



# PUBLIC RELATIONS MEANS BUSINESS

Transformative changes in media and technology are leaving many business leaders behind, especially when it comes to mobilizing corporate communications to manage brand reputations, gain consumer trust and achieve strategic business objectives.

To help address this widening knowledge gap, the Public Relations Society of America (PRSA) is working to bolster the strategic communication coursework offered in today's Master of Business Administration MBA programs.

## Survey: Communications a 'Vital Skill' for Today's Business Leaders

With faith in business and government institutions waning and the reputations of even the most venerable brands at risk, corporate communications has emerged as an essential skill set for C-level executives in the 21st Century.

The results of a survey of 204 American business leaders (vice president and above), unveiled at the PRSA 2011 International Conference in October, underscore these new realities. Funded by MWW Group, the survey found that 93 percent of business leaders believe public relations is just as important to their companies as other forms of communication, including advertising and marketing.

And the responsibility for communicating effectively is not confined solely to public relations departments and agencies. Nearly all the business leaders surveyed think CEOs themselves should understand the role of corporate reputation management (97 percent) and that it's also important for C-level executives

to have a working knowledge of basic public relations skills (98 percent).

Despite acknowledging public relations' importance, 9 in 10 business leaders (94 percent) admit that the senior executives within their companies need additional training in core communication disciplines, such as reputation management and corporate communication.

Other key findings from the survey, conducted by Kelton Research, include:

- An overwhelming majority of the executives (98 percent) believe that business schools should incorporate instruction on corporate communications and reputation management strategy into MBA curricula.
- While 59 percent of business leaders say their companies have hired recent MBA grads within the last three years, only 4 in 10 find the skill sets of these grads to be extremely strong in the areas of building and protecting the company's reputation (41 percent) and credibility (40 percent).

## 9 in 10 business leaders admit executives need training in core communication disciplines

2011 Business Leader Survey



**Kelton**

**PRSA**

**MWWGROUP**

- Nearly every executive (97 percent) says it's important for CEOs to have a well-developed understanding of the role of corporate reputation management. A similar number (98 percent) say executives at any level of their organizations should have such an understanding.

93%

Believe PR is as important as marketing / advertising

98%

Believe C-level executives must know basic PR

2011 Business Leader Survey

- Nearly all business leaders (98 percent) believe it will be important in the future for corporations to have senior managers with a working knowledge of building and protecting a company's credibility. And 96 percent say it also will be important for these individuals to have a working knowledge of building and protecting a company's reputation.

## The PRSA MBA Initiative

PRSA is leading a multi-year effort to advocate the importance of including public relations skills and understanding in MBA programs. This initiative will provide MBA candidates with a better appreciation of public relations' strategic value and help them understand the communications skills required for success in the future. "Nearly every business leader we surveyed agrees that reputation management and communication strategy are important skills for businesses success," says PRSA Chair and CEO, Rosanna M. Fiske, APR. "The next generation of executives must understand not only public relations' business value and ROI, but recognize their own roles as stewards of corporate reputation."

Making strategic communication a key element in MBA programs not only will make an enormous contribution to the practice of public relations, says Fiske, it also will contribute to sound business practices.

"A greater understanding and appreciation of public relations among senior executives will help public relations practitioners gain easier and more frequent involvement in C-suite business decisions," she says.

Other public relations organizations are taking approaches similar to that of PRSA. The Institute for Public Relations, for example, is reaching out to foreign business leaders via European schools of business. For its part, the Arthur W. Page Society has a Business Schools Committee with stated goals similar to those of PRSA's MBA Initiative.

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*-PRSA Chair and CEO, Rosanna M. Fiske, APR.*

PRSA, IPR and the Page Society also have collaborated on curriculum guidelines and a draft syllabus for corporate communications studies, and are moving forward with plans to engage several business schools to pilot the course, with plans for the program to be launched during the 2012-13 academic year.

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## Survey Methodology

The Business Leaders Survey was developed to gauge how today's business leaders look at public relations and the degree to which they understand its strategic business value. The survey was funded by MWW Group and conducted by Kelton Research between Sept. 21-29, 2011, via email invitation and an online survey.

Responses were received from 204 American business leaders with titles of vice president or higher, who are employed full-time. Results of any sample are subject to sampling variation. In this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 6.9 percentage points from the result that would have been obtained had interviews been conducted with all persons in the universe represented by the sample.