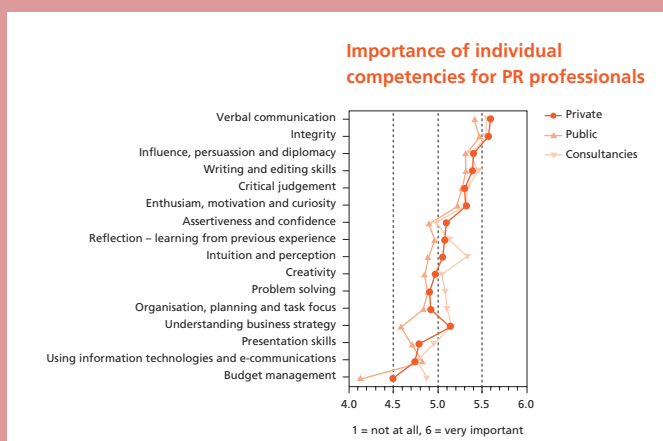


Fig 7

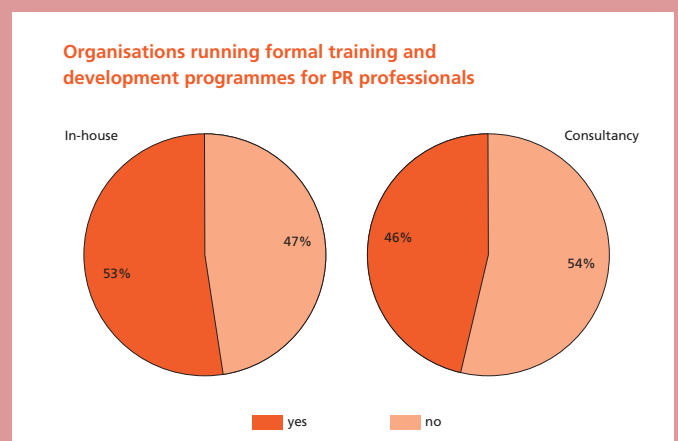


Fig 8

# Developing Good Practice

## Good Practices in Public Relations

The study demonstrates a high degree of consensus amongst public relations practitioners about the elements of good public relations practice. Some 120 individual elements of good practice were identified covering: public relations strategy-making; public relations structure, organisation and resources; public relations research and planning; public relations professionals; public relations creativity; public relations commissioning; public relations information technologies; and public relations evaluation.

Taken together, these provide a powerful statement of the principles underlying good public relations and form the basis for a self-assessment framework against which public relations practitioners can consider their current practices and identify areas for improvement.

## The Public Relations Professional

The changing role of public relations within many organisations creates the opportunity for public relations practitioners to re-position themselves as strategic advisers and thereby become even more significant contributors to organisational success.

This requires public relations practitioners to achieve a greater appreciation of strategic management and all aspects of communications. Many public relations practitioners currently lack the capabilities to be strategic counsellors and this transition would require significant investment in training and development.

Any future role for public relations practitioners as strategic advisers will depend in large part on being able to quantify the value of such advice. Thus, public relations practitioners will be increasingly dependent on research and evaluation.

## The Future

The role of public relations has changed. Whereas previously public relations was perceived as a tactical tool for influencing media coverage, the proliferation of communications, the need to engage with multiple stakeholders, and demands for greater corporate transparency have placed public relations at the heart of strategic management.

Consumers cannot be persuaded with misleading information or spin and organisational interests cannot be served with the excessive, non-declared use of press releases. With relationships to protect and reputations increasingly vulnerable, public relations practitioners will need to become expert in assessing the interactions between different publics and how these affect the organisation.

Public relations has a significant challenge in advising on methods of problem representation and influencing management to make sense of important issues.

The challenges are, therefore, substantial if the public relations industry is to prosper.

# Steering Group Recommendations

In line with the overall study objective to support further development of good public relations practices, the Steering Group reflected on the study findings and has identified some detailed recommendations for action.

Our recommendations are intended to provide the framework for a five-year strategic plan to be adopted and implemented by the industry and its partners. Potential project partners have been suggested and the Steering Group welcomes considered responses from these and any others that might help turn our aspirations into reality.

The Steering Group will re-convene in January 2004 and meet with the Institute of Public Relations, the Department of Trade and Industry and industry partners to discuss responses to and an action plan on the report recommendations.

## Public Relations Impacts on Business

In the UK there is a need for a greater understanding of the potential role of public relations in:

- Improving business performance
- Supporting the achievement of business objectives
- Enhancing strategic risk management
- Raise the importance of public relations as a management discipline

**1.** The Institute of Public Relations and industry bodies should collate and promote resources on the return on investment (ROI) in public relations and identify best practices relating to how boards and management teams request, receive, consider and utilise public relations advice and support to help their organisations better achieve their business objectives. Potential partners may include: the Chartered Management Institute; the Institute of Risk Management; and leading business schools.

