

The State of Public Relations in Canada

Remarks by Colleen Killingsworth APR, ABC President of the Canadian Public Relations Society

I have been asked to present a general overview of my impressions of the public relations profession in Canada and to do so... I will frame my remarks around four key themes.

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1. How has **the way we practice public relations** changed?
2. Why is **ethically practiced public relations** so important to maintaining public **trust** in institutions?
3. What are the **new trends** affecting our industry? and
4. How does public relations facilitate democracy?

As an organized profession... public relations is a little more than 100 years old. As practitioners... we need to understand that communication is the essence of a free society, market economy, and political democracy.

Public relations practitioners need to broaden their skills in this new environment. I believe public relations practitioners need to develop and strengthen their business skills and have more than a basic understanding of how business operates to be part of the management structure. We need to go beyond the traditional skills of media relations, crisis communication, and events management. I believe to be successful in today's environment... public relations practitioners need to hone their negotiating, conflict and dispute resolution skills.

As community consultation and stakeholder engagement practices continue to grow... I believe negotiating, conflict and dispute resolution skills are going to be as important... if not more important... than media relations and crisis communications skills.

I also believe we need to understand the trends that affect our industry... and keep abreast of issues, embrace new technologies and monitor the continuously changing environment in which we live and work.

I am encouraged by the increased interest in **accreditation programs**. Now that we have certified education programs... I believe individuals should obtain a professional **credential...like the APR...** which is recognized by partners in the Global Alliance for Public Relations Management in 11 countries around the world.

Professional associations...**like CPRS...** are there to protect and advance the profession, and to help advance practitioners skills by offering conferences, workshops, and a network of professional contacts. Above all... organizations like CPRS... need to be vigilant in defending the practice of public relations and promote professionalism and standards in our business world. Employers need qualified... ethically-minded... and accredited professionals who take their profession seriously.

Public relations is very likely the fastest growing form of communications around the world.

An article in the January 19, 2006, issue of *The Economist* "spending on PR in America has been growing strongly and reached some US\$37 billion last year, according to Veronis Suhler Stevenson, a New York investment bank that specializes in media. It forecasts PR spending will grow by almost 9 per cent a year. This is faster than the overall market for advertising and marketing, now growing at 6.7 per cent a year."

Public relations is also a major employer.

According to Statistics Canada's 2001 census, there are approximately 29,390 people employed in the public relations sector in Canada. I believe that the 2006 census will show significant growth in the number of public relations practitioners in Canada.

In 2002, the U.S. Department of Labour estimated the number of public relations specialists employed in that country was 211,000.

And in 2003... the Global Alliance estimated that more than **3 million people**¹ world wide were involved, one way or another, in activities which may be defined as public relations.

Interestingly enough only **a scant 10 per cent** of the 3 million practitioners are members of an institute or professional body.

In Canada, that statistic is under 10 per cent.

To be relevant to the public relations industry, CPRS needs to work to change this statistic and continue to grow its membership base to strengthen its position as a professional association.

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Public relations in Canada is practiced according to the principles of strategic management, public responsibility, and two-way symmetrical communication. Communication helps build relationships among organizations and publics... and develop policies that are aligned with the public's interest.

So how do we practice public relations today...

According to Dejan [Deyan] Vercic, Assistant Professor for Public Relations and Communication Management at the University of Ljubljana [Lubijiana], Slovenia, and a key contributor to many international initiatives including the Global Alliance... public relations provides an essential component of contemporary free society. Today's **societies are complex**, and are composed of semi-autonomous subsystems... including an economic, political, and communication subsystem.

The communication subsystem is dependent on several professions... including journalism and public relations. No contemporary social communication system can fully develop without the free and undisturbed practice of ethical public relations.

Today... just about every private, public or social organization uses public relations strategies, programs, and techniques. These strategies are implemented by **developing and deploying** communications **tools and tactics**

that are designed to create and manage positive relationships with influential publics... those believed capable of **delaying or accelerating** the pursued organizational objectives.

Most successful enterprises or large organizations have understood that to thrive and survive they must pay attention to their relationships with all of their stakeholders: employees, suppliers, clients, governments, neighbours, and more.

I will also go as far as advocating that successful organizations have learned to include members of their target audiences in **the development** of their public relations programs. Gone are the days of asking your clients or CEOs in isolation... what PR tools they would like to use.

