

**High Potential PR Professionals  
Thrive on Challenge:  
A Study of Employee Turnover and Retention  
in the Public Relations Industry**

by

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## **ABSTRACT**

This study is a comprehensive evaluation and analysis of the factors that contribute to employee turnover in the public relations industry and seeks to uncover best practices for preventing the loss of key talent. This text comprises extensive background and discusses the magnitude of the problem, such as disruption to workflow, increased costs, client dissatisfaction and decreased productivity.

The study then examines factors relating to employee turnover against three theoretical and conceptual frameworks: General Systems Theory, The Deming System of Profound Knowledge and Grunig and Hunt's Two-Way Symmetric Model. These theories help the authors focus their secondary research and drive the development of their primary research tools: an online survey to public relations professionals and in-depth interviews with Human Resources executives.

High potential public relations professionals are unlike any other subset of the workforce. These high performers crave challenge and responsibility; they feel most fulfilled when being pushed to their limits. Along with the demanding nature of life at a public relations agency, employees expect a better work/life balance and extensive career development opportunities. Public relations firms should develop a philosophy that ensures employees are stretching their skills on a regular basis and institute several programs that will meet their cultural expectations to prevent unwanted turnover. Effective two-way communication must be in place at firms to uncover employees' expectations and to create a motivational environment to achieve the shared goals for success.

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## INTRODUCTION

The impact of employee turnover is one of the most costly and seemingly intractable challenges confronting public relations (PR) firms. Analyses of the costs associated with turnover reflect surprisingly high estimates. Beyond the obvious, hard costs associated with employee turnover, it is also important for organizations to realize the full magnitude of this problem. Since public relations is a service and relationship-based business, high rates of employee turnover can have a serious and profound impact on client satisfaction and retention, upon which an agency's profitability – and survival – are contingent.

However, some attrition is not necessarily always a bad thing. "There are definite upsides to people leaving your business," says Julie Davis Salisbury, president of Julie Davis Associates, an Atlanta public relations agency. "I've had some cases where employees quit and it's been the right thing for our business. I've also had to fire a few people, and when I've done it, the business has benefited" (McGarvey, 1997).

Some employee turnover is part of the natural progression of an organization, and can provide employers with an opportunity to refresh the talent pool or make needed changes to their infrastructures. Inevitably, some employees are simply not always the right "fit" for a particular organization – they may be negative, mean-spirited or lazy – or they may simply be incompatible in terms of work style and personality. When these individuals are removed from the payroll, morale increases. Turnover also helps to "clear out the deadwood" (McGarvey, 1997). Some employees reach a point where they have resigned in everything but name; they still receive a paycheck, but their minds are elsewhere and they are not contributing at the level they should be, bringing down a firm's productivity (McGarvey, 1997). Attrition also creates opportunities, such as promotions or other new growth opportunities for employees. This opportunity of upward mobility is one of the most effective ways to motivate high performers. Additionally, turnover can boost morale.

While some level of attrition is inherent in any business, a high rate of employee turnover indicates that a firm has issues it must address. Additionally, while some level of turnover is healthy, one fact is indisputable: Employee turnover is costly.

## BACKGROUND

At many public relations firms, the odds of making partner are increasing (Capozzi, 2007). Therefore, that inherent motivation which previously fueled junior staff members has lost its thrust. Along with the retention of clients, PR firms are now equally concerned about retention of talent.

A key strategy to decrease the need for new hires in a talent shortage is to increase retention (Maister, 1997). Employee turnover in PR firms disturbs client relations, reduces employee morale, and decreases billable hours (Siegel, 1992). Because of this, retention for agencies can mean the difference between profitability and financial turmoil (Croft, 2006).

Another characteristic that is important to some mid-level staffers is variety in their work and clients. Employee training and professional development are also important to employees. "The organizations that consistently invest in people are the ones that will enjoy ongoing success" (Galloway, 2007).

## GOAL OF THE STUDY

The Holmes Report by The Holmes Group, a media firm that covers the public relations industry, conducts electronic roundtables to take the pulse of staff members working in the industry. The Holmes Report and the various ways it gauges attitudes within the PR industry is discussed in detail in this study, as its findings are a cornerstone of this study's secondary research, and were a springboard for the development of our primary research methods. Its September 2007 electronic roundtable examined the challenges of retaining top-notch employees in a highly competitive environment. During the discussion, Lyle Cross, managing director, European technology public relations firm AxiCom, shared:

*My feeling is that the biggest problem, and the biggest benefit, for PR agencies (as opposed to in-house departments) is that the work is tough. People are under a lot of pressure and often work long hours. This creates two issues. Those who don't like it leave for other, less pressured careers and those who can handle it tend to be young, capable and ambitious. These people often have a good view of their capabilities and of the market and so move sooner in their career to try new things, and to get career progression and more money ....*

(The Holmes Report: September 2007 Electronic Roundtable)

Therefore, it is important to note that there are some factors that are beyond the control of the employing organization, and that some jobs are intrinsically more attractive than others. A job's attractiveness is subjective and can be affected by many characteristics, including its repetitiveness, challenge, risk, perceived importance, and whether the work elicits a sense of accomplishment.

This study identifies the factors over which firms do have reasonable control, and recommends best practices for initiating necessary changes to reduce turnover attributable to these "controllable" factors, including communication, professional development, empowerment, balance of challenge/stability/change and work/life balance.

## **THEORETICAL AND CONCEPTUAL FRAMEWORKS**

As part of this study, three distinct theoretical and conceptual frameworks were applied and examined as rationale for different aspects of employee turnover. General Systems Theory demonstrates how employee turnover can spread like wild fire through an organization, and its impact on client satisfaction. The Deming System of Profound Knowledge encourages fostering an ideal of “joy at work” among employees; this is applicable as there is a large body of academic research supporting the intuitive contention that people who are satisfied with their jobs and committed to their employing organization are more likely to stay than those who are not (e.g. Griffeth, Hom & Gaertner, 2000; Maertz & Campion, 1998; Meyer, Stanley, Topolnytsky & Herscovitch, 2001).

Finally, the Grunig & Hunt Two-Way Symmetric Model points out the importance of developing a common ground and sense of understanding. In the case of employee turnover, the two-way flow must be between employee and his or her direct boss, and employee and senior management (for vision and mission of the organizations, especially), as well as in several other internal relationships at an agency.

### **General Systems Theory**

General Systems Theory can be used to demonstrate why employee turnover can negatively affect many different facets of an organization, and eventually result in decreased productivity, client satisfaction and profitability. General Systems Theory depicts organizations as “living things composed of interrelated components or parts” (Doorley & Garcia, 2007). Under General Systems Theory, an organization and its “systems” are dynamic; no one component can function independently; additionally, one part of a system may influence and shape the other parts of the system in unpredictable ways. Systems in an organization include all employees (and subsets of different employee groups, e.g. departments, manager/non-manager groups and work locations), clients, the media and the industry at large. When systems are not operating in a unified way, such as in environments where employee turnover is rampant and there is a lack of communication, the environment of the overall system is disrupted and an organization’s business will suffer. Further, the confusion itself – where workflows are not running smoothly – can contribute to an environment that yields even more turnover.

### **The Deming System of Profound Knowledge**

Similarly, Dr. W. Edwards Deming taught that by adopting appropriate principles of management, organizations can increase quality and simultaneously decrease costs (by reducing waste, rework, staff attrition and litigation while increasing customer loyalty). The key is to practice *continual improvement* and think of manufacturing as a system, not as bits and pieces. These ideals underscore Deming’s theory of management aimed at promoting “joy at work.” Deming’s model comprises four key paradigms.

One paradigm asserts that people are most effectively motivated and inspired by a mix of intrinsic and extrinsic rewards. Intrinsic motivation comes from the sheer joy of performing an act, and releases human energy that can be focused into improvement and innovation of a system. It is leadership’s responsibility to foster an environment where both intrinsic and extrinsic rewards are regarded with importance and employee’s level of satisfaction or happiness has a large impact on his or her intent to stay at a firm.

Deming also believed that in order to constantly transform itself in the most effective way, organizations must have a “view from the outside,” which can be achieved by soliciting feedback from employees and other key constituencies; in other words, he recommends two-way communication.

### **Grunig & Hunt Two-Way Symmetric Model**

*Managing Public Relations*, the 1984 book by James E. Grunig and Todd Hunt that planted the seeds for modern public relations theory, identifies four models that guide public relations philosophy: The press agent/publicity model, public information model, two-way asymmetric model and two-way symmetric model. Grunig and Hunt concluded that the two-way symmetric model is preferred, and their theory is one of the most frequently cited texts by students and scholars of public relations.

Elements of the two-way symmetric model can be found in the writings of Ivy Lee, Edward L. Bernays, and John Hill. Under a two-way symmetric model, the focus is on telling the truth and helping two or more parties – such as employees and senior management – understand each other. The way to accomplish this is through research, including two-way feedback. The two-way symmetric model can be used as a basis for developing best practices to understand the factors that contribute to turnover in an organization, and to decrease turnover in the first place.

In public relations agencies, under this model, management must understand the viewpoints of employees and employees must understand the company’s strategy. In a public relations firm, the two-way symmetrical model can be employed through employee surveys, reviews and development meetings, outlets for written suggestions or questions, executive visits or web conferences and focus groups.

## **LITERATURE REVIEW**

### **The High Cost of Employee Turnover**

The recruitment of replacements is an obvious – and substantial – component to the overall cost of turnover. It includes administrative expenses, advertising, screening and interviewing, and services associated with selection, such as security checks, drug tests and processing of references. Additionally, if a search firm is utilized, the cost of recruitment is even higher.

Once a replacement is hired, he or she must then undergo training, by both formal and informal means. The fixed costs that comprise formal training include instructor fees, training materials, and overhead related to training sessions. Additionally, it also disrupts the workflow, and is ultimately time – and billable hours – lost. The cost of informal training is more difficult to measure. It includes the time that co-workers and supervisors spend helping a new hire become acclimated to his or her responsibilities, clients and new work environment in general. Informal training also includes any time spent by the new hire learning on his or her time.

Employee turnover also negatively affects productivity on a variety of levels, including: the interim period before a replacement can be placed on the job; the time required for a new worker to get up to speed on the job; and the time that coworkers must spend away from their work to help a new worker. Some losses are even less tangible, like the costs associated with the period prior to voluntary

termination when workers tend to be less productive. The impact of all of these factors heightens a firm's risk of losing clients or sales contracts.

The hiring process must be rigorous because the cost of hiring a bad candidate can range from two-and-a-half to five times the employee's annual salary (Hart, 2005). But once an employee is with an organization for three or more years, is highly specialized and has built solid relationships with clients, the ultimate cost of losing an employee increases exponentially.

### **Measuring Turnover**

Several researchers have codified a means to calculate the cost of employee turnover. Using an example from the health care industry, Cascio (2000) calculated that the cost of replacing 288 employees per year (in a hospital with 200 beds employing 1200 persons with a turnover rate of 2% per month) was \$2,888,295.52 when all sources of costs were analyzed. According to the Hay Group, the cost of losing just one key employee may exceed 60% of the departed employee's annual compensation due to training time, lost productivity, and other factors (Heyman, 1997). Other sources estimate the cost of turnover as 30-50% of the annual salary of entry-level employees, 150% of mid-level employees, and up to 400% for specialized, high-level employees (Blake, 2006).

Despite the wide availability of analysis on the cost associated with turnover, many organizations do not have processes in place to measure the cost of turnover as a combination of recruiting/advertising, interviewing, hiring, orientation, training, compensation during training, lost productivity, customer/client dissatisfaction, lost business, administrative costs, lost expertise, temporary workers, and exit costs (Blake, 2006; Abbasi & Hollman, 2000).

### **Turnover Factors Germane to Public Relations Firms**

In service-based industries, employee retention is even more critical, because a company's product is its human capital. One of the biggest recruitment challenges agencies face is a limited talent pool, especially when seeking employees with four to eight years of agency experience (McKenna, 2006). The industry suffers from a "constant shortage of really good people," according to Croft (2006). Despite the talent drought, agencies must be careful to hire candidates that fit the agency culture, client, and position (Croft, 2006).

Our literature review found that causes of turnover in public relations firms include hiring practices, managerial style, lack of recognition, company culture/work environment, compensation, and organization instability (Abbasi & Hollman, 2000; Ongori, 2007). Additionally, the trend of mergers, consolidations and restructuring across all industries means that companies can no longer promise new hires a long-term relationship. According to Cappelli, this has resulted in employees' first allegiance being to the market, not employers (2000).

The Holmes Report makes it possible for PR agency professionals to discuss the most critical issues facing firms around the world. We gained access to the Holmes Report database to analyze content on retaining key talent, managing turnover and the outlook for the future of public relations in the minds of industry leaders.

The September 2007 roundtable examined the challenges of retaining top-notch employees in a highly competitive environment. Glen Jackson, founder and principal of Atlanta-based public relations firm Jackson Spalding, stated:

*Client retention and people retention within the (PR) agency world are inextricably linked. Firms that experience a lot of people turnover experience similar issues with clients, which does not bode well for our field as a whole. The way to improve retention –and therefore client service – is to hire people who are a strong cultural fit and who clearly understand the goals, values and vision of the firm.*

How big of a problem is turnover at PR firms? StevensGouldPincus, merger and management consultants to the communications industry, conducted a management survey, "PR Agency Staff Turnover," published in November 2007. The study included 150 firms from a broad spectrum of sizes and specialties. On average, turnover across all specialty areas is approximately 20.5% on an annualized basis (2007). Approximately 27.2% of firms have a turnover rate of less than 10%. Forty-nine percent of firms have turnover rates of 10-30%; and 24.0% of firms have a rate that is higher than 30%. The complete survey and results, including breakdowns by region, specialty area, and firm size, may be found in the Exhibits section.

The respondents were also asked a variety of questions about their level of optimism regarding the future of public relations, and were unified in their biggest concern: The difficulty of attracting and retaining the best people. These findings are based on the respondents' answers to two of ten total questions. The first question asked if the respondents agreed that there was a plentiful supply of intelligent, well-educated talent in their marketplace; this question elicited the lowest response of any of the ten questions asked in this study. The second question asked the PR agency leaders to identify the number one largest obstacle to growth and invited them to select from a list of 17 factors.

**What is the largest obstacle PR firms face in the pursuit of growth?**

<b>Factor</b>	<b>Rating</b>
Difficulty of recruiting top talent	67.8%
Short term thinking of clients	21.2%
Difficulty of retaining top talent	18.7%

Source: The Holmes Report: September 2007 Electronic Roundtable

**What Are Some of the Key Drivers of Turnover at PR Firms**

Retention factors for public relations agencies include salaries, work-life balance, room for advancement, trust in the agency, mentorship, and flexible work options (Beanland, 2006; Kramer, 2006; Lowendahl, 2000; Seitel, 2005). Opportunities to work on a variety of clients can also help retain mid-level staffers (McKenna, 2006). Employee training and professional development are also important to employees. "The organizations that consistently invest in people are the ones that will enjoy ongoing success" (Galloway, 2007).

The drivers of employee retention that were examined in this literature review include communication, professional development, recognition and rewards,

empowerment, review and evaluation processes and giving employees the right balance of stability, challenge, and change in their work.

### **Communication**

Strategies to manage retention in public relations can be executed by both agency managers and human resources personnel. Effective employee communications programs engage employees and decrease their chance of leaving an organization by up to 50% (Ward, 2007).

Effective communication correlates with employees' level of understanding of a company's vision – which is a driver of employee engagement (The Corporate Executive Council 2005). The Corporate Executive Councils (CEC) makes a clear connection between communication effectiveness and an employee's intent to stay with an organization citing:

*A company's ability to communicate – specifically to lay out a vision of its strategy and direction that is clearly understood by its employees and linked to their day-to-day lives – is important, not because communicators assert that it is, but because employees cite it as the most important driver of commitment to their firm"*

(Corporate Executive Board, 2005)

In its 2005 findings, the CEC elaborates that organizations with more engaged employees are likely to outperform their peers, and that of the ten top levers of intent to stay, internal communication is the highest. According to the CEC, two other levers are important to note: Employee understanding of connection between his/her work and organizational strategy, and clear organizational goals.

Communications about an organization's mores and modus operandi must start early in the life of a new employee. According to the Charter Institute for Professional Development Recruitment, Retention and Turnover Study (2006), nearly one-fifth of new recruits quit in the first six months of employment; employers most frequently cited actions to increase retention is to improve the induction (orientation) process (*Marketing Week*, 2006).

While the first six months are critical, an effective communication plan must be ongoing; therefore, it must be sustainable and practical. As the Internet has expanded into a predominant mass communication channel, its cousin, the intranet, has become an important channel for employee communication, especially when it comes to conveying information about an organization's vision, strategy and goals. Sinickas (2006) used results from communication audits of for-profit and non-profit organizations and observed that understanding of business strategy in organizations is generally weak. According to Sinickas' findings, among businesses where employees' understanding of strategy is strong, access to an intranet yields higher scores.

Managers' verbal explanations of organizational vision remain the most important predictor of how well employees comprehend strategy, especially if placed in the context of a respective business unit or geography (Sinickas, 2005). Survey research with 21 large organizations by Sinickas (2005) indicates that organizations should not rely solely on electronic means for disseminating communications. Employees prefer a combination of different varieties of electronic sources, including

emails, e-newsletters, and intranet content, in addition to face-to-face sources of information.

Sinickas cautions, however, against a “cascade” briefing process, comprised of managers briefing employees whose roles are of a subordinate level. Alternatively, using a number of sources may help prevent that inevitable loss and distortion of information as it travels through employee layers. Global consulting firm BlessingWhite (2006) researched employee engagement and concluded that, “strategy isn’t getting very far out of the boardroom,” though they do note modest progress. A small portion of the study’s 714 respondents (19%) believe that their organization’s strategy is well communicated, and everyone’s work priorities support that strategy. As a result, BlessingWhite suggests that firms treat such organizational alignment as “the secret ingredient in engagement and retention” (BlessingWhite, 2006).