**2.** The public relations industry bodies should extend work on the purchasing and supply of public relations services, establishing a Procurement Panel to develop common standards and related training on the preparation of public relations briefs; objective setting; contract formulation and delivery. Potential partners may include: Chartered Institute of Purchasing and Supply and the Communications Agencies Federation.

**3.** A public relations industry best practices case-study bank should be established. Potential international partners may include: public relations industry bodies; the European Clearing House, Cranfield School of Management; Harvard Business School; and the Global Alliance for Public Relations and Communication Management.

**4.** Building on its report in association with Business in the Community and MORI, the Institute of Public Relations should develop best practice guidance on non-financial reporting in the public sector to meet the Government's intention to introduce a mandatory Operating and Financial Review requirement. Potential partners may include: Local Government Association and private sector partners.

**5.** The public relations industry bodies should encourage the use of other metrics to measure the effectiveness of public relations activities, to establish their impact on attitudinal and behavioural change, as alternatives to the use of Advertising Value Equivalents. Potential partners may include: Association of Media Evaluation Companies; and trade publications including PR Week.

## PR & Social Responsibility

The public relations industry is self-regulating. It is faced with the constant challenge of managing the relationships that shape its own reputation. Codes of conduct and quality standards, in the form of the Institute of Public Relations' Continuous Professional Development programme and the Public Relations Consultancy Association's Consultancy Management Standard, are in place but more urgency and effort is required by individual practitioners, organisations and public relations industry bodies to communicate a modern and ethical profession.

**6.** The public relations industry bodies should promote standard ethical clauses in client-consultancy and employment contracts and ethics module as part of the Institute of Public Relations' Continuous Professional Development programme.

**7.** The Institute of Public Relations should commission a UK Public Relations Industry Corporate Social Responsibility (CSR) Report detailing the impacts of public relations practitioners, teams and consultant organisations.



## Government and Communications

The Government has a key role in encouraging UK business to unlock the potential that strategic communication management can deliver. The Government has a duty to improve public service provision by protecting the integrity, impartiality and objectivity of public service communications.

**8.** The Government should enhance professionalism of government communications through improved investment in communications training, communications evaluation, and encourage professional body membership for all civil service government communicators.

**9.** We welcome the Government's commitment to a Civil Service Act, through which Parliament should protect the role of civil service communicators.

**10.** We welcome the Government's acceptance of the Phillis Review of Government Communications interim recommendations that a new Permanent Secretary, Government Communication should audit and report on the communication activity of UK Government Departments. This work should be used to enhance the National Audit Office role of scrutinising public expenditure in this area. There should be similar arrangements in Scotland, Wales and Northern Ireland, local government departments and regulatory bodies.

**11.** We welcome the Government's acceptance of the Phillis Review of Government Communications interim recommendation that a new Permanent Secretary, Government Communication should report to the Public Administration Select Committee. This should be on an annual basis, focussed on the Permanent Secretary's standards and audit role.

**12.** The public relations industry bodies should continue active dialogue with the Central Office of Information on the administration of its communications agency rosters.

**13.** The Office of Fair Trading should initiate a competitiveness review of the impact of the licensing and collection agencies on the free flow of media information in the public relations industry.

**14.** To improve knowledge of UK public relations industry population trends the public relations industry bodies should consult their members on and make recommendations to the Office of National Statistics review of the Standard Industrial Code classification of communications functions.

## Public Relations Management, Training, Motivation & Development

The ability to contribute consistently to organisational success requires public relations professionals and their employers, both in-house and in consultancy, to adopt a more rigorous approach to training and skill acquisition, particularly management skills at middle and senior levels. The IPR Continuous Professional Development programme highlights that public relations people and talent must be nurtured if public relations is to unlock its full potential as a discipline.

**15.** A UK Practice Development Centre should be established to develop and promote public relations management, practice standards and professionalism, and improve relations between public relations academics and practitioners.

**16.** The public relations industry bodies should more vigorously promote ethics; planning, research and evaluation PRE; and procurement training.

**17.** The public relations industry bodies should share best practice on time to be spent on training, financial spending, motivation and development of PR employees. Potential partners may include: the Chartered Institute of Personnel and Development and Investors In People.

**18.** The Institute of Public Relations should recommend work placements on all its managed and approved public relations undergraduate courses.

**19.** The public relations industry bodies should develop a 'work placement charter' for organisations offering undergraduate work placements and secondments. Potential partners may include: the National Council for Work Experience and private sector placement companies.

**20.** The Institute of Public Relations should co-ordinate an industry 'road show' to approved undergraduate courses, introducing a competition element to engage students.

## Industry Representation

**21.** The public relations industry bodies should develop a strategic plan on improved public relations industry representation and the Institute of Public Relations, as the professional body, should press for the granting of Chartered Status.

*Unlocking the Potential of Public Relations*

A full copy at [www.ipr.org.uk](http://www.ipr.org.uk)