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My second theory is... if communication is the act of conveying ideas and information... and **trust** is such a fundamental issue in our global economy... then **ethics** are the glue that fosters a higher set of morals and principles by which we live. That is why public relations associations... including the Canadian Public Relations Society... have put so much **emphasis over the years** on ethics... which culminated in the Global Alliance's **adoption of a universal protocol of ethics for the profession**. For years... our emphasis on ethics has gone unnoticed; however, now with the scandals such as Polar Foods, Hollinger, Bre-X and others... it is receiving the attention it deserves.

Codes of ethics stabilize our relationships so that everyone can prosper and grow. And since **we**... as public relations practitioners... are in the business of building and maintaining relationships and facilitating democracy... ethics has to be part of what we do and how we behave.

While we are on the subject of ethics... I would be remiss if I didn't acknowledge Jean Valin, APR... Daniel Granger, ARP... and Beth Diamond for inspiring parts of my presentation today.

According to the sixth annual Edelman Trust Barometer... a survey of 1,500 global opinion leaders in North and South America, Europe and Asia,

which was released in January 2005, the credibility of business, government and the news media is at the lowest point since the survey began. Employees and 'an average person like me'... are now more credible than CEOs... and nongovernmental organizations are deemed more trustworthy than governments.

For most PR practitioners... this 'trust void'... as Edelman calls it... presents equally daunting challenges closer to home. According to Seth Godin... author of "The Idea Virus" and, more recently... "All Marketers are Liars: The Power of Telling Authentic Stories in a Low-Trust World"... we don't trust the media, doctors, or politicians.

We are living in an era where public faith and confidence in institutions... both public and private... are increasingly shaky. The public relations industry is not immune to the same public scepticism faced by the media, doctors or politicians.

You don't need to look far for an example of why the public has lost faith and confidence in institutions. Take for example the revelation that the U.S. government had been secretly paying Iraqi reporters and newspapers to report good news about the war. A Senate committee reviewed the allegations that the Lincoln Group, a Washington "strategic communications" firm, had been accepting payment from the U.S. military to translate articles written by the U.S. military and placing them in Baghdad newspapers, sometimes for a fee without revealing the true source of the stories.

New media technologies are, in part responsible for this erosion of trust in once authoritative voices. Blogs are up... and mainstream media are down.

According to R. Edward Freeman, director of the Ollson Center for Applied Ethics at the University of Virginia's Darden Graduate School of Business Administration... because of the Internet... companies no longer have control of the information function.

Corporations are not the stable institutions they once seemed to be... so people trust them less.

Businesses are also more quickly caught in their deceptions... as are all institutions. This puts greater pressure on those responsible for their communications... whether they are employees or consultants. Because scrutiny is so intense... even honest business leaders are more reluctant to be forthright.

Without trust from both within and outside of the organization... no business strategy is going to be as effective as it otherwise could be. It requires putting programs in place that demonstrate behaviourally... not rhetorically... that an organization has concern for its employees, suppliers and external audiences. Actions have always spoken louder than words. And coincidentally... growing trust is almost always a key public relations objective.

Truth is one fundamental value that we should carry with us every day as we work to restore and sustain public trust in business.

But being purveyors of truth is a difficult position. We're known popularly for spin and putting a good face on things through tough times. I don't know how to rid our profession of such unflattering and demeaning descriptions. We should never, ever, use the term "spin" or allow it to be used in our presence, and we ought to be confrontational about it. We need to take this very seriously and on a very personal level.

I believe public relations practitioners have a **responsibility** to promote good governance through truth and respect... in other words... through ethical, as well as effective communication.

Effective public relations **starts with understanding and listening**. It is rooted in complete transparency and open and frank discussion of the issues.

We know that public relations works most effectively when it is approached strategically, systematically, and consistently. Public relations' impact builds **over time... repetition of key strategic messages** in a variety of contexts, **is the power** of public relations.

Public relations draws its power when the function is positioned as an advisory to senior management. Some organizations have understood and

indeed demanded from their public relations staff that they play the role of public or devil's advocate. These practitioners are required to listen to other voices... perform a reality check on management... and play devil's advocate with senior managers.

Organizations don't need 'yes people'. They need public relations practitioners who are not afraid to speak their minds... and who will go against established positions. **Credibility** and **trust** are the most important assets an organization has working for it.

Those organizations which include public relations at the management table expect their public relations practitioners to **understand management problems...** while at the same time relaying to management the concepts and activities that they will not hear about from the other professional advisors.

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Now for my third theme... let me talk about two trends influencing our industry.

First there is **Corporate Social Responsibility... or CSR**. CSR is one of several global subjects generating great interest and impact for public relations practitioners. The term '**corporate social responsibility**'... also described as business ethics... sustainable development... and triple-bottom-line management... like public relations... means different things to different people in various parts of the world. However... the principles at the core of CSR have great significance for our profession.

We also need to determine what CSR is not. It is not 'corporate charity' or 'philanthropy at other people's expense'. However... one element of contemporary CSR, 'strategic philanthropy', seeks to merge corporate strategic interests with corporate social investment, or donations... recognizing the importance of various communities affected by a corporation. This is very different from earlier practices of supporting the chairperson's favorite charity.

In short... CSR now represents the potential for a new dimension in rating the quality of business management in a fast-changing society... a society in

which public expectations and demands must be anticipated, considered and addressed. Success here is not only a matter of vitally important risk management... reducing the likelihood of financial and reputation damage for example... but also one of capitalizing on emerging opportunities.

So how do CSR and public relations interface? The case is strong for public relations to be at, or near, the center of CSR management. The essence of professional public relations practice is to apply communications to help an organization develop and maintain reciprocal relationships with the publics that can influence its future.

Public relations, properly placed and administered in the CSR business model functions as the interface between a corporation and its publics, which is critical for CSR success.

Research shows that most consumers expect businesses to make a positive contribution to the environment, social causes or the community. Ninety-two per cent of Canadians say the more socially and environmentally responsible a company is... the more likely they are to purchase its products or services... according to a survey conducted by GlobeScan for Hewlett-Packard Canada. In 2004, 40 per cent of Canadians punished a company by not buying its products... or by speaking critically about it because they felt the company was not acting responsibly.

Understanding CSR can improve business operations because there is more in-depth stakeholder consultation... which can help businesses avoid potential grievances from employees and the community. Companies can't take for granted their social licence to operate.

A second trend is the ongoing changes in traditional media.

According to a January 11, 2006 Shoptalk Column in Editor & Publisher, modern newsprint, addicted to technology, worships the god of speed. Laptops, satellites and cell phones make live-from-ground-zero reporting alluring. But the problems instantaneousness creates can not be ignored.

During the Sago, West Virginia mining disaster, did any news producer or editor decide not to run the “safe!” story, arguing, “Whoa, no one has confirmed this. Let’s not run the rescue angle until we get 100 per cent confirmation. Until then, let’s just say we don’t know.”

In perspective, the media did not create the rumour that the miners were safe. Miscommunication, misheard phone exchanges and optimistic gossip probably lay at the root of the bad information. Officials, too, were at fault for not immediately clarifying what they knew and what they did not. But the fact is, most North Americans, including people who knew the miners, believed during the three hours of saturation news reports on television and the Internet that the miners were “rescued.”

The Internet and the thirst for non-stop, 24-hour access to news and information have created a surge in the number of people turning to online outlets to consume news and information. In fact... online and alternative media are the only current growth segments in the media industry. Research confirms the declining readership for traditional media.

Radio has not been affected so dramatically... although studies show that the time spent listening to radio is on the decline. Time will tell how radio may evolve with the emergence of MP3s, streaming audio, podcasting and technologies such as satellite radio, especially in terms of the impact on younger audiences.

For those of us who are not so young... the podcast...an audio program that you pull off the Internet and download onto an iPod or similar device for listening at your leisure... seems as big a threat to radio as the web poses to print and television.

What has emerged from today’s shifting media landscape and the increasing power of the Internet... is the voice of the individual and what many are calling ‘participatory’ or ‘citizen’ journalism. Technology advancements such as the growth of broadband, the proliferation of PCs, the introduction of easy-to-use blogging software and RSS... or really simple syndication technology, have given individuals unprecedented power to not only share their own

knowledge, politics and beliefs... but also that of the communities around them, including their employers. And never before have so many people listened.

I believe that it's also worth noting that a recently founded U. K. photo agency called Scoopt aims to make a business of licensing the publication rights to pictures taken by everyday people, especially those made with camera-equipped cell phones.