Frequent, straightforward internal communications allow employees to take pride in the agency, engender a sense of recognition, increase confidence in the firm’s stability and allow for two-way communication in the form of surveys and comments (Croft, 1996; Farinelli, 1992; Harris, 2004; Siegel, 1992). These communications can also increase employees’ senses of self-worth and accomplishment.

### **Striking the Right Balance: Change, Stability and Challenge**

The most valuable employees are capable and informed; they go about their lives and careers with antennas up, evaluating the organization and industry around them. Most ambitious employees value a regular change in environment, according to Paul Holmes at the September 2007 Holmes Roundtable.

*It is almost a requirement of the services section. They (employees who value change) tend to succeed in a professional services environment. If PR was easy, agencies would be full of people cruising along and not bothering too much about how well they did their jobs. If PR agency life was easy, clients would not bother hiring agencies, they would do the work in-house. If we want to keep the good people, we should be giving them regular changes of environment, regular promotions, and good money. And we need to do this when we recognize their talent and before they get disgruntled, not after they try to resign. (Holmes, 2007a)*

Employees – mid-level staffers in particular – value the opportunity to work with a variety of clients and projects (McKenna, 2006). Working on a variety of projects means that employees are building and expanding their knowledge base and skills set, and working on projects that they enjoy keeps employees engaged, decreases turnover and improves performance.

### **Professional Development**

Studies of U.S. work attitudes before the mid-1970s suggest that work was regarded as a way to make a living, not a primary place for personal fulfillment, growth, or learning. In contrast, 70% of U.S. workers today regard work as their personal identity, not only simply a way to make a living (Withers, 2002). The most frequently cited reason for turning down job offers in favor of remaining with the current employer is that people are excited and engaged by the jobs they perform.

On the contrary, a lack of opportunities to learn and grow often leads workers to move on to other employment (Withers, 2002).

In 2007, the Hay Group and *Fortune* magazine conducted their tenth annual analysis of the World's Most Admired Companies, exploring the reasons for these companies' strong reputations. Each year, the survey results have provided fascinating insights into the nature of organizational success.

In its 2007 report, the Hay Group cited "profound employee engagement" as a key factor in an organization's reputation. The Hay Group defines engagement as the "result achieved by stimulating employees' enthusiasm for their work and directing it toward organizational success." Additionally, the study notes that these factors become increasingly important during times of economic uncertainty and downturns in the capital markets. The Most Admired Companies are those that maintain high levels of loyalty and motivation in hard times. One of the ways they recommend organizations achieve this is by ensuring that opportunities for personal advancement and growth are consistently available (Hay Group, 2007).

In September 2007, the Holmes Report conducted its second of three electronic roundtable discussions focusing on retaining key employees. The panel discussed the importance of professional development, from training in basic skills to nurturing management and leadership abilities. In the discussion, Paul Holmes noted that the public relations industry takes professional development far more seriously today than it did 20 or even 10 years ago, and that he has always believed that professional development is key not only to staff retention at all levels, but also to recruitment. He states, "... the issue of supply and demand continues. There is a shortage of staff with the requisite skills: so you either have to ensure that you have the appropriate programs to develop them (talented employees) yourself, or provide programs that will attract them from external sources."

Edelman, a New York-based public relations firm, noted a clear call for a long-term development plan more akin to law firms than one traditionally associated with public relations firm. It responded with an annual summer school program, at which staff from around the world at all levels within the agency learn about emerging issues in client work and industry best practices (Holmes, 2007b).

### **Recognition and Rewards**

A recognition and/or rewards program is an important component of an employee retention plan. The importance of these kinds of programs is rooted in theories of positive reinforcement. By saying "thank you" to employees for a job well done, an organization is reinforcing ideal behavior and encouraging more of the actions that will make it successful. People who feel appreciated are more positive about themselves and their ability to contribute; employees who understand how their efforts contribute to the success of the organization overall are the most engaged, and therefore the least likely to leave.

The Society for Human Resources Management (SHRM) says that rewards are one of the keys to avoiding turnover, especially if they are immediate, appropriate, and personal. A Harvard University study concluded that organizations can avoid the disruption caused by employee turnover by avoiding hiring mistakes and selecting and retaining top performers (Phillips & Connell, 2003).

One of the keys to avoiding turnover is to make rewards count. To make rewards more timely and appropriate, organizations may want to evaluate whether getting a bonus at the end of the year is more or less rewarding than getting smaller, more frequent payouts. For some organizations, a personal note to the deserving employee may mean more than a generic company award. Employees should be asked for their input on the most desirable form of recognition. Use what employees say they want when it comes time to reward for performance (St. Armour, 2000).

The Hay Group and *Fortune* magazine study of the "Most Admired Companies" also cites rewards and recognition as a key driver of employee retention and engagement, as they create a culture that motivates and supports employees. These beliefs about employee recognition are common among employers, even if not commonly carried out. Why then is employee recognition so closely guarded in many organizations?

Time is an often-stated reason and admittedly, employee recognition does take time. Employers also start out with all of the best intentions when they seek to recognize employee performance. They often find their efforts turn into an opportunity for employee complaints, jealousy, and dissatisfaction. After undergoing these experiences, many employers are hesitant to provide ongoing employee recognition. Also, some recognition programs are too formal of a process that includes additional paperwork and department approvals.

There are other factors that keep employee recognition programs from getting off the ground. People don't know how to provide recognition effectively, so they have bad experiences when they do. They assume "one size fits all" when they provide employee recognition. Finally, some employers think too narrowly about what people will find rewarding and recognizing.

What kinds of recognition programs are most effective? "Companies typically have a loyalty program that recognizes things like the employee of the month. But on a day-to-day basis, those programs are not catering to the masses," said Kathe Ferris, a Medfield consultant quoted in a *Boston Globe* article in September 2007, who saw the recognition trend building more than 10 years ago (Murray, 2007). Ferris founded the Boston-area Recognition Roundtable, which began meeting in Spring 2007 and now includes representatives from companies such as Concord-based Welch's, the grape juice company (Murray, 2007).

Well-crafted recognition programs rally employee loyalty and productivity at all levels and improve the corporate culture. In the absence of a structured program and an accompanying workplace philosophy about recognizing good work, it's easier for employees to leave. "People don't quit jobs, they quit relationships," said Ferris, paraphrasing the conclusion of a Gallup study (Murray, 2007).

Some companies that have instituted recognition programs are seeing real gains in productivity and employee engagement. That's why Welch's chief executive, Dave Lukiewski, serves his employees lunch in the company cafeteria during special employee recognition days. "I have always been motivated by 'attaboys,' but as CEO I try to formalize that and make it more of our culture," said Lukiewski. "I believe in it and can see the effect on the organization" (Murray, 2007).

Welch's went through employee recognition training with Ferris in 2004, then surveyed employees 18 months later. They found a nearly 7% improvement in

positive responses. "A lot of people think it's giving somebody a tchotchke or a plaque, but there's a difference. This is a (better) way to make them feel valued," said Lukiewski (Murray, 2007).

The underlying message is that employees need to feel valued, whether that means providing flexible hours, financial rewards and perquisites, or praise. Existing literature, as well as this study's findings, demonstrates that a sincere "thank you" can mean as much to an employee as a gift certificate or bonus payment.

### **Motivation and Empowerment**

Recognizing and rewarding employees also leads to empowerment, another critical factor in employee engagement and retention. Employees feel empowered when an organization has elicited a sense of commitment on their part and fostered a sense of shared vision. Organizational support theory supposes that to meet their own socio-emotional needs, employees develop global beliefs concerning the extent to which the organization values their contributions and cares about their well-being (Eisenberger, Cummings, Armeli, & Lynch, 1997).

Likewise, Deming's theories state that a sense of commitment – and the feeling of "joy at work" – is born out of intrinsic rewards. The highest potential employees are fueled by passion, and will thrive in an environment with a healthy level of motivation, which elicits a sense of "ownership" in what they do each day. Employees, especially younger workers, expect to be treated like partners. They no longer are satisfied with merely being involved; they want ownership. These employees understand the firm's strategic plan, and the rationale that supports it.

### **Work/Life Balance**

According to a poll by International Survey Research, 40% of U.S. workers describe their workloads as "excessive," and employees are spending more hours in the office than ever before. According to the International Labor Organization, U.S. citizens spend more time working than people anywhere else in the industrialized world, surpassing Japan by 80 hours per year. Many European countries mirror the escalating work hours in the U.S. According to a recent study by the Institute for the German Economy, more than one-third of employees in the United Kingdom, Denmark, and Ireland regularly or occasionally work on Sundays (Brune, 2000).

Since they're spending so many hours at the office, employees are facing new time-management challenges outside of work. The International Survey Research study found that one-third of respondents had difficulty balancing their work and personal duties. A related survey, developed by OfficeTeam, the world's largest specialized temporary staffing service for administrative professionals, notes that the ability to balance work and family has become the greatest concern for 26% of respondents – more important than a competitive salary or job security (Brune, 2000).

Cecil Gregg, executive director of RHI Management Resources, stresses the significance of a corporate benefits package that addresses the work/life issue. "Companies are recognizing that these programs are critical in recruiting the best talent. While candidates place high importance on compensation, work-life benefits are often the deciding factor in accepting an employment offer," he explains. Enticing benefits programs are also pivotal for retention efforts, especially in light of rapid turnover rates (Brune, 2000).

As extended work hours are becoming unavoidable for many professionals, firms are providing benefits such as telecommuting, flextime, or subsidized daycare to help reduce some of the pressure of these demands. For example, Metzger Associates, a Colorado-based PR firm with a 90% employee retention rate, recently revised its employee benefits program. The new specialized package includes physical fitness, outdoor living, relaxation, education, and sabbatical benefits. The program, "Live Long and Prosper," was developed to encourage employees to pursue personal interests. "We want our employees to have a passion outside of work and bring this renewed energy and sense of self accomplishment into the workplace," explains company vice president James Clark. "In addition, we want to reward our employees for outstanding client service and work ethic" (Stuart, 2006).

Organizations that understand the importance of giving employees a work/life balance have employees who are more loyal and committed to the companies they represent. The service-based nature of the public relations business makes achieving a work/life balance for an organization's employees very challenging. Eastwick Communications, a Redwood City, California-based public relations firm that represents many high-tech companies, knows there is a solid incentive for addressing the work-life issues of its employees. Barbara Bates, a principal at Eastwick Communications, said, "It's a highly competitive market and we want to attract the best people in the business. One way that we can do that is to ... foster a work environment that's not going to suck the life out of their (employees') souls. We try to make sure that everyone's work and life are balanced – because that's what we want in our own lives" (Stuart, 2006).

### **Evaluation and Review Process**

An effective employee evaluation process can be the glue that ties the aforementioned factors together in a positive way. Review meetings help employees realize how they, as individuals, contribute to the organization's overall success, and the face time with management gives them an opportunity to talk about professional development, individuals goals and work/life issues. An evaluation meeting also affords managers the opportunity to discuss the organization's vision and strategic direction and engage in a dialogue with employees, ensuring that they understand where the organization is headed and what the key priorities are. Most important, evaluation meetings enable employees to work with their managers to set goals or performance measures, and recognition and reward matrices should be tied to the achievement of those objectives.

An emerging trend over the past several years in performance management is 360° feedback. Also known as 'multi-rater feedback,' 'multisource feedback,' or 'multisource assessment,' 360° feedback is employee development feedback that comes from all around the employee. "360" refers to the 360 degrees in a circle; therefore, input is provided by subordinates, peers, and managers in the organizational hierarchy, in addition to self-assessment, and in some cases external sources such as clients or other interested stakeholders. It may be contrasted with upward feedback, where managers are given feedback by their direct reports, or a traditional performance appraisal, where the employees are most often reviewed only by their immediate supervisor.

The results from 360° feedback are often used by the person receiving the feedback to plan their training and development, and can also be used by management in making promotional or pay decisions.

While the value of 360° feedback is often seen in terms of individual development, aggregate reporting of all recipients' results can provide valuable data for the organization as a whole. It can help leaders take advantage of under-utilized personnel strengths to increase productivity, make succession planning more accurate and enable the organization to design more efficient coaching and training

## **DESIGN AND EXECUTION**

This correlation study was achieved by performing three different data collection methods, in addition to extensive secondary research of scholarly literary sources. In addition to its electronic roundtables, annually, the Holmes Report takes the pulse of professionals from different levels of PR firms in its Holmes Report Satisfaction Survey. The first set of data analyzed was the raw data from the 2007 Holmes Report Satisfaction Survey "Best PR Agencies to Work For." Using this analysis, we examined the questions that the Holmes survey showed to have the strongest impact on satisfaction, and distilled that list down to key factors that were related to turnover, based on our research and literature review. These key factors became the foundation and the variables for two additional measurement tools: a survey of employees at public relations firms that are affiliated with the International Communications Consultancy Organisation (ICCO); and interview questions for Human Resources executives of service-oriented organizations.

## **DATA COLLECTION METHODS**

### **Secondary Research: Analysis of the Holmes Group's Satisfaction Survey Findings**

Through his professional associations, this study's advisor, Louis Capozzi, Chairman Emeritus, Publicis Public Relations and Corporate Communications Group, approached Paul Holmes, the founder and president of The Holmes Group and explained the parameters of the study and how his survey, "Best Public Relations Agencies to Work For" (Holmes Satisfaction Survey) would be the perfect launch pad for it. The Holmes Satisfaction Survey was conducted online in 2007. The Holmes Group asked participating agencies to distribute a username and password to employees, who were invited to log on and give their responses to 55 questions. The questions covered various aspects of a firm's culture. More than 4,000 employees from over 100 agencies participated in the survey. Participants' responses were tallied to produce an overall satisfaction score that was weighted for agency size and response rate. The firms ranged from global firms to boutique agencies.

Holmes agreed to share the raw data. We downloaded two different questionnaires – one version that had been used for respondents in the U.S., and a second version that was completed by European respondents – from the archives of the Holmes Report website archives. The only difference between the two versions was variations of cultural terminology. For example, the U.S. version used the term 'agency' while the Europe version used the term 'firm.' The questions were grouped into 13 categories: general satisfaction, quality of management, client service, empowerment, people, culture, the work, communication, professional development, ethics, values, compensation, and about you.

Online Corporation of America, a hosting, site design and application development company, maintained the results from the online survey. A contact at Online Corporation provided the data as a Microsoft Sequel (MS SQL) database. MS SQL was not a data management system with which we were familiar, nor was it the preferred data management system of New York University (NYU). The data file could only be opened with MS SQL, a data management system not available to us from NYU or through our employers.

Through the Council of Public Relations Firms, we requested the assistance of Ketchum research professionals to help analyze the data. At our first meeting with David B. Rockland, Ph.D., partner and managing director, Ketchum and his colleague, Patrick O'Donnell, a senior research associate, we reviewed the basics of raw data analysis, the findings and how to present the data. They agreed to meet with us to review the data from the Holmes Satisfaction Survey once we received it. We shared the MS SQL file with them. Unfortunately, Ketchum also does not use MS SQL. Ketchum uses the SPSS computer program used for statistical analysis which is also the preferred program of NYU. O'Donnell suggested that we find a way to transport the data from the MS SQL file into an Microsoft Excel (MS Excel) file.

After two months of searching for a means to open the data file, we consulted with Stefan Glut, a colleague who specializes in interactive media. In a prior job, Glut had managed the MS SQL server of his previous employer. Fortunately, he still had connections with past coworkers who work with MS SQL. Glut consulted with his contacts and was able to pull the data from the MS SQL files and convert them into a Microsoft Access (MS Access) database file. MS Access is a data management software that is available with the Microsoft Office 2003 Suite that we all had access to, but did not know how to use. We learned how to convert the data from a MS Access file to a MS Excel file. Much of the data was transferred by cut and paste because MS Excel allows a maximum of 634 rows while MS Access had unlimited rows.

With the information available as a MS Excel file, Ketchum was able to transfer the data into an SPSS program file. Upon analyzing the data with Ketchum, we recognized that the data was not formatted in a manner that would be useful in SPSS. Therefore, O'Donnell performed a table pivot so instead of each question being on a different row, the question was on the top of a column; in this way, each respondent's survey answers were all in one row. O'Donnell copied the respondents' answers from the MS Excel worksheets and pasted the data into SPSS files. We did not include the weighted values of agency size or response rate in our analysis. We wanted to evaluate the data from the questions to get a sense of employees' attitudes, rather than to measure one firm over another. Once in SPSS, O'Donnell ran multiple correlations.

### **Findings - Holmes Satisfaction Survey**

The Holmes Group "Best Public Relations Agencies to Work For" survey comprised 47 statements that collected respondents' answers in a Likert scale of one through 10. The last 10 questions of the survey collected demographics and included open-ended questions.

The highest correlation to overall satisfaction at firms for all respondents was their *commitment to building their career with current firm*. Respondent data showed that they were satisfied with the firm because the work is intellectually stimulating. Since they are satisfied with their firm, respondents would *recommend the firm to a friend*

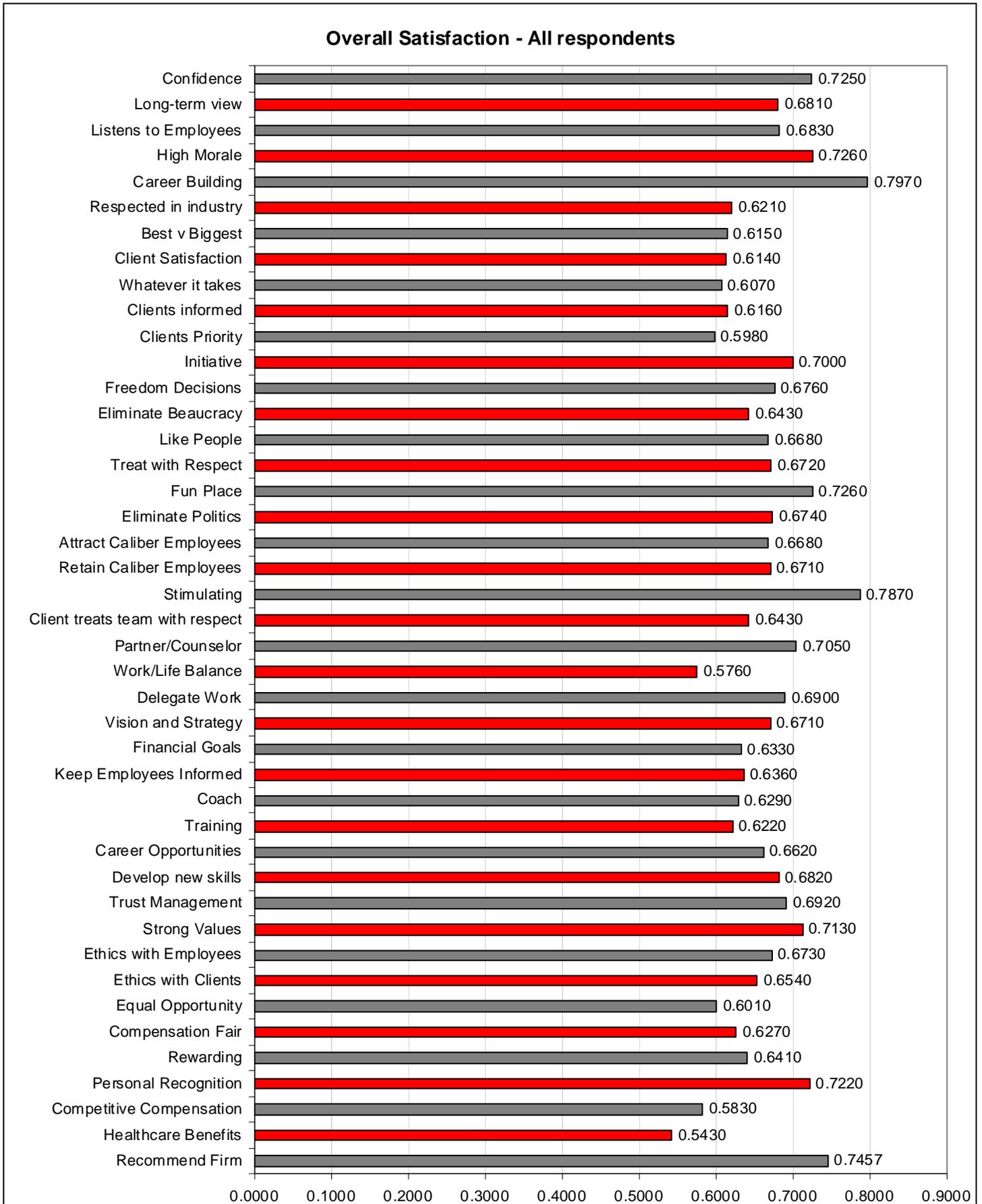
looking for a job at a public relations firm. The fourth factor that had the highest correlation with overall satisfaction was that *morale was high* at their firm. To round out the top five factors, *a fun workplace* correlated high with overall satisfaction. On the low side were *satisfaction with healthcare benefits*, *work/life balance* and *compensations competitive with other firms received*, which received the lowest marks. Does this mean that improvements in healthcare benefits and compensation are a waste of money for firms? Or are these benefits considered as “givens” by PR professionals, and no longer major factors that differentiate one job opportunity versus another?

Figure 1 shows the results of a correlation between the statement “Overall, I find my job rewarding.” which is the overall satisfaction question of the survey against the respondent’s data to the remaining questions.

The top ten statements that had the highest correlation were (in order of highest to lowest):

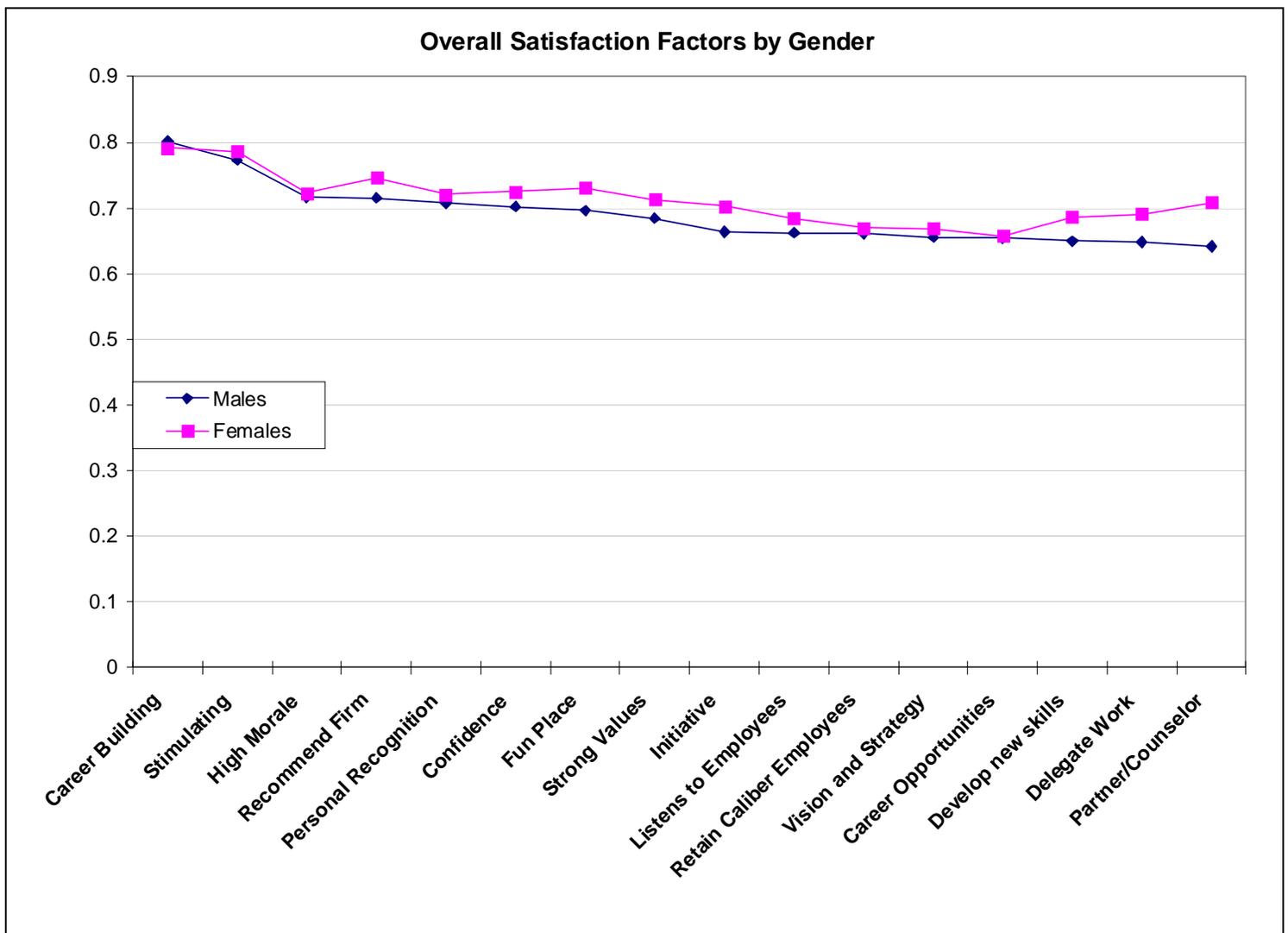
Statement in Holmes Survey	Terms used in charts
1. I am committed to building my career with this firm.	Career Building
2. I find the work I do stimulating and challenging.	Stimulating
3. I would be happy to recommend my firm to a friend seeking a job in public relations	Recommend Firm
4. Morale at my firm is high.	High Morale
5. This is a fun place to work.	Fun Place
6. I have confidence in the quality of management at my firm.	Confidence
7. I am satisfied with the level of personal recognition I receive.	Personal Recognition
8. My firm has strong values – and lives them.	Strong Values
9. I feel like a partner and counselor to my clients, not just an order taker.	Partner/Counselor
10. My firm encourages people to use their own initiative.	Initiative

Figure 1 - Holmes Satisfaction Survey Data



More often than not, women ranked a question the same as men but with a bit higher importance. For example, females placed *personal recognition* at a higher rating than the males. Both ranked their *commitment to building their career at their firm* with the highest correlation to overall satisfaction followed by finding the work to be intellectually stimulating. Data from female respondents showed that they would *recommend the firm to a friend* as the third highest correlation to overall satisfaction, while the males tended to favor a *firm with high morale*, followed by recommending the firm. Females ranked a *fun workplace* as the fourth best and *confidence in the management* to round the top five. Males selected *satisfaction with the level of personal recognition* they receive as the fifth highest correlation to overall satisfaction. See Figure 2.

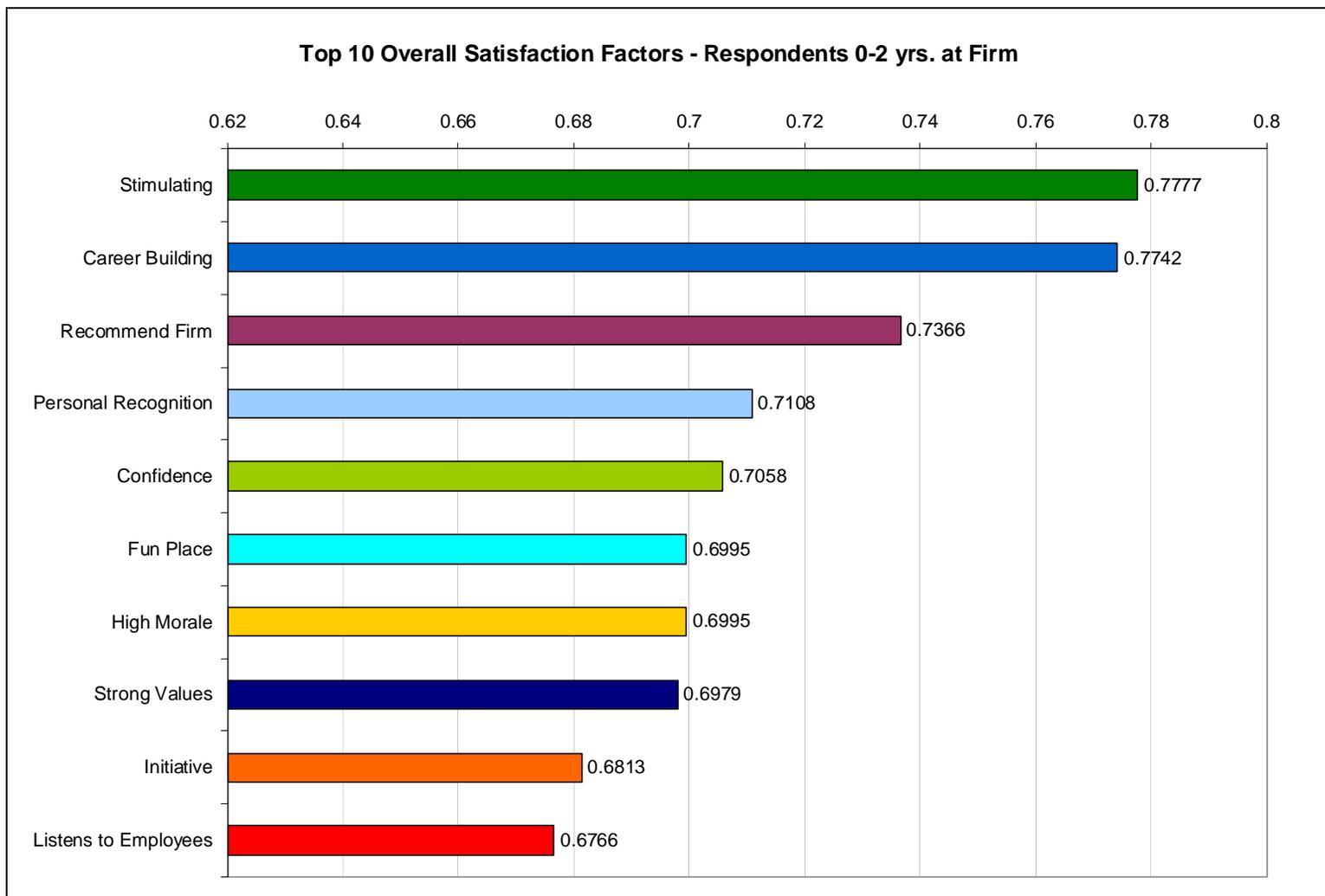
**Figure 2 - Holmes Group Satisfaction Survey Data by Gender**



When examining the data according to the number of years in a firm, *work that is intellectually stimulating* and *commitment to building their career at the firm* were the two factors that were in the top five correlations for each of the categories (0-2 years, 2-5 years, 5-10 years and over 10 years).

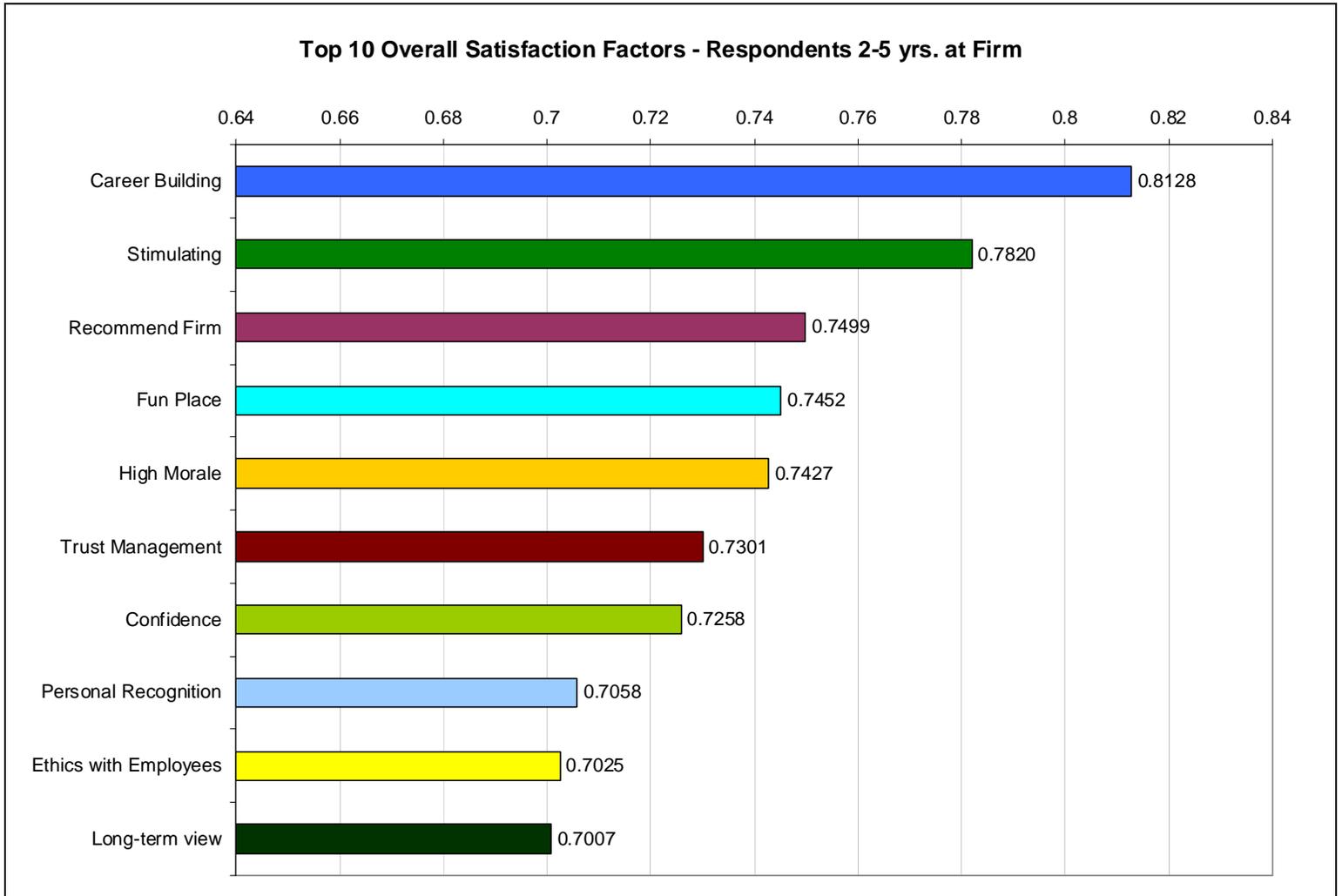
For employees who had only been with the firm for two years or less, *recommending the firm to a friend* was the third highest correlation to overall satisfaction. This group's data ranked their satisfaction with the level of *personal recognition* they receive and *confidence in the management of the firm* as the next highest correlation to overall satisfaction.

**Figure 3 - Holmes Group Satisfaction Survey Data of Respondents 0-2 Years at the Firm**



Employees who have been at the firm two to five years also ranked *recommending the firm* to a friend in the top five highest correlations to overall satisfaction. In this group, their data also ranked a *fun workplace* and *high morale* in their top five.

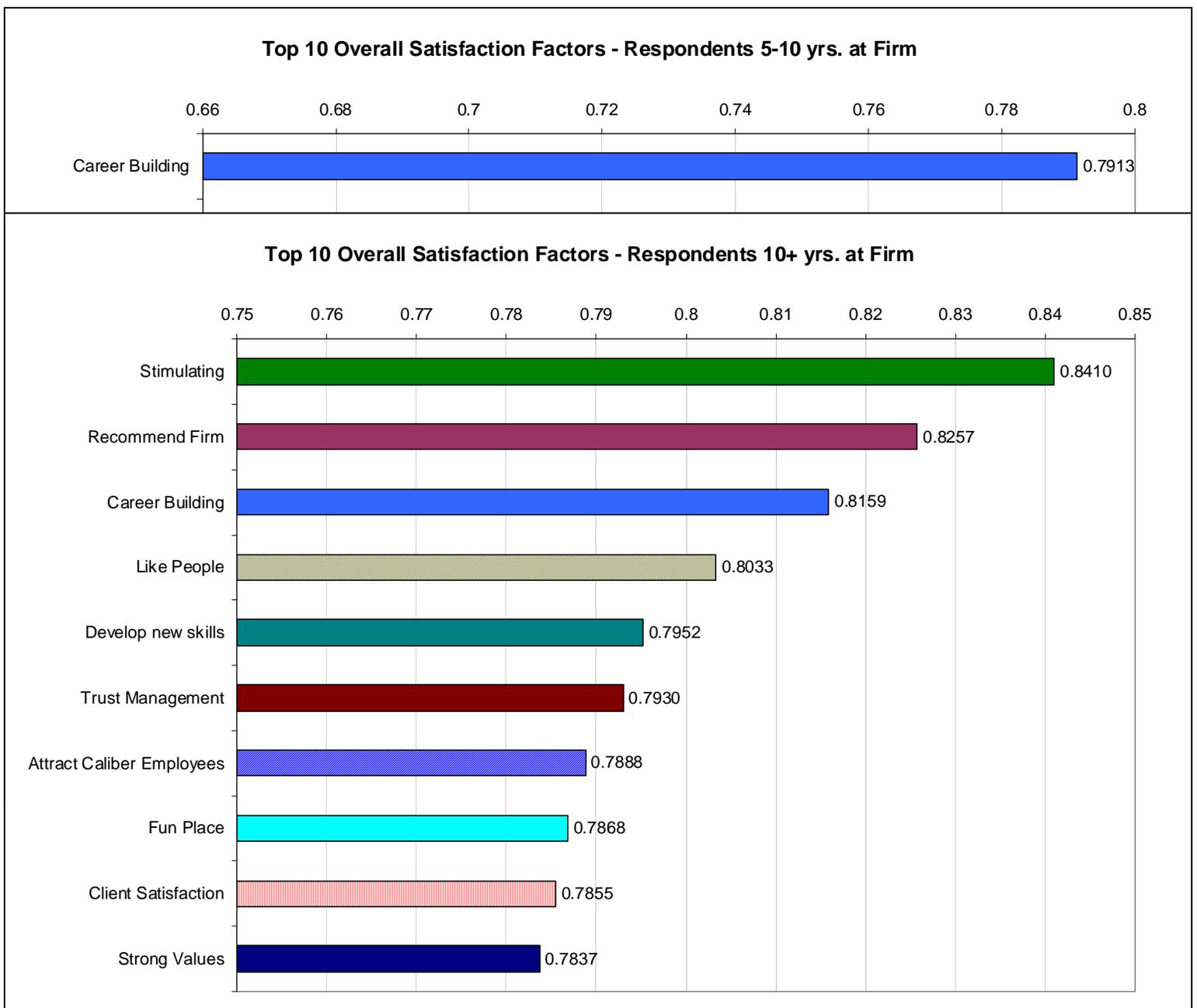
**Figure 4 - Holmes Group Satisfaction Survey Data of Respondents 2-5 Years at the Firm**



For those with a firm for 5-10 years, a *fun workplace* drops from fourth highest correlation to sixth. Respondents ranked *feeling like a partner and counselor to their clients* as third, and *confidence in management* as fourth. A firm with high morale rounded the top five correlations to overall satisfaction.

The employees with over 10 years with the firm ranked *recommending the firm* second to *work that was stimulating*. This group is committed to building their career with the firm. Only this group ranked *liking the people they work with* and *encouragement to develop new skills* in the top five correlations to overall satisfaction at their firm.

**Figure 5 - Holmes Group Satisfaction Survey Data of Respondents 5-10 Years at the Firm**



Based upon years of tenure, the ranking of *personal recognition* drops from one of the top five factors for employees with 0-2 years at a company (4<sup>th</sup>) to 8<sup>th</sup> for employees with 2-5 years at a firm. The factor drops from the top 10 even further with more tenure. This drop demonstrates that recognition and reward is critical during the first two years of employment. Service awards beginning at five years are too late.

### **Primary Research: Online Questionnaire Administered Through Survey Monkey**

With the data we gathered from the Holmes Group's "Best Public Relations Agencies to Work For" survey, we wanted to collect primary data from employees of public relations firms. The goal of this online survey was to collect data with more insight. Instead of a Likert scale questionnaire, we built our survey to contain statements for the responses eliciting levels of satisfaction. The questionnaire comprised 10 statements to complete. A copy of the questionnaire is included in the Exhibits section.

We utilized the web-based resource, SurveyMonkey.com, to administer the survey. We requested the assistance of ICCO to distribute the link to the survey to the employees of its member organizations. The survey was available online for eight days. Unfortunately, due to this short timeframe, only 67 respondents completed the questionnaire. This number was too small a sample and may not have provided data that is valid for the entire population.

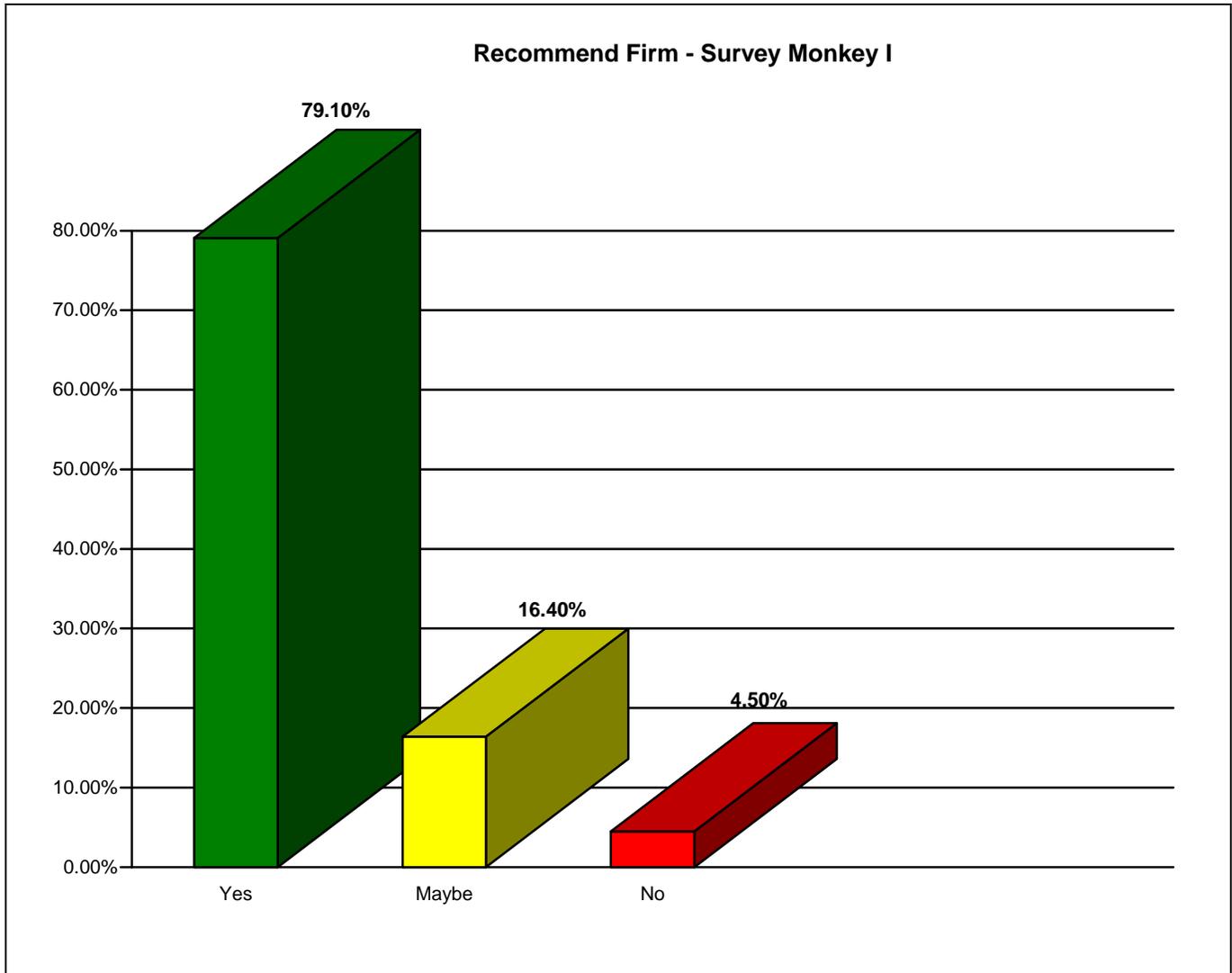
Therefore, we chose to administer the survey again. In this round, the survey was open for more than two weeks, allowing ample time for respondents to complete the survey. Also, we added questions requesting some demographic information and regarding training at the firm. The second questionnaire comprised 14 statements for the respondents to complete.

### **Findings – Survey Monkey I**

Sixty-seven respondents began the survey and 94% of those who started the survey completed it. All respondents provided their time at their current firm, ranging from 0-2 years, 2-5 years, 5-10 years and 10 + years. Almost half of the respondents, 41.8%, have been at the firm for two years or less; 77.8% of this group know and understand their companies' vision.

Overwhelmingly, 79.1% of the sample would *recommend their firm to a friend as a good place to work* (Figure 7). The 4.5% respondents who answered that they would not recommend their firm to a friend were also dissatisfied with *career development opportunities at their firm*. Also, this group selected a different factor that was most important to them in determining whether they stay or leave their current firm. They selected the *level of challenge and responsibility, communication at the firm* and *compensation and benefits*. This doesn't vary much from the entire sample's response to this question.

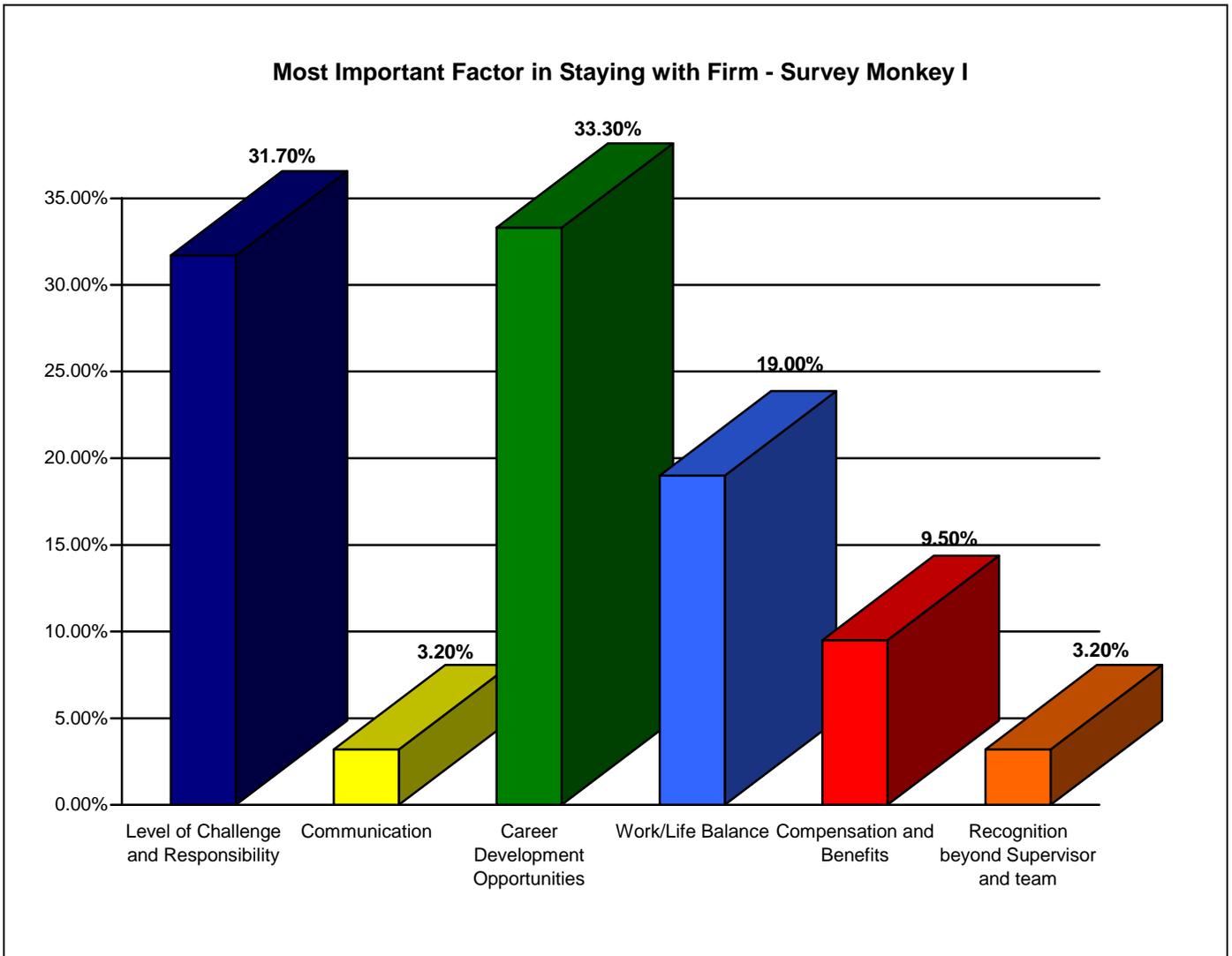
Figure 7 - Survey Monkey I data of respondents who would recommend their firm to a friend



In Figure 8, the top three factors determining if respondents would stay or leave their current firm were *career development opportunities* with 33.3%, *level of challenge or responsibility* with 31.7% and *work/life balance* with 19.0%.

The respondents' answers to additional questions on these topics support this data. When asked about their satisfaction with the *career development opportunities at their firm*, 20.3% were very satisfied and 40.6% were satisfied. 32.8% were neither satisfied nor dissatisfied. Only 6.3% of the respondents were dissatisfied with their firm's career development track.

**Figure 8 - Survey Monkey I data shows which factor is most important to respondents**



When asked about their satisfaction with the *level of challenge and responsibility in their current role*, 39.7% were very satisfied and 46.0% reported that the level of challenge and responsibility in their current role was adequate. Only 12.7% of the respondents were dissatisfied and just one person said that he or she had too much responsibility.

In line with challenge and responsibility, we asked if respondents felt that their firm was *fair in delegating roles and work*. Forty-four percent (44.4%) answered that their firm was very fair. Most participants were not sure how fair their firm was. Only 7.9 % felt that their firm was unfair in the way it delegates roles and work.

We also wanted data on the satisfaction level of respondents with their *firm's review policy and execution of it*. More than half of the respondents were satisfied with the reviewing policy, with 23.9% very satisfied and 47.8% satisfied. 9.0% were dissatisfied and 1.5% were very dissatisfied. This 1.5% also answered negatively for every question. They were not interested in understanding the company's vision. They would not recommend the firm to a friend as a good place to work. They were dissatisfied with career development opportunities at their firm and with their level of challenge and responsibility in their current role. They felt that the firm is unfair in the way it delegates roles and work. They were actively looking for a new job in corporate/client companies stating that compensation and benefits was the most important factor in leaving.

The questionnaire included one open ended question: "Why do you think turnover is a problem in the public relations business and what should the industry do about it?" Nineteen respondents submitted a response. Many of the comments focused on compensation, recognition, career opportunities and training.

*"Salaries are quite low in pr agencies. People transfer to the company [corporate/client] side after 2-5 years experience in pr agencies for better salaries."*

*"To give clear and challenging career opportunities; to give training; to empower people."*

*"[Firms need to develop] Employee motivation programs {with a} rewards system."*

*"Recognition beyond the supervisor and team and a good balance between work and life [is lacking]."*

*"Every agency should develop a system to show appreciation of his employees (not necessarily in a financial manner, but in a social way)"*

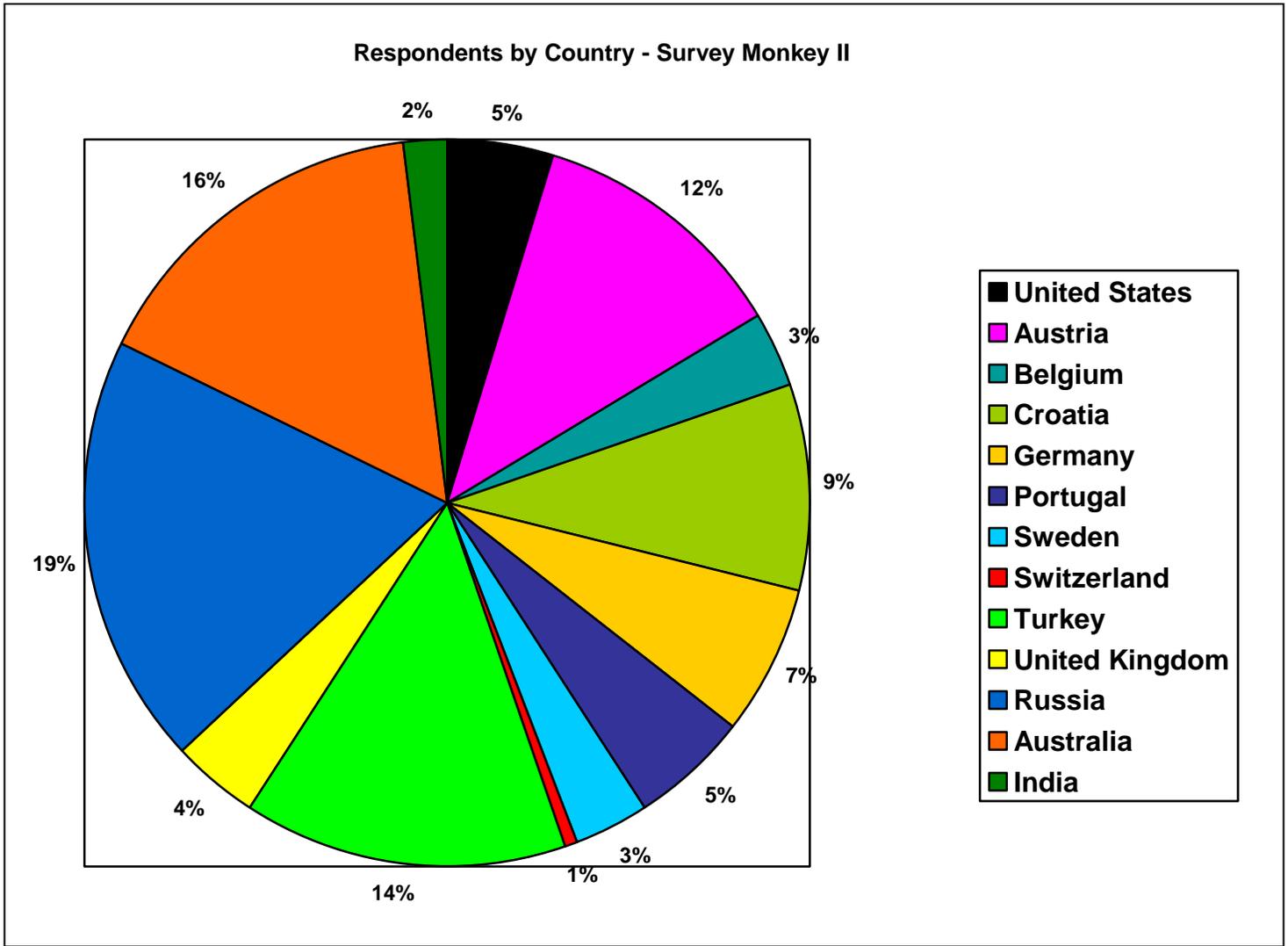
### **Findings – Survey Monkey II**

The second administration of this survey was started by 195 respondents and completed by 153 individuals. In this version, 69.2% of the respondents were female (135 out of 195). The majority of the respondents fit in the 26-35 age range. Respondents age 18-25 were the next largest group of respondents. Almost half of the respondents have worked at their current firm for two years or less. The number of respondents tenure at a firm decreased as the years increased from 2-5 years, 5-10 years and over 10 years.

The international scope of the respondents spanned the globe. Most of the respondents were located in Russia with the second largest group responding from Australia. See figure 9.

This sample's responses leaned towards attitudes in countries where the PR industry is still in its infancy or adolescence. This study will not only help nurture the

maturing PR industry in countries such as the U.S., United Kingdom and Germany

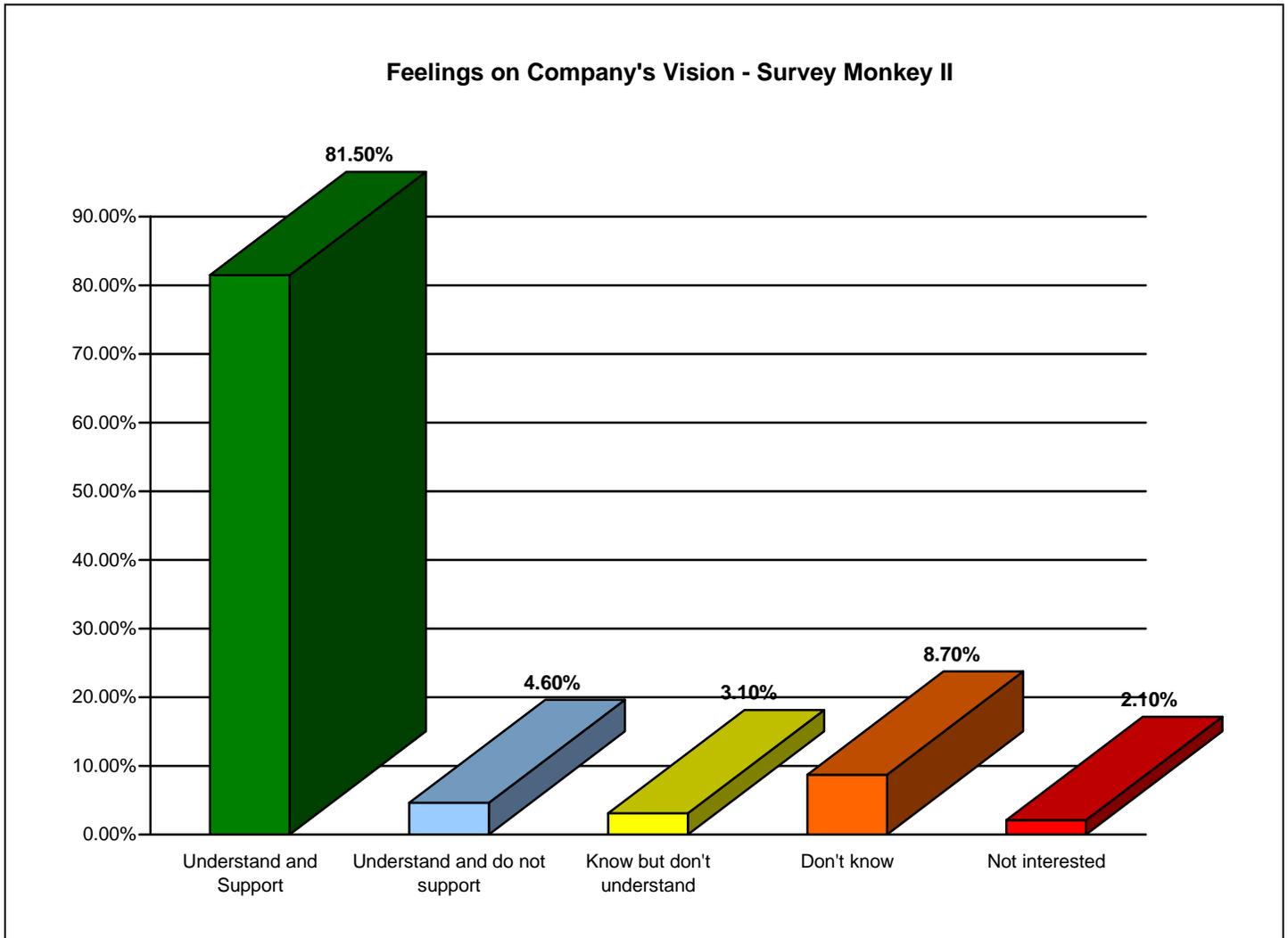


but also in countries such as India where PR is branching out.

**Figure 9 - Survey Monkey II data showing the geographic locations of respondents**

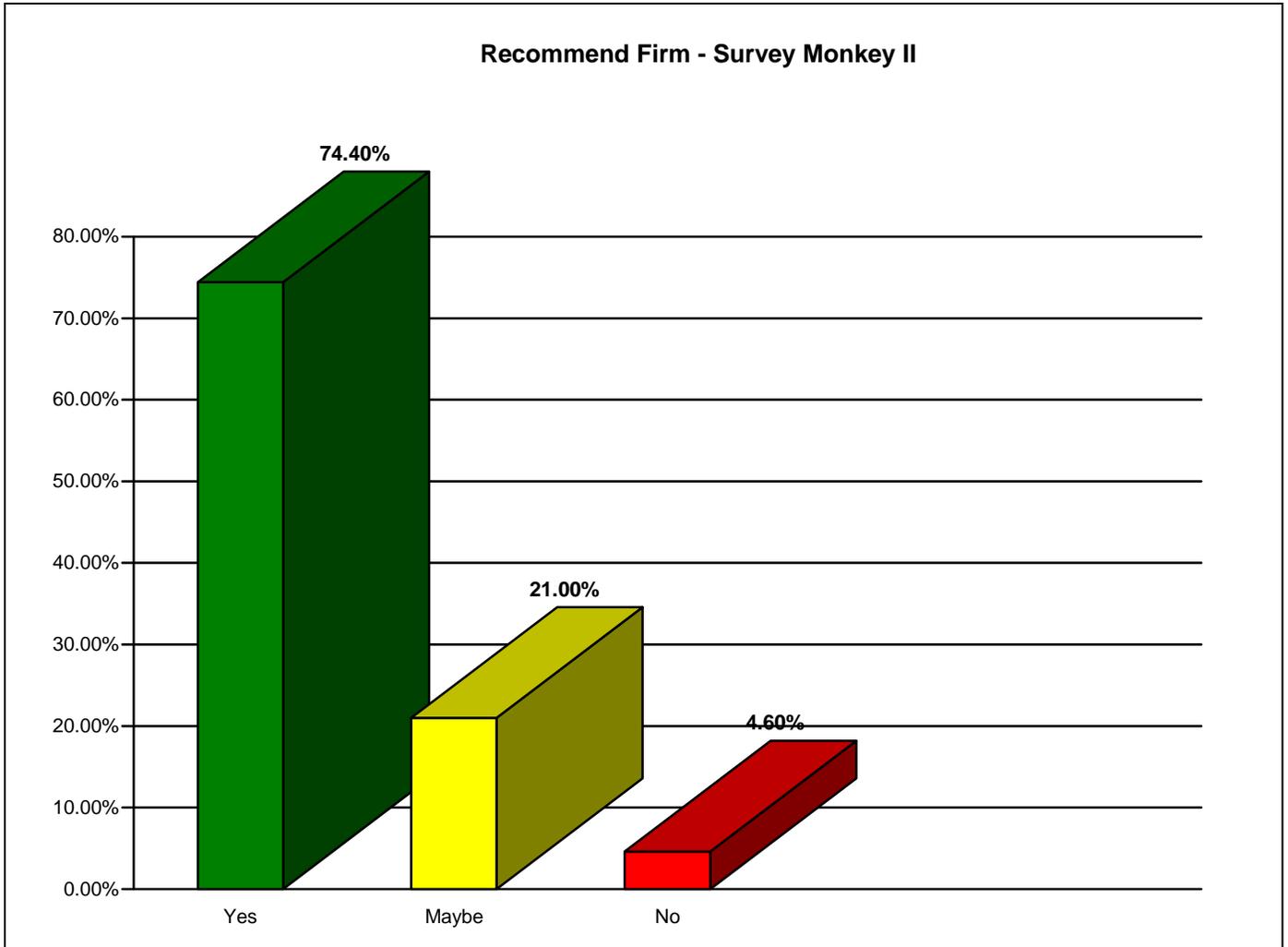
Most of the respondents (81.5%) answered that they know and understand their *firm's vision* and support and work by it (Figure 10). Interestingly, 4.6% know and understand their firm's vision but do not support it while 3.1% know the vision but do not understand it. 8.7% reported that they do not know their company's vision and 2.1% were not interested.

Figure 10 - Survey Monkey II data measures knowledge of the company's vision



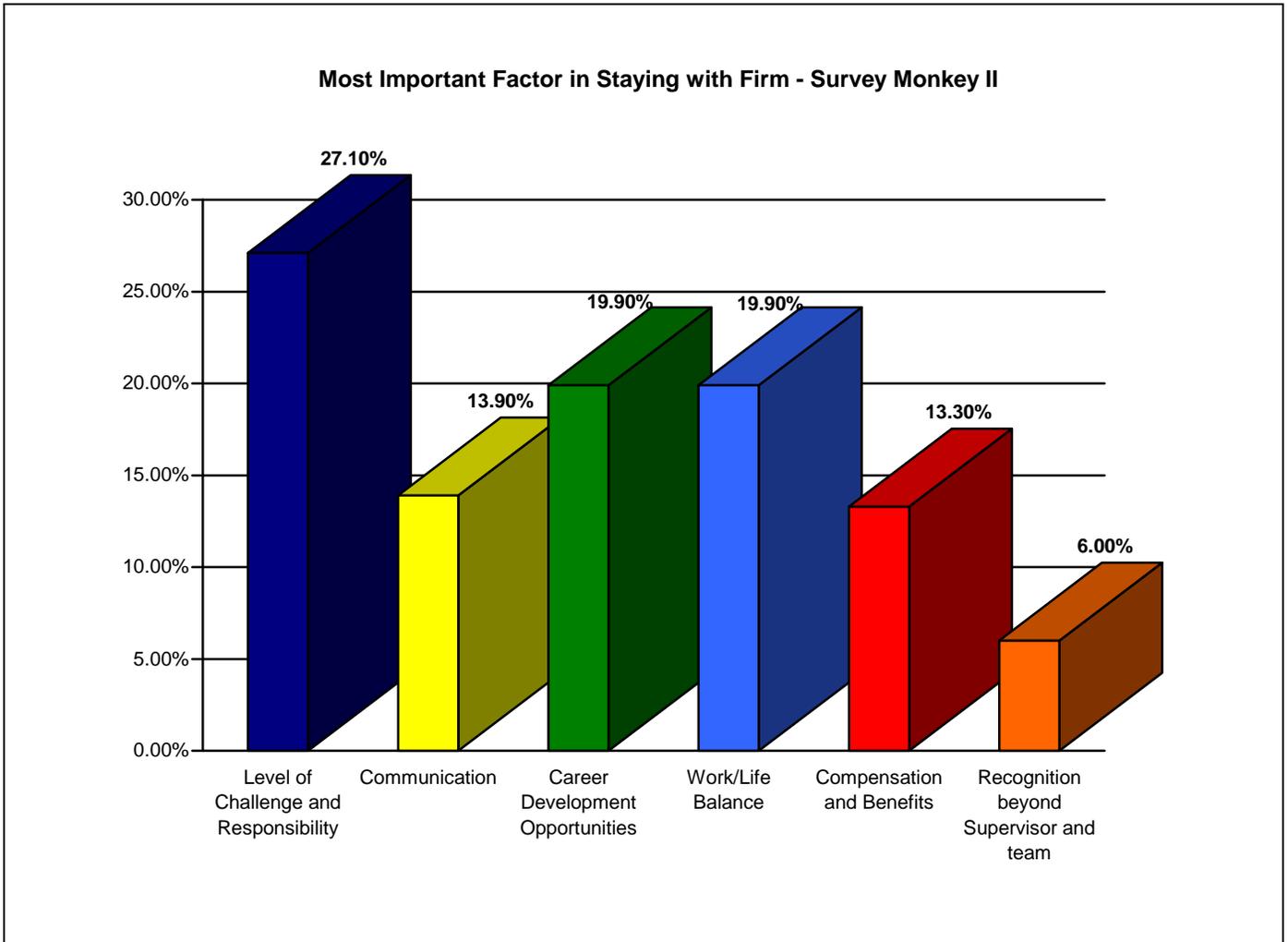
Overwhelmingly, 74.4% of the sample would *recommend their firm to a friend* as a good place to work (Figure 11). The nine respondents who answered that they would not recommend their firm to a friend have been at their current firm for five years or less. They were also dissatisfied with career development opportunities at their firm and with the level of challenge and responsibility in their current role. These respondents ranked career development opportunities as the most important factor to them in determining whether they stay or leave their current firm. Level of challenge and responsibility, communication, work/life balance, and compensation and benefits were all ranked as near seconds, with the ranking for each of the other factors close to one another. This group also shared that 88.8% of them were actively looking for a new job in other PR firms and in corporate/client companies.

**Figure 11 - Survey Monkey II data of respondents who would recommend their firm to a friend**



In Figure 12, 166 respondents selected the most important factor in determining if they would stay or leave their current firm.

**Figure 12 – Survey Monkey II data shows which factor is most important to respondents**



The respondents' answers to additional questions on these topics support this data. When asked about their satisfaction with the *level of challenge and responsibility* in their current role, 41.0% were very satisfied and 47.0% selected that the level of challenge and responsibility in their current role was adequate. Only 11.4% of the respondents were dissatisfied and just one person (0.6%) said they have too much responsibility.

In line with challenge and responsibility, we again asked respondents if they felt their *firm was fair in delegating roles and work*. Fifty-two percent (52.4%) felt that their firm was very fair and 41.0% were not sure how fair their firm was. Almost seven percent (6.6%) felt that their firm was unfair in the way it delegates roles and work.

In this second administration of the survey, we added a question inquiring respondents' satisfaction with the *level of training*. Most were satisfied: 22.5% were very satisfied and 42.9% were satisfied. 22.5% were neither satisfied nor dissatisfied. 8.8% respondents were dissatisfied and 3.3% were very dissatisfied.

When asked about their satisfaction with the *career development opportunities* at their firm, 26.4% were very satisfied and 44.5% were satisfied. 18.7% were neither satisfied nor dissatisfied. Only 8.8% of the respondents were dissatisfied with their firm's career development track but 1.6% expressed that they were very dissatisfied.

We also wanted data on the satisfaction level of respondents with their *firm's review policy and execution of it*. More than half of the respondents were satisfied with the reviewing policy, with 16.9% very satisfied and 46.1% satisfied. 26% were indifferent. 7.1% were dissatisfied and 3.9% were very dissatisfied.

The 3.9% of respondents who answered that they were very dissatisfied were age 35 years old and younger and have been at their firm five years or less. Thirty-three percent of participants (33.3%) would maybe recommend their firm as a good place to work and 66.7% said they would not recommend their firm. Two-thirds were dissatisfied with career development opportunities at their firm with the remaining one-third being very dissatisfied. Regarding the level of training at their firm, 16.7% was satisfied while 50.0% were dissatisfied and 33.3% were very dissatisfied. Most of this group (83.3%) was dissatisfied with their level of challenge and responsibility but one person felt that their level of challenge and responsibility in their current role was adequate. The majority of this group (66.7%) feels that the firm was unfair in the way it delegates roles and work. Two-thirds of these respondents were actively looking for a new job in other PR firms with the other one-third were not actively looking for a job but would consider any opportunities.

When asked if the *respondent intends to stay at their firm*, 49.4% said they have no plans on leaving their firm but 41.6% are not actively looking for a job but would consider opportunities that come their way. Only 9% were actively looking for a new job: 3.2% were looking for a job at other PR firms, 4.5% were looking for a new job in corporate/client companies, and 1.3% were happy but need a change and were looking for other opportunities outside of the PR industry all together.

This group that simply needs a change fell in the age range of 26-35 years old and has been at their current firm between five and 10 years. Even though they were looking to leave the PR industry, all would recommend their firm to a friend as a good place to work, and were very satisfied with career development opportunities at the firm and their level of challenge and responsibility in their current role. Also, they were all satisfied with their firm's review policy and its execution. Communication at their firm and their level of challenge and responsibility were split as the most important factors in determining whether they stay with their current firm.

It is this group that mystifies firms. The respondents' satisfaction level on factors that we are pointing to as markers for retention ranged from satisfied to very satisfied. Yet, they still wanted a change and to leave the PR industry. How do we hold onto these people? The PR industry needs to motivate this faction of employees to stay not only with the firm, but with the industry. We need to find ways to harness their creative thoughts and strategies because these transient employees can also be the key audience of firms' clients.

The questionnaire included one open ended question: "Why do you think turnover is a problem in the public relations business and what should the industry do about it?" Eighty-eight respondents submitted a response. With the global scope of respondents, some comments were region specific.

Overwhelmingly, the comments focused on compensation based on workload or an industry standard, career development with professional training and motivational programs to improve the culture and communication.

As many commented, the industry of public relations should be the service of high-quality consultancy versus the production-oriented organization it has become. The emphasis on number of hours billed as the primary demonstrator of achievement leads to long hours. Employees feel that the value and quality of their work gets lost in the race to rack up hours billed and that they are not compensated for the extra time they spend beyond the forty-hour work week.

*"Agencies and consultancies often do not provide the right environment to its employees (office location and equipment, social package, trainings, teambuilding events, etc.) as well as respect and clear view of duties for each [of the] employee, mostly at a junior level."*

*"There are myriad reasons: one is that some firms have a 'burn them out' culture that people get sick of; another is that there are lots of young practitioners who want to try new roles and opportunities."*

By juggling many accounts, employees are members of a number of teams. Employees gain experience but may also get lost in the shuffle.

*"Junior staffers lose out on experience and relationships they've built with their managers as their time is rationed out to yet another manager. They have to rebuild trust and "reprove" their abilities before getting the meaty assignments again. It's frustrating and I've seen many people leave because of it--at least at the junior level."*

With so many accounts and different teams, employees begin to work many hours of overtime taking time away from their personal life. The firm is so focused in getting so many deliverables out that communication is lacking within the firm.

*"There should be more work/private life balance in this job. And, unfortunately, there is a lack of communication in our agencies, no matter that we are communication specialists."*

*"The ability to react to employee needs and wants rather than just listening to them and working in a conducive environment with clear and efficient two way communication channels."*

*"Managing expectations of entry level positions is very important as well as support offered to help stressful situations."*

Despite all of the experience employees may gain on many accounts, many respondents state that there is a need to discuss and track career development within the firm. Without a long-term goal, employees get lost in their daily duties which then become monotonous. The work needs to be challenging and stimulating

in order to cultivate happy, engaged employees. Employees need the motivation and means to excel, and, it can be a big reason they choose to stay with a firm. The write-in question, "Turnover is often cited as the biggest issue in the public relations consulting business. Why do you think it's a problem and what should the industry do about it?" uncovered several salient comments:

*"Lack of long term career progression and variety in roles. People need to be challenged and stimulated in their roles, and most organisations go stale after a certain amount of time, or you go as far as you can and are forced to leave to take the next step in your career. PR agencies need to think about career progression, and providing a substitute to "in-house" experience which a lot of practitioners desire after a certain amount of time. Work can no longer be just about the clients you have, but the environment you create for your employees. With the skills shortage, retention is going to become an even bigger issue so companies should place a high priority on organisational [organizational] culture and motivation amongst employees."*

*"What need[s] to happen - a benchmark on wages, more valuable and developed training programs, [and] a change in focus from money driven to people driven industry."*

*"More importance needs to be placed on career development, and particularly professional training and development. Consultancies believe they can conduct all their training in-house to save money but the quality is therefore poor and courses are run by practitioners who are usually poor teachers."*

*"The training provided by PR firms is very ad hoc or inadequate. PR firms need to realise staff need to be challenged and motivated."*

Effective, meaningful career development takes the commitment of both the employee and his or her supervisor. Respondents realize that managers are the main conduit; yet, these managers lack the training to be good people managers. They need to be coaches and not just project managers.

*"... the other thing is to ensure managers are given people management skills, when they are promoted – [managers can] not just [be] expected to be good at it because they are good at their (PR) job."*

*"Managers feel staff [members] are seen as expendable and not a valuable resource to the company."*

One of the respondents mentions people are looking for more money and titles. Compensation standardization based on level of experience varies from firm to firm, region by region.

*"I think a problem could be [the fact] that people sometimes want to get ahead of themselves, so by jumping from firm to firm, thus jumping to a higher position, [this] makes them happy--rather than sticking with an agency because they share the same vision and values. This happens because many agency's "level ranks" are not the*

*same. What I mean by "level ranks" is, for example, an Account Supervisor at my agency requires 6-8 years of experience whereas in other agencies, an Account Supervisor is required to have at least 4 years. Though when interviewing, human resource personnel do take this into consideration, people in our industry may be inclined to, as mentioned, get ahead of themselves even though they may not have the required years of experience at their firm for a particular position but do have the required level of experience at another firm for that same "title." ... In a time where people are hungry to make more money and are interested in their "title", I believe these are two of the main factors regarding turnover."*

One additional issue raised in these comments was the need for accreditation. Internally, accreditation or a license of some sort would ensure that all public relations professionals achieved a high-caliber education and training. Externally, an accreditation can raise the credibility of our industry to all audiences, especially clients.

*"PR is all about "intangibles," so that might be an explanation. However, I am more concerned with the fact that the clients, even PR colleagues, do not understand what PR is about and thus have unrealistic expectations. Also, I believe they undermine and underestimate PR."*

*"I'm a proponent of mandatory accreditation."*

*" ... We're an industry that wants to be considered as professional, yet the bulk of employers seem anything but. ... This industry needs to get its act together. ..."*

*"Better understanding (and implementation) of sectoral [industry] standards and roles of each party by PR firms and the clients."*

### **Primary Research: Interviews of Human Resources Executives at Public Relations Firms**

In parallel to the Holmes Reports' dual pronged approach to gauging attitudes in PR by conducting a survey of PR practitioners at large, and further drilling down on issues through electronic roundtable discussions involving PR firm leaders, this study conducted in-depth interviews with Human Resources (HR) leaders within Public Relations and Professional Services firms in addition to the online survey administered through Survey Monkey.

The study involved six interviewees, with varying amounts of experience in PR and HR, ranging from one year in Public Relations HR to 35 years. The interviewees' titles ranged from Senior Vice President, Human Resources to Director, Talent Management, to HR Project Manager. See Exhibits H and I for the list of interviewees and the interview questions, respectively.

All of the six interviewees felt that employee retention was an important area of focus, yet they also all answered that it shouldn't be "owned" by any singular individual or department. The senior-most Human Resources executive at a leading business and marketing communications provider said, "Employee retention needs to be managed by every single manager in the field. Sure, we can do things to support

their efforts, but it's got to start with direct line supervisors. They have the greatest – and most frequent – influence on employee attitudes.” Another interviewee stated, “From what I can see and gather, people leave managers, not companies. We need to focus on how middle management can be better managers. Training is the key to retention. Employees want individualized, personal development.”

Interestingly, a different HR leader interviewed said that her firm has formal training for mid-level staff, called the Leadership Institute, which distinguishes between training and development. Managers are trained on how to develop others.

Another commonality was that all of the executives interviewed said their firms conducted exit interviews. An HR Project Manager at Waggener Edstrom Worldwide said that its confidential and anonymous exit interviews are used to identify and analyze issues or factors that contribute to employee turnover. For example, one trend Waggener has identified as contributing to employee turnover is work/life balance issues. In response, Waggener instituted an extended leave program with an incentive; after six years of service, employees are entitled six weeks of time off.

Throughout all components of this study – the literature review, the analysis of the Holmes Report Satisfaction Survey data, our electronic survey, and the HR leader interviews, communication, formal and informal, has been a common thread. In fact, from our two online surveys (Survey Monkey I and Survey Monkey II) which in total included input from approximately 200 PR practitioners working at agencies, communication was found to be among the three most important factors relating to an employee's decision to leave or remain at a firm. Write-in survey responses included statements around the fact that communication was poor, despite the fact that in many ways, communication is what their business (PR) is all about. However, every HR leader interviewed described multi-faceted communications programs that included vehicles such as employee magazines, CEO blogs, intranet-based communications and executive visits. At one firm, a CEO moved his office to Asia for a month and recounted his experience to all employees worldwide through his blog, an initiative that the HR leader thought had a powerful impact on the firm's employees.

Another interviewee stated that communication plays a big role but that it is only the means to an end. She said that employees often leave because they don't have a sense of shared vision or shared goals. They don't understand the company's direction or how their efforts as individuals contribute to the success or failure of the firm overall. Communication is the remedy. Firms must effectively – and candidly – communicate the organization's strategy, goals, and how it plans to achieve those goals. This statement is consistent with our survey findings; in addition to communication, employees placed a great amount of importance on their level of responsibility and challenge. Employees need to feel that they make a difference, and if they don't understand and live by the firm's vision, they'll never be able to discern how exactly their individual efforts impact the organization. In short, there won't be a sense of shared vision. However, by developing employees, giving them variety and increasing the level of challenge and responsibility in their work, their sense of self importance improves, which leads to better motivation, engagement, and ultimately, retention.

When asked the question, “In thinking about the last several months to a year, what factor(s) do you think influenced talented employees (whom you value and would not want to lose) to leave the firm?,” many of them cited work/life balance. One HR

leader stated that she has seen an unusually high number of valuable employees leave for roles outside of the PR industry. She noted that there had been an influx of employees leaving to become educators. While surprising at first blush, there are strong parallels between the practice of education and the practice of public relations: Both occupations work to find the common ground between one side (a company or school system) and the other side (company stakeholders or students), with communications as a primary means of accomplishing their goals. Though parallel, the two professions are near polar opposites when it comes to work/life balance, with teachers enjoying much more family and personal time each year.

## SUMMARY AND CONCLUSIONS

### Summary of Findings

The Holmes Satisfaction Survey demonstrated that employees want to be heard. They want to know that management listens to what they have to say and see that their ideas are recognized; moreover, they want to see their ideas come to fruition. A firm comprises employees and employees are people. It is human nature to want to be respected, and one way employees feel respected is when their ideas and thoughts are heard and put into action.

With more years at a firm, employees have to trust the management of the firm in order to truly grow roots. Trusting in management's decisions and direction, employees will be able to put down roots and grow with the firm.

According to our electronic survey, the top factors (based on the number of responses) employees consider when pondering whether to leave or remain at a PR firm are:

- |   |             |
|---|-------------|
| 1. <i>Level of Challenge and Responsibility</i> | 27.1%       |
| 2. <i>Work/Life Balance</i>                     | 19.9% (tie) |
| 3. <i>Career Development</i>                    | 19.9% (tie) |
| 4. <i>Communication</i>                         | 13.9%       |

All of these factors were cited more often than other factors, including *compensation* and *recognition beyond my supervisor and team*. The interviews with HR leaders uncovered many of the same themes, though the interviews plus the answers to the write in questions of the survey helped us determine that an employee's direct supervisor is often his or her primary driver of the factors cited as being the most crucial in driving employee retention. In fact, all of the top four factors listed above are most often filtered through an employees' direct boss. That doesn't mean that organization-wide work/life balance, career development and communication programs are no longer important – they most certainly are – but the programs alone are not enough. PR firms need managers that can instill work/life balance, increase an employee's level of challenge and responsibility in an appropriate and individualized manner, champion career development and communicate effectively.

In June 2008, as the results of this study's industry survey and interviews were being analyzed, the *Harvard Business Review* published a case study and commentary, "Why Are We Losing All Our Good People?" The case study depicts Sambian Partners, a professional service firm, and its growing turnover problem

from the vantage points of the CEO, Senior Vice President of Human Resources, an exiting employee, an employee on the brink of resignation and other staff members at the firm. Following the case study, four commentators offer expert advice in essay form: Anna Pringle, head of international people and organization capability for Microsoft; F. Leigh Burman, CEO of Keeping the People, a human resources consultancy; Jim Cornelius, chairman and CEO of Bristol Meyers-Squibb; and Jean Martin, executive director of the Corporate Leadership Council, a global membership of chief human resources officers and a division of the Corporate Executive Board.

Much of the insight provided by the four experts affirmed and solidified this study's results. Though our own research is the predominant basis for our recommendations and conclusions, we have also included analysis from a *Harvard Business Review* article, which paralleled this study's findings in many ways and published while this study was being performed.

### **Recommendations for Avoiding Unwanted Turnover: Seven Key Areas of Development**

- 1. Provide employees the opportunity to work on challenging projects of various types.** It is essential that work be delegated fairly, and also with development in mind. In Survey Monkey II, respondents' level of responsibility was ranked the most important factor to an employee in terms of his or her intent to stay at a firm (see Exhibit G.10). In Survey Monkey I, career development opportunities was ranked highest at 33% followed by level of challenge and responsibility at 32% (see Exhibit E.6). One respondent to the survey said that in his or her mind, turnover is driven by a lack of opportunity:

*People need to be challenged and stimulated in their roles, and most organisations [organizations] go stale after a certain amount of time, or you go as far as you can and are forced to leave to take the next step in your career. PR agencies need to think about career progression, and providing a substitute to "in-house" experience which a lot of practitioners desire after a certain amount of time. Work can no longer be just about the clients you have, but the environment you create for your employees.*

Another respondent said,

*The day to day doesn't vary enough. It can feel very repetitive. So much focus is on keeping your head above water and making the clients happy, employees get pushed to their limits and their happiness sacrificed*

- 2. Create an aggressive management development program that includes training to help managers improve relationships with their direct reports.** Direct supervisors have the most influence on the day-to-day life of an employee. They are an employee's primary pathway to things like work/life balance, career development, and challenging work, and supervisors have an enormous influence on how employees feel about each of those factors. No matter how positive and robust an organization's programs are, without an effective manager to bring the programs to life or encourage work/life balance or career development on a regular basis, employees are not receiving the full benefit of the programs. This is all too often seen with training programs; employees say they want more training, but then don't show up for the course, or groan through every hour

because they know their work continues to pile up and no special arrangements have been made to lessen the load while they attend training. Taking time out from working on client projects to attend training sets employees back, and they end up putting in additional hours. Eventually, this trend leads many employees to perceive that time spent training is time wasted. This time could have been billable hours. Again, the determining factor is an employee's direct supervisor who can elevate the importance of training and self-improvement over billable hours. The same is true for work/life balance. A firm may have great programs, but if the one's supervisor does not make it feasible for an employee to take advantage of these programs, what good do they do?

According to Anna Pringle, commentator in the *Harvard Business Review* study, "Why Are We Losing All Our Good People?," "In organizations like Sambian (professional service firms), where creativity, innovation and intellectual capital equal competitive advantage, the most effective leaders devote at least 40% of their time to people – coaching and mentoring other leaders, recruiting the top talent."

"Star" managers can be identified, recognized and rewarded by peer employees, as well as their own supervisors. These managers will do more than motivate employees to excel. The best managers will cultivate dedicated employees who want to succeed and replicate, and even improve upon, the management techniques and styles of their predecessors. In the long run, good people managers will nurture an environment where employees want to stay. In turn, employees will want to do their best for a supervisor they respect and admire. They will pursue more challenging projects with a good supervisor. They will strive to emulate them. Employees will learn from a good supervisor and can then be better supervisors themselves.

A solid management development program devoted to employee relationship building can systematically improve all other functions and business. Essentially, an aggressive management development program is the trinity of Deming's "joy at work" theory, General Systems Theory and Grunig and Hunt's Two-Way Symmetric communication model.

- 3. Make sure your employees know your firm's mission and work to instill a sense of shared vision among your employees.** Employees who feel that they – as individuals – really matter are more likely to stay at your firm; they'll also be better performers. They want to see how their efforts contribute to the firm's overall success, and in order to be able to discern that connection, they must really know what it is they are ultimately working towards and for: Fulfillment of the firm's vision. Our study established that employees that are willing to recommend their firm as a good place to work are also less likely to leave the firm. Of the respondents who would recommend their firm as a good place to work, 88% understand, support and work by the firm's mission and strategy.

In the short amount of space allotted to each commentator who participated in the *Harvard Business Review* piece, "Why Are We Losing All Our Good People?" three out of the four experts discussed the importance of ensuring that employees understand their mission. Jean Martin, a commentator in the *Harvard Business Review* case study, said, "The most important contributor to employees' emotional commitment is a sense of connection to a firm's mission."

Jim Cornelius, another commentator, advises, “make sure that Sambian’s mission is crystal clear and that everyone in the firm understands it.” Ann Pringle urges leaders to “assure employees that ... Sambian’s value proposition for employees is clear and differentiated from competitors.”

Create a vibrant, competitive environment – not internally – but with your competitors. Drive your firm for growth by making your goals ambitious and communicating them broadly. Make sure your employees know they are part of the team that’s pitted against the competition.

- 4. Refine your hiring practices.** It takes a certain kind of employee to thrive at a PR agency. Individuals who are cut out for agency PR, as opposed to working on the corporate side or in an entirely different industry, thrive on challenge. Develop a means to target your searches, and once in the interview phases, assess what kind of an individual you are interviewing, so your firm won’t waste time, money and effort developing an employee that will not have an interest in staying on the agency side. Characteristics of the firm’s culture should be identified, and interviewers should seek out candidates with attributes that “fit” with the firm’s culture. Open the hiring procedure to current employees and ask for their input. What would they look for in a job position? What type of person would they want on their teams? What questions would they want to ask a potential hire? Would they prefer a colleague that has tenure and viable experience or someone that is new to the industry?

Public Relations professionals should have a sense of the world around them. How can that be measured or determined in an interview? Besides tests on writing skills, can a potential employee participate in a brainstorming session? The Human Resource department and the supervisor needing more headcount or a replacement cannot be the only members of the hiring team. How about involving members of the marketing department? If we can pitch to the clients we want, why don’t we pitch to employees that we want? After reviewing your firm’s hiring practices, a complete overhaul of the process and the team may be warranted in order to hire the type of people that will succeed in the public relations agency environment.

Consider a modified version of an “up or out” or “class of ‘09” approach employed by law firms that assumes that every employee *wants* to make partner and is on a path to get there. To keep especially high potential talent from getting bored, implement a “high achievers program” that identifies these employees and supports special training, development and rewards programs for them. Deming was right: a motivating, fun environment fuels joy in work – which supports increased productivity and quality.

- 5. Place an emphasis on work/life balance; if possible, tie it to incentive to stay.** Work/life balance is important to today’s workforce, and its importance continues to trend upward. One of the HR professionals interviewed said that, after learning that employees craved more flexibility in their lives, her firm developed a program like this. After an employee has been with the firm six years, he or she becomes entitled to six weeks off annually. This helps to mitigate unwanted turnover in two ways: it improves work/life balance, which we found to be one of the top factors in determining an employee’s intent to stay at a firm, and it provides them with direct incentive to stay on for six years and beyond.

6. **Create an environment and corporate culture that feeds this employee base that is different from most and amply diversified.** Working in a PR agency can be extremely difficult with the long hours, endless pressure and fewer intrinsic rewards than similar positions in corporate companies. According to our findings, these employees want more – more challenging work and more opportunities for advancement which amount to more pressure. By celebrating the differences of these types of employees who work for PR agencies, they will feel the attention they may be lacking
7. **Foster two-way communication – in multiple forms.** It supports all of the six recommendations above and helps develop specific tactics to identify shortcomings and devise remedies. The use of a two-way communication – or two-way symmetric model described by Grunig and Hunt – in the practice of public relations as the preferred model is undisputed, and it is curious that many agencies don't place a bigger emphasis on it and make it a key component – if not the platform – for their infrastructures.

Two-way communication, if utilized effectively, is interwoven into the way a firm fosters a sense of shared vision and motivation in employees. It is a means for instilling a firm's vision and what it means to employees as individuals. Also, two-way communication is necessary for firms to introduce and maintain career development opportunities and work/life balance programs. Only with two-way communication can firms achieve Deming's recommendations for helping employees realize "joy in work" through intrinsic motivation through healthy levels of competition. Use two-way communication to create a sense of a team – in winning new business, recognition (awards) in your industry and visibility in trade publications and the public at large. Celebrate the wins – and mourn the losses – together.

Throughout this study, and each component of our research, two-way communication was cited as critical in the reduction of turnover. Two-way communication helps leadership understand what irks employees and how to fix things, and makes employees feel empowered by giving them a voice.

Some of the HR leaders interviewed provided us with specific examples of how they addressed issues that were uncovered through feedback. One leader ascertained from the firm's bi-annual employee survey that employees didn't have trust in the managing partners or the firm's vision. They didn't believe that management acted in their best interests. Communication was also ranked somewhat low. Therefore, the firm focused its efforts on introducing quarterly employee briefings, CEO visits to many of the locations and a new full-color employee magazine, which is often used for recognizing key employees. In this case, interestingly, the problem uncovered by two-way communication could be remedied with further two-way strategies.

All four of the experts quoted in the *Harvard Business Review* article provided examples of two-way communication techniques. F. Leigh Branham suggested "workout sessions," a tactic created by General Electric, where employees break into groups to discuss their concerns and appoint representatives to make recommendations to the larger group. Such sessions allow employees to speak openly without fear of repercussions. Ann Pringle advised Sambian's CEO and Vice President of Human Resources to conduct "listening tours," which involve visiting every department, gathering direct feedback from supervisors and staff,

and taking the organization's pulse. She also recommends that the CEO hold small, open discussions with key employees in the form of breakfast or coffee meetings, at least weekly. Jim Cornelius favors bi-weekly emails, such as "memos from the CEO" – in which he or she actively solicits anonymous feedback, suggestions, ideas and complaints from everyone in the company. Finally, Jean Martin cites "culture audits" as an important practice to measure employees' connection to the company's work environment. The anonymous audits consist of a brief set of questions aimed at discovering cultural disconnects. For example, "What are the unwritten rules about the way work gets done here?" "Do you believe hard work will be rewarded?," and "Do you feel that other employees are to your success and the organization's success?"

In summary, an employee Intranet is not enough. In order to engage all of the different subsets of employees of differing levels and demographics, and give them the outlets they need to provide essential feedback, agencies must employ multiple tactics that are two-way in nature.

### **Conclusion**

Perhaps the most important best practice of all – and one of the places for a firm to begin its efforts – is to measure the rate and the cost of employee turnover, in order to determine the magnitude of the problem. In comparison, this part seems more straightforward than diagnosing the factors that lead to turnover. The analysis of the factors should both be qualitative and quantitative, formal and informal, verbal and written, and mechanisms for two-way feedback are essential.

Many public relations firms boast that their employees are a competitive advantage, and are what differentiates them in the marketplace. Yet, astonishingly, public relations professionals, such as those who participated in the Holmes' roundtables discussed earlier, cite finding, motivating and retaining talent as their top challenge.

Another overarching best practice for organizations seeking to reduce turnover, or keep it low in the first place, that encompasses all of the recommendations in this study is: Make talent a strategic priority. According to an article in *McKinsey Quarterly* (2008), to most effectively manage talent, leaders need to understand that different factors make people of different genders, ages and nationalities want to work for, and remain at, a company. This too underscores the need for ongoing two-way communication. Only in this way will talent management establish itself at the heart of business strategy.

According to the same article,

*What's needed is a deep-rooted conviction that people really matter – that leaders must develop the capabilities of employees, nurture careers, and manage the performance of individuals and teams...A strong people culture actually reinforces a key part of a company's employee value propositions.*

(Guthridge, Komm & Lawson 2008)

Essentially, employees who are least likely to leave a firm feel a sense of ownership and belonging; they feel like they are an essential component to the organization as a whole, and that their efforts are noticed and appreciated. The factors and best practices that drive low rates of employee turnover overlap significantly – if not

completely – with the key drivers of productivity and customer service. Multiple sources indicate that happy employees are less likely to leave a firm; therefore, it is critical that public relations firms recognize the importance of these drivers, and put plans into action and develop programs that support employee engagement and intent to stay.

It is also important to accept that turnover is a fact of life, so you must work with it. The goal isn't to minimize turnover; rather, it is to retain the kinds of people that will thrive in the unique environment of a PR firm. And celebrate how your firm – and its people – is different.

### **Further Research**

This study opens the door for further research and program development of retention strategies based on communication. Further research can focus on either continuing the research and/or focusing on each of our recommendations.

A total sample of 200 respondents from the two administrations of the questionnaire on SurveyMonkey.com may still be a small sample to determine that the findings apply to the larger population. This study would have benefited from a larger sample, more representative of the industry. Also, like the Holmes Report Satisfaction Survey, the questionnaire could be improved by having different variations based on the region of the respondent.

This study could have been improved by conducting face-to-face interviews with agency employees of all levels, rather than Human Resources leaders only. Additionally, focus groups would have provided nonverbal cues to determine behaviors and the opportunity to view the initial reaction to statements.

With the introduction of new graduate academic programs specializing in public relations, this exact study can ask the students of these programs to be a subset of the sample. These students may be receiving the training and tools that others already working at public relations agencies do not have available to them. This subset's answers may be extremely different from those in the workforce who have not had this graduate experience.

A relationship with the Holmes Group has been started. The second questionnaire we administered through Survey Monkey can be sent to the respondents of the annual Holmes Group Satisfaction Survey, making this a longitudinal study with the same respondents. Follow these respondents through their career and note the changes when they do change jobs within the PR industry.

Further work can also be done to produce programs that

- Develop middle management to help them improve relationships with their direct reports;
- Refine hiring practices to more effectively identify candidates who are cut out for the fast pace and demanding nature of PR agency work;
- Improve employee orientation programs and to create employee retention programs that build on a firm's mission for employees to share and live the firm's vision;

- Help firm's determine how to be more methodical and fair in ensuring that all employees have the opportunity to work on challenging work of various types;
- Define work/life balance and tie it to incentives to stay with a firm; and,
- Nurture characteristics that are inherent in the type of people that achieve in PR agency environment.

Exhibits

- A. StevensGouldPincus by the Numbers: PR Agency Staff Turnover
- B. Holmes Group Satisfaction survey questions
- C. Charts of Holmes Group Satisfaction survey results
- D. Survey Monkey I questions
- E. Survey Monkey I results
- F. Survey Monkey II questions
- G. Survey Monkey II results
- H. List of Human Resources Executives Interviewed
- I. Questions for Human Resources Directors



**StevensGouldPincus By The Numbers,  
Management Survey Report #6:  
PR Agency Staff Turnover**

*Our Spot Survey #6 in a continuing series to enhance  
PR Agency Industry Performance.*

**November 2007**

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**StevensGouldPincus By The Numbers,  
Management Survey Report #6:**

**PR Agency Staff Turnover**

*(Based on StevensGouldPincus By The Numbers:  
Spot Survey #6  
in an ongoing series)*

**November 2007**

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## Introduction and Overview

StevensGouldPincus conducts an ongoing series of Spot Surveys of U.S. PR Agencies entitled "*StevensGouldPincus By The Numbers*", named as such because they are quantified, incisive, concise, and can be completed "on the spot". We design the resulting reports to be simple, effective and easy to interpret as guidelines for agency management.

These surveys and results zero in on metrics critical to PR agency growth, management and operations. The methodology is sound, and the full results are initially reported only to participants.

*StevensGouldPincus regularly advises merger and management consulting clients how to interpret and apply this data in detail, tailoring it to each particular firm. Our clients have increased profitability and improved operational effectiveness.*

*Call us at 212-779-2800. We can help you maximize strength and synergy.*

## Scope of this Survey

StevensGouldPincus was engaged to create numerous Key Staff Retention Plans over the last 12 months. The increase in this area of our consulting practice, combined with our industry research, has made it clear that retaining staff at all levels is an ongoing management challenge.

150 firms from a broad spectrum of sizes and specialties are represented in the survey results reported herein.

## The question we asked was

What percent of staff total was your turnover during the past 12 months? We provided the calculation model so we would be assured of consistency.

The Calculation Model was defined as:

# of staff that left the firm

Divided by the total staff level at the start of the 12 month period.



**STEVENS GOULD PINCUS**

Merger & Management Consultants to the Communications Industry

**Staff Turnover by Agency Size**

Revenues	# of Firms	Turnover % Average	Turnover Under 10%		Turnover 10 - 30%		Turnover Over 30%		Significant Turnover Statistics	
			# of Firms	% of Firms	# of Firms	% of Firms	# of Firms	% of Firms	No Turnover	Over 50% Turnover
A. Less Than \$3M	84	19.2%	28	33.3%	36	42.8%	20	23.8%	18	9
B. > \$3M to \$10M	42	22.2%	8	19.0%	22	52.4%	12	28.6%	1	0
C. > \$10M to \$25M	18	21.3%	3	16.7%	12	66.7%	3	16.7%	0	0
D. > \$25M	<u>6</u>	24.0%	<u>2</u>	33.3%	<u>3</u>	50.0%	<u>1</u>	16.7%	<u>0</u>	<u>1</u>
All Firms	<u>150</u>	20.5%	<u>41</u>	27.2%	<u>73</u>	48.8%	<u>36</u>	24.0%	<u>19</u>	<u>10</u>

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NEW YORK CHICAGO LOS ANGELES WASHINGTON, DC MIAMI DENVER LONDON



## STEVENS GOULD PINCUS

Merger & Management Consultants to the Communications Industry

### Staff Turnover By Region

Regions	# Firms	Turnover % Average	Turnover Under 10%		Turnover 10 - 30%		Turnover Over 30%		Significant Turnover Statistics	
			# of Firms	% of Firms	# of Firms	% of Firms	# of Firms	% of Firms	No Turnover	Over 50% Turnover
1. NY Metro	54	19.0%	17	31.5%	23	42.6%	14	25.9%	9	2
2. DC & Suburbs	8	19.9%	2	25.0%	3	37.5%	3	37.5%	1	0
3. NorthEast	8	22.4%	3	37.5%	2	25.0%	3	37.5%	1	1
4. SouthEast	10	13.7%	5	50.0%	3	30.0%	2	20.0%	2	0
5. MidWest	26	17.5%	5	19.2%	17	65.4%	4	15.4%	2	1
6. SouthWest	13	21.7%	3	23.1%	5	38.5%	5	38.5%	1	4
7. So. California	14	22.4%	1	7.1%	11	78.6%	3	21.4%	0	1
8. No. California	9	21.8%	3	33.3%	4	44.4%	2	22.2%	2	1
9. NorthWest	5	21.8%	1	20.0%	3	60.0%	1	20.0%	1	0
10. Canada	3	*	*	*	*	*	*	*	*	*
All Firms	<u>150</u>	20.5%	<u>40</u>	27.2%	<u>71</u>	48.8%	<u>37</u>	24.0%	<u>19</u>	<u>10</u>

\*Data is undisclosed to protect the Canadian firms participating. This data will be covered in our Benchmarking Study for Canadian firms to be launched this month, sponsored by the Canadian Council of PR Firms.

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## STEVENS GOULD PINCUS

Merger & Management Consultants to the Communications Industry

### Staff Turnover By Specialty

Specialty	# Firms	Turnover Average	Turnover Under 10%		Turnover 10 - 30%		Turnover Over 30%	
			# of Firms	% of Firms	# of Firms	% of Firms	# of Firms	% of Firms
1. Healthcare	55	18.6%	12	21.8%	35	63.6%	8	14.6%
2. Public Affairs	31	23.4%	8	25.8%	14	45.2%	9	29.0%
3. Technology	57	20.6%	17	29.8%	24	42.1%	16	28.1%
4. Consumer	67	18.5%	19	28.4%	38	56.7%	10	14.9%
5. Crisis	40	21.7%	13	32.5%	17	42.5%	10	25.0%
6. Real Estate	23	27.2%	5	21.7%	8	34.8%	10	43.5%
7. Econ. Development	7	22.3%	2	28.6%	2	28.6%	3	42.8%
8. Prof. Services	32	21.2%	8	25.0%	14	43.8%	10	31.2%
9. Beauty & Fashion	19	20.5%	3	15.8%	12	63.1%	4	21.1%
10. Food & Beverage	32	18.7%	12	37.5%	13	40.6%	7	21.9%
11. Travel	19	20.9%	7	36.8%	6	31.6%	6	31.6%
All Firms *	*	20.5%	*	27.2%	*	48.8%	*	24.0%

\* Firms indicated multiple specialties

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## Best Practices that achieve Zero Staff Turnover

We received excellent voluntary input from survey respondents. As shown below, we present eight- some named with their permission- who achieved zero turnover through a variety of practices that might be considered by agency managers:

### CEO #1

Fred Bateman of The Bateman Group in San Francisco provided excellent insights about maintaining “0” turnover in a very competitive market. Some of Fred’s ways he kept turnover at “0”:

1. Offer a flexible work environment that allows people to telecommute from home and/or work part-time schedules to accommodate spending time with children or to lessen the burden of lengthy commutes.
2. Give people the tools the need to take advantage of this inherent flexibility, e.g., laptops, PDA’s with Windows Mobile, Outlook Web Access, etc.
3. Offer a stimulating and creative physical work environment so people look forward to coming into the office to collaborate.
4. Never take on a boring client just for the revenue -- Assign people interesting clients with interesting communications challenges and they response with their best work.
5. Always give performance reviews on time.
6. Offer the best healthcare, dental and vision benefits in the market with no employee contribution.
7. Offer the best 401(k) plan possible.
8. Make sure salaries exceed individual expectations, but not out of line with the high end of other firms in the market.

### CEO #2

Michele McCormick of MMCPR in Sacramento told us “Attracting and retaining quality employees has been a top priority for years. Some losses are unavoidable - people get married, their spouses get transferred, and etc. I consider it urgent to avoid the loss of key employees.” Some steps I take:

1. Hire the right people. We have a detailed hiring process that involves all staff, as well as a personality test to assure a good fit.
2. Offer competitive benefits. It’s hard for a small firm, but I try to keep track of what’s out there and make the best effort – new employees get up to 15 days of PTO in the first year, a generous holiday schedule, healthcare, and up to 9% 401(k) matching if revenues allow.
3. Focus on teamwork teamwork. I do everything possible to build a mutually supportive team atmosphere.
4. Foster professional development. Each year everyone gets at least one trip to some sort of professional development seminar.
5. Be flexible with time off. I am highly attentive to productivity in terms of monthly hours delivered, but I don’t much care if people need to leave an hour or two early here or there. People can routinely leave early on Friday afternoons if work is done. I give some spontaneous time off on holiday eves.

6. Recognition. Every staff meeting starts with a discussion of the past week's successes. We also nominate a weekly "person of the week"
7. I try to give employees as much opportunity to step forward as possible. To take responsibility and grow.
8. I respect them and their abilities, and try to make sure they know it.
9. I try to make sure that all criticism is constructive and that when things do go wrong, we focus on fixing the issue so that the future will go smoothly, rather than dwelling on the fact that a mistake was made.
10. I try to be a mentor, and to build relationships that will last whether or not my employees choose to move on.

CEO #3 offered this synopsis of the firm's "O" turnover:

Our whole shop is organized around the employees' lives. Almost everyone has flex time or works from home, etc. It's Mom's dream job, which has allowed me to keep all A-players on board. Other than new hires everyone has been here 7-17 years. We're very selective about which client we accept because we are not focused on growth but rather on profitability that supports a superior quality of life. That means I'm not having a revolving door of employees or clients, which is all integral to the core strategy.

CEO #4 offered this synopsis of the firm's "O" turnover:

I will tell you that it's not one individual initiative. It is one overriding philosophy that challenges you as a foundation and then layer in more creative practices that would challenge any employee to ask herself or himself, "Is it possible to find a better situation? So far, the answer has been, "No"

At the foundational level, it's about challenging and growing employees. They hunger for those opportunities on a daily, monthly and annual basis. So the way we structure our team is purposely designed to expose them to challenges, but not leave them hanging in the wind. Everyone is learning and developing bottom up and top down.

CEO #5 from the Bay area wrote:

Everyone in our company is committed to working on programs that make a difference to our world and our communities. We work hard, yet have good flexibility for staffer's lifestyles. And we have a good time -- at least most of the time!

Our employees are talented practitioners, each with different skills. They have good autonomy, while getting support and training where they need it. And they like each other!

But the most important element is that we keep it interesting and work on creative programs that we're all passionate about. This, I believe is at the heart of employee satisfaction and retention. Heck -- it's at the heart of what keeps me involved too!

Of course compensation is important. We're in the Bay Area where the cost of living is one of the highest in the country. We offer good salaries and benefits, but I learned years ago that employee satisfaction is not delivered in the form of a pay check.

We are currently celebrating “25” Years in business and I can tell you staff stability and relationships make going to work a pleasure for me each day. Oh, and there’s one more thing to consider. It’s called luck.

CEO #6 Joanna Cumberland, JBC Group, New York. As an insight I’d say it is the auspicious result of the comfortable meeting of two inimitable factors- the staff like their jobs and I (and our clients) like their performance, very much.

CEO #7 Sums it in one word “Lots of Love”

CEO #8 an established, well know and very modest male CEO responded: “We are small, pay well and everyone loves me.”

## Ongoing Goal of our Spot Surveys and Reports

Our goal is to continually define the profile of a “model PR firm”, based on a point in time each year, by each revenue category, region and specialty. Quantifying model firms not only helps us better support our clients’ goals and objectives, but also helps the industry as a whole to successfully evolve and weather changing market conditions.

We examine all types and sizes of PR firms in-depth, both those that are clients as well as those that simply agree to share their confidential statistics with us and maximize performance.

Thank you for your support of our benchmarking efforts. Look for other relevant spot surveys in the future, as well as our Annual Benchmarking Best-Practices Survey in March 2008. We welcome your suggestions for other survey topics and reports. Please contact me directly if you have any questions and/or comments.

*Rick Gould, Managing Partner*     [rgould@stevensgouldpincus.com](mailto:rgould@stevensgouldpincus.com)

## Exhibit B.1

### The Holmes Report - Best Consultancies to Work For Survey (Europe)

PLEASE RATE YOUR AGENCY ON A SCALE OF 1 TO 10 WHERE (1) IS POOR AND (10) IS EXCELLENT

#### GENERAL QUESTIONS

1. Overall, I find my job rewarding

1 2 3 4 5 6 7 8 9 10

2. I am committed to building my career with this firm

1 2 3 4 5 6 7 8 9 10

3. I would be happy to recommend my firm to a friend seeking a job in public relations

1 2 3 4 5 6 7 8 9 10

#### QUALITY OF MANAGEMENT

1. I have confidence in the quality of management at my firm

1 2 3 4 5 6 7 8 9 10

2. My firm takes a long-term view

1 2 3 4 5 6 7 8 9 10

3. The leaders of my firm are well respected within the PR industry

1 2 3 4 5 6 7 8 9 10

4. I have confidence in the management of my office/practice area

1 2 3 4 5 6 7 8 9 10

#### CLIENT SERVICE

1. Client satisfaction is a top priority at our firm

1 2 3 4 5 6 7 8 9 10

2. Our people are prepared to go the extra mile for our clients

1 2 3 4 5 6 7 8 9 10

3. We do a good job of keeping clients informed

1 2 3 4 5 6 7 8 9 10

4. My firm places a higher priority on serving existing clients than on chasing new business

1 2 3 4 5 6 7 8 9 10

#### EMPOWERMENT

1. My firm encourages people to use their own initiative

1 2 3 4 5 6 7 8 9 10

2. I have the freedom to decide for myself how work gets done

1 2 3 4 5 6 7 8 9 10

3. My agency has eliminated unnecessary bureaucracy

1 2 3 4 5 6 7 8 9 10

4. We do a good job of delegating work to the appropriate level  
1 2 3 4 5 6 7 8 9 10

#### PEOPLE

1. I like the people I work most closely with  
1 2 3 4 5 6 7 8 9 10
2. People here treat each other with respect, regardless of title  
1 2 3 4 5 6 7 8 9 10
3. My firm does a good job of attracting the best employees  
1 2 3 4 5 6 7 8 9 10
4. My firm does a good job of retaining its best employees  
1 2 3 4 5 6 7 8 9 10

#### CULTURE

1. Morale at my firm is high  
1 2 3 4 5 6 7 8 9 10
2. This is a fun place to work  
1 2 3 4 5 6 7 8 9 10
3. My firm has done a good job of eliminating office politics  
1 2 3 4 5 6 7 8 9 10
4. I feel I can balance work and family demands effectively  
1 2 3 4 5 6 7 8 9 10

#### THE WORK

1. I find the work I do stimulating and challenging  
1 2 3 4 5 6 7 8 9 10
2. Clients treat members of the account team at all levels with respect  
1 2 3 4 5 6 7 8 9 10
3. I feel like a partner and counselor to my clients, not just an order taker  
1 2 3 4 5 6 7 8 9 10
4. I believe the work I do is meaningful and worthwhile  
1 2 3 4 5 6 7 8 9 10

#### COMMUNICATION

1. I understand my firm's vision and strategy for achieving it  
1 2 3 4 5 6 7 8 9 10
2. I understand the financial goals of my firm and my role in achieving them  
1 2 3 4 5 6 7 8 9 10
3. I believe management makes every effort to keep employees informed  
1 2 3 4 5 6 7 8 9 10
4. Management at my firm listens to what employees have to say

1 2 3 4 5 6 7 8 9 10

#### PROFESSIONAL DEVELOPMENT

1. My immediate supervisor is a coach as well as a boss

1 2 3 4 5 6 7 8 9 10

2. I am satisfied with the level of training at our firm

1 2 3 4 5 6 7 8 9 10

3. My firm does a good job of providing new challenges and opportunities

1 2 3 4 5 6 7 8 9 10

4. I am encouraged to develop new skills

1 2 3 4 5 6 7 8 9 10

#### ETHICS

1. I trust management at my firm to do the right thing

1 2 3 4 5 6 7 8 9 10

2. My firm deals ethically with employees

1 2 3 4 5 6 7 8 9 10

3. My firm deals ethically with clients

1 2 3 4 5 6 7 8 9 10

4. My firm has the integrity to turn down assignments it considers unethical

1 2 3 4 5 6 7 8 9 10

#### VALUES

1. My firm would rather be the best than the biggest

1 2 3 4 5 6 7 8 9 10

2. My firm has strong values -- and lives them

1 2 3 4 5 6 7 8 9 10

3. My firm provides equal opportunities regardless of gender, race or sexual orientation

1 2 3 4 5 6 7 8 9 10

4. My firm provides opportunities for me to use my skills for causes and issues that matter to me

1 2 3 4 5 6 7 8 9 10

#### COMPENSATION

1. I believe I am fairly compensated for my contribution to the firm

1 2 3 4 5 6 7 8 9 10

2. In financial terms, I find my job rewarding

1 2 3 4 5 6 7 8 9 10

3. I believe my pay is competitive with pay at other firms

1 2 3 4 5 6 7 8 9 10

4. I am satisfied with the level of personal recognition I receive

1 2 3 4 5 6 7 8 9 10

ABOUT YOU

1. Where are you based?

United Kingdom	France	Spain	Germany	Italy
Belgium	Netherlands	Nordics	Switzerland	Eastern Europe
Ireland	Other			

2. What is your gender

Male/Female

3. How old are you?

21 or under 22-26 27-31 32-36 37-41 42-46 46-51 52 or over

4. How many years have you been with your current firm?

Less than 1 year	Between 1 and 2 years	Between 2 and 3 years
Between 3 and 5 years	Between 5 and 10 years	More than 10 years

5. What was your primary area of study in university?

PR/Communications	Journalism	Marketing	Science	Law
Business/Finance	Arts/Humanities	Other	No degree	

6. Do you have any additional comments about your agency?

7. If you had to describe the culture at your agency in two or three words, what would they be?

8. If you had to look for another job tomorrow, and could not work for your current firm, which other three PR firms would you most like to work for.

## Exhibit B.2

### The Holmes Report - Best Agencies to Work For survey (U.S.)

PLEASE RATE YOUR AGENCY ON A SCALE OF 1 TO 10 WHERE (1) IS POOR AND (10) IS EXCELLENT

#### GENERAL QUESTIONS

1. Overall, I find my job rewarding

1 2 3 4 5 6 7 8 9 10

2. I am committed to building my career with this agency

1 2 3 4 5 6 7 8 9 10

3. I would happily recommend my firm to a friend looking for a PR agency job

1 2 3 4 5 6 7 8 9 10

#### QUALITY OF MANAGEMENT

1. I have confidence in the quality of management at my agency

1 2 3 4 5 6 7 8 9 10

2. My agency takes a long-term view

1 2 3 4 5 6 7 8 9 10

3. My agency is respected within the industry

1 2 3 4 5 6 7 8 9 10

4. My agency would rather be the best than the biggest

1 2 3 4 5 6 7 8 9 10

#### CLIENT SERVICE

1. Client satisfaction is a top priority at our firm

1 2 3 4 5 6 7 8 9 10

2. Our people are prepared to do whatever it takes to get the job done for clients

1 2 3 4 5 6 7 8 9 10

3. We do a good job of keeping clients informed

1 2 3 4 5 6 7 8 9 10

4. My agency places a higher priority on serving existing clients than on chasing new business

1 2 3 4 5 6 7 8 9 10

#### EMPOWERMENT

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1 2 3 4 5 6 7 8 9 10

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#### PEOPLE

1. I like the people I work most closely with  
1 2 3 4 5 6 7 8 9 10

2. People here treat each other with respect, regardless of title  
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3. My agency does a good job of attracting high caliber employees  
1 2 3 4 5 6 7 8 9 10

4. My agency does a good job of retaining high caliber employees  
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#### CULTURE

1. Morale at my agency is high  
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#### THE WORK

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3. I feel like a partner and counselor to my clients, not just an order taker  
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1 2 3 4 5 6 7 8 9 10

#### PROFESSIONAL DEVELOPMENT

1. My immediate supervisor is more of a coach than a boss

1 2 3 4 5 6 7 8 9 10

2. I am satisfied with the level of training at our firm

1 2 3 4 5 6 7 8 9 10

3. My firm does a good job of explaining all the career opportunities open to me

1 2 3 4 5 6 7 8 9 10

4. I am encouraged to develop new skills

1 2 3 4 5 6 7 8 9 10

#### ETHICS

1. I trust management at my firm to do the right thing

1 2 3 4 5 6 7 8 9 10

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#### VALUES

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2. My firm has strong values -- and lives them

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3. My firm provides equal opportunities regardless of gender, race or sexual orientation

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4. My company provides opportunities for me to use my skills in a pro bono or volunteer capacity for causes that matter to me

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#### COMPENSATION

1. I believe I am fairly compensated for my contribution to the firm

1 2 3 4 5 6 7 8 9 10

2. In financial terms, I find my job rewarding

1 2 3 4 5 6 7 8 9 10

3. I believe my compensation is competitive with compensation at other agencies

1 2 3 4 5 6 7 8 9 10

4. I am satisfied with my healthcare benefits

1 2 3 4 5 6 7 8 9 10

#### ABOUT YOU

1. Where are you based?

New York	Washington, D.C.	Chicago	Los Angeles
San Francisco	California (Other)	Florida	Texas
Seattle	Atlanta	Detroit	Minneapolis
St. Louis	Canada	Other	

2. What is your gender

Male / Female

3. How old are you?

21 or under 22-26 27-31 32-36 37-41 42-46 46-51 52 or over

4. How many years have you been with your current agency?

Less than 1 year	Between 1 and 2 years	Between 2 and 3 years
Between 3 and 5 years	Between 5 and 10 years	More than 10 years

5. What is your ethnicity?

White Black Hispanic Asian-American Other

6. In what area of study did you get your bachelor's degree?

Public relations	Journalism	Marketing	Business	Liberal Arts	Other
No degree	Law				

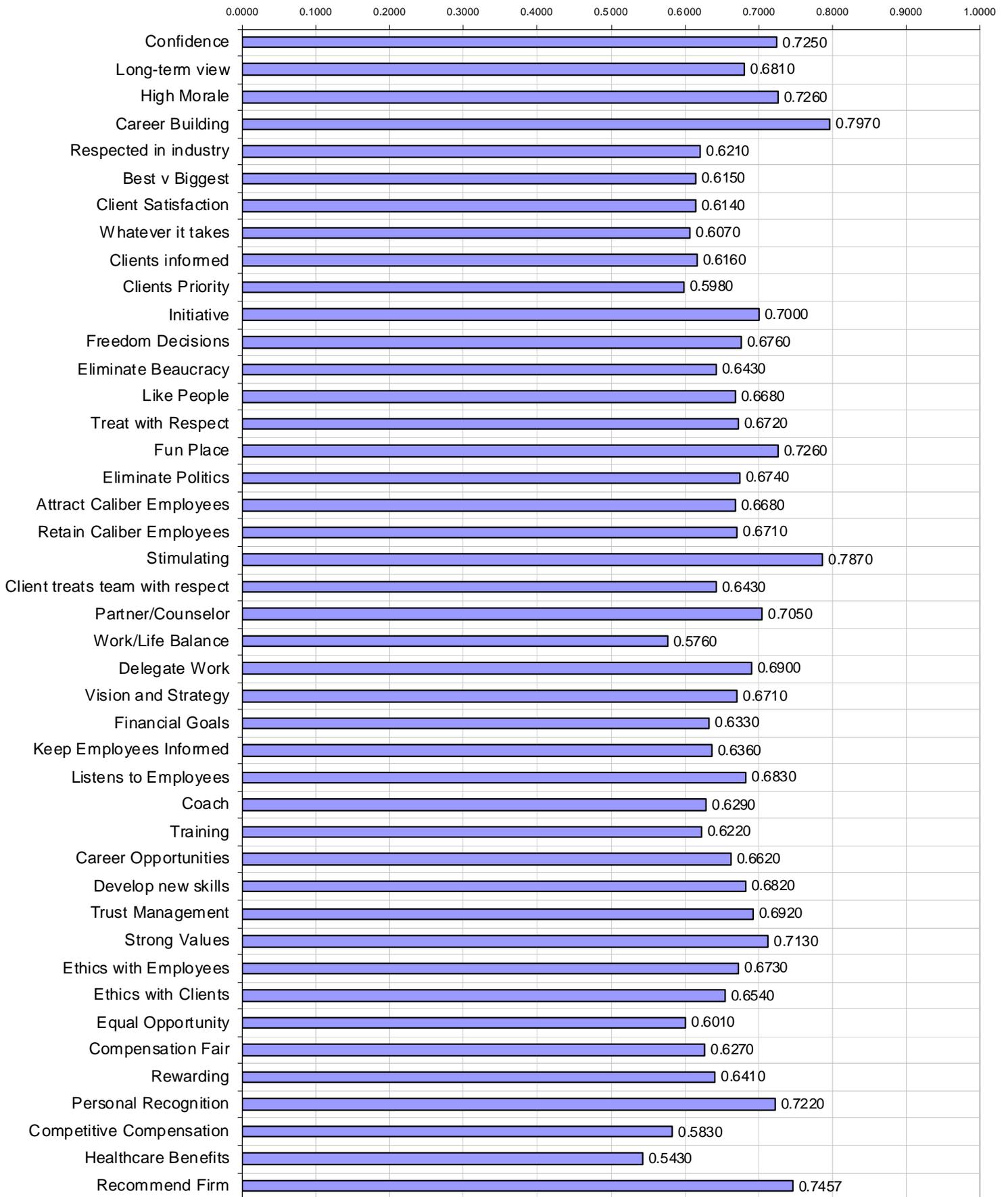
7. Later in the year, we will be conducting a separate survey of minority PR practitioners. If you are Black, Hispanic, or Asian-American and would like to participate in this survey, please provide your e-mail address here, or send it directly to [pholmes@holmesreport.com](mailto:pholmes@holmesreport.com). Your e-mail address will not be used for any other purpose.

8. What is your favorite thing about your agency?

9. What is your least favorite thing about your agency?