During disasters such as the London bombings in July 2005... citizen journalists posted volumes of on-the-scene photos and witness accounts at websites and blogs. Cell phone cameras captured digital images of the wreckage and transmitted them around the world. What the photos lacked in quality imaging... they made up for in the immediate first-hand view and raw exposure to the experience. Text messages from the scenes provided real-time snippets and conveyed the raw truth as it unfolded.

Last fall... as Hurricane Katrina tore across the U.S. Gulf coast, leaving snapped communications in its wake... Internet web logs offered a unique and often dramatic insight into the storm's destructive fury and aftermath.

According to an Agnece France Presse report... with the mainstream media struggling with the logistics of covering the story... blogs came into their own, providing gripping first-hand accounts from some riding out the hurricane, posting updates on the flooding situation and helping put people in touch with stranded relatives.

MSNBC.com reported an all-time record for streaming video requests... nearly 6 million by mid-afternoon on Monday, August 29. Anyone with Internet access had little reason to turn on TV.

According to Waggener Edstrom Inc.¹... blogging is an enormously powerful new medium that has characteristics that are both evolutionary and revolutionary in nature. As of July 2005... there were approximately 14 million blogs in existence... with 32 million people reading blogs and 38,000 new blogs being created daily².

Blogging is pushing the public relations profession to shift and adjust our thinking and actions as we address a new set of challenges and opportunities relative to engaging with customers and our stakeholders.

Some very clear implications and guidelines should be considered when developing a communication plan... and determining how corporations should engage with the blogosphere. At its core... the Internet is having a significant effect on all forms of communication in that it changes the relationship companies have with their customers. Companies need to think about how they can encourage more direct communication with their customers... whether it is through blogs, podcasting, vlogs (video blogs), or other online forms of communication.

In a recent Global TV Sunday broadcast on new media, and how technology is changing the way you see and hear the world... Danielle Smith summed it up when she paraphrased the words of "The Incredibles"... "When everyone is a journalist... no one will be."

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And finally... I believe we should view ourselves as facilitators of democracy.

And... just what is democracy? It is a system by which social equality is sought. Democracy means 'rule of the people'. It includes open discussion, free elections, majority rule, political freedom, political equality, minority rights, representative government and independent judiciary.

At the core of Canadian democratic values... is the use of **freedom of speech** to foster changes to society. I believe ethically practiced public relations is at the core of Canadian values as it helps to **facilitate peace, order, and good government**.

The spread of democratic theory and practice is linked historically to the invention of the printing press. The growth of literacy spread ideas that curbed the long-established authoritarian political order... and widened the arena of public debate essential to representative government.

The Internet and blogs are giving people a global voice and are bringing to life the two-way symmetrical communications model like never before. With blogs... there are no rules, regulators, or fact checkers. It is now possible for one person to inflict severe damage on a large company using only a single blog entry. Blogs make it harder for corporations and other institutions to control their message.

Some 50 years ago... philosopher Sir Karl Popper wrote... 'Only democracy provides an institutional framework that permits reform without violence, and so the use of reason in political matters'. The use of reason referred to by Popper is today facilitated by public relations.³

The role of public relations in the age of e-democracy will be even greater as the need to focus our clients' or organizations' messages for the public increases. It is critical to ensure balance in communications for informed public debate and decision-making in this new global forum.

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In summary... public relations practitioners need to develop and strengthen their business skills... and go beyond the traditional public relations skills to include negotiating, conflict, and dispute resolution.

Public relations practitioners need to understand the trends affecting our industry and keep abreast of issues, embrace new technologies and monitor the continuously changing environments in which we live and work.

It is up to public relations professionals to use their understanding of business and the markets.... the power of listening to find out what the public is thinking... and to work alongside management with high ethical standards to formulate communications programs that will increase public understanding and influence the public's attitude towards our organizations.

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In closing I pose one question, are we as a profession up to the challenge?

Thank you.

Footnotes

¹ Till this day, public relations metrics in most countries are decided by market research methodologies which assume the private sector as being the quasi totality of the market. This is clearly unacceptable as the private sector only counts for less than 50% of the overall market, which also includes the public and social sectors. Again, the commonly applied methodology -similar to the one used in advertising- is based on an estimate of allocated budgets. This is also very questionable as public relations involve highly labour intensive activities based on relationships, and not on the acquisition of media space and the use of such space for the insertion of unilateral, asymmetric and controlled messages erga omnes.

To avoid recurrent ambiguity on presumed market dynamics (i.e. the market is 'in crisis' if Martin Sorrel from WPP says so because his shares are dropping, while public relations in the public and social sectors are booming in many countries and young people flock the profession as never before), it seems relevant for the professional community to assume direct responsibility in identifying, selecting and implementing monitoring approaches to adequately take into account the profession's specificities.

A possible starting point could be, as is done for other labour intensive activities, to estimate the overall number of professionals in a given territory. In Italy, Ferpi (Federazione Relazioni Pubbliche Italiana) tried to do this in 2001 profiting from the Government's decision -for the purpose of applying Parliamentary Bill number 150 of May 2000 which for the first time recognized the strategic value of (and also regulated) public sector communication- to perform a detailed internal national census which revealed a staggering number of 40 thousand public sector communicators. Based on this certified figure, Ferpi proceeded to estimate another 10 thousand professionals in the private sector. This number was the result of an extrapolation from the 3 thousand billion lira (today equal to 1.5 billion euro) a year investment of private sector companies in public relations, estimated for 2001 by UPA/Intermatrix -a long standing (1981) and authoritative annual research promoted by UPA, association of Italian companies who advertise, and conducted by Intermatrix, a market research company. The figure of 10 thousand individuals is obtained by multiplying by three a gross average annual cost of 100 million lira per professional (abiding to the generally accepted principle that in a service economy employment is not productive if it does not induce investments triple of gross cost to the organisation).

Proceeding in this exercise, Ferpi identified another 10 thousand operators in the solo, small and large agency consultants sector, based on the 1 thousand

employees or full time collaborators working in the 36 full service agencies belonging to Assorel (member of Icco) and on the latter's realistic claim to represent 10% of the overall consultancy market.

A final 5 thousand operators were guesstimated as operating in the social sector, considering that there are 500 thousand registered social organisations in Italy (called Onlus) and that experts agreed that at least 1 in 100 has a full time person dedicated to public relations, organisation of events, media relations and/or fund raising activities. Therefore, by adding 40 to 10 to 10 to 5, the total figure for the year 2001 in Italy is 65 thousand. Furthermore, accepting that the public and social sectors have significantly grown in these last three years while the private sector has remained stable, we are today probably closer to 80 thousand. The overall population of Italy being 60 million, one could say that 1.3 Italians in 1000 is a public relations operator. By extrapolating the same methodology and applying it to other parts of the world, one would probably wish to segment at least three macro-areas:

- a) the Anglo Saxon Area (USA, Canada, UK, Australia, South Africa, New Zealand...) for more than 600 million inhabitants, where public relations is highly pervasive and where one might estimate 1 operator per 700 inhabitants, for an overall number in excess of 800 thousand practitioners;
- b) the European and Asian Tigers Area for a total of another 600 million inhabitants where public relations activities have been rapidly consolidating over the past half century and where one could probably apply the Italian formula of 1 per 1000 which would give a figure of 600 thousand;
- c) the 'Rest of the World' Area for a total of some 4.5 billion inhabitants where public relations is still in its infancy and where one could guesstimate a presence of 1 operator every 5000: i.e. 900 thousand operators.

The sum of this in 2001, would give an overall number of 2.3 million which, considering an acceptable 10/15% annual increase ratio, would lead us to an estimated number of almost 3 million public relations practitioners in the world in 2003.

This might appear far off to some, considering the more conservative figures which have been circulating in the professional community –but one must also remember:

- a) that the financial/advertising industry has a vested interest in concealing that, for many years now, more than 50% of corporate communication being spent is no longer in classic advertising;
- b) that the circulating figures on numbers of professionals in a given country are based on the consolidated bias that associations are significantly representative

of the community (an assumption which has always been 'taken for granted' by association members and fiercely contested by non members, but has never been proven as a fact).

Surely however, those who professionally indulge in economic, market research and forecasting techniques, will consider these arguments acceptable and possibly more credible than many other estimates concerning other unregistered professions, which are generally accepted without question, as the one relating to public relations was until recently.

¹ Are you listening? Understanding the blogosphere from a communications perspective. Waggener Edstrom Strategic Communications www.wagged.com/services/blogging.asp

² Sources: Technorati and Pew Research Internet study, January 2005 http://www.pewinternet.org/pdfs/PIP_bloggin_data.pdf

³ generally regarded as one of the greatest philosophers of science of the 20th century and a committed advocate and staunch defender of the 'Open Society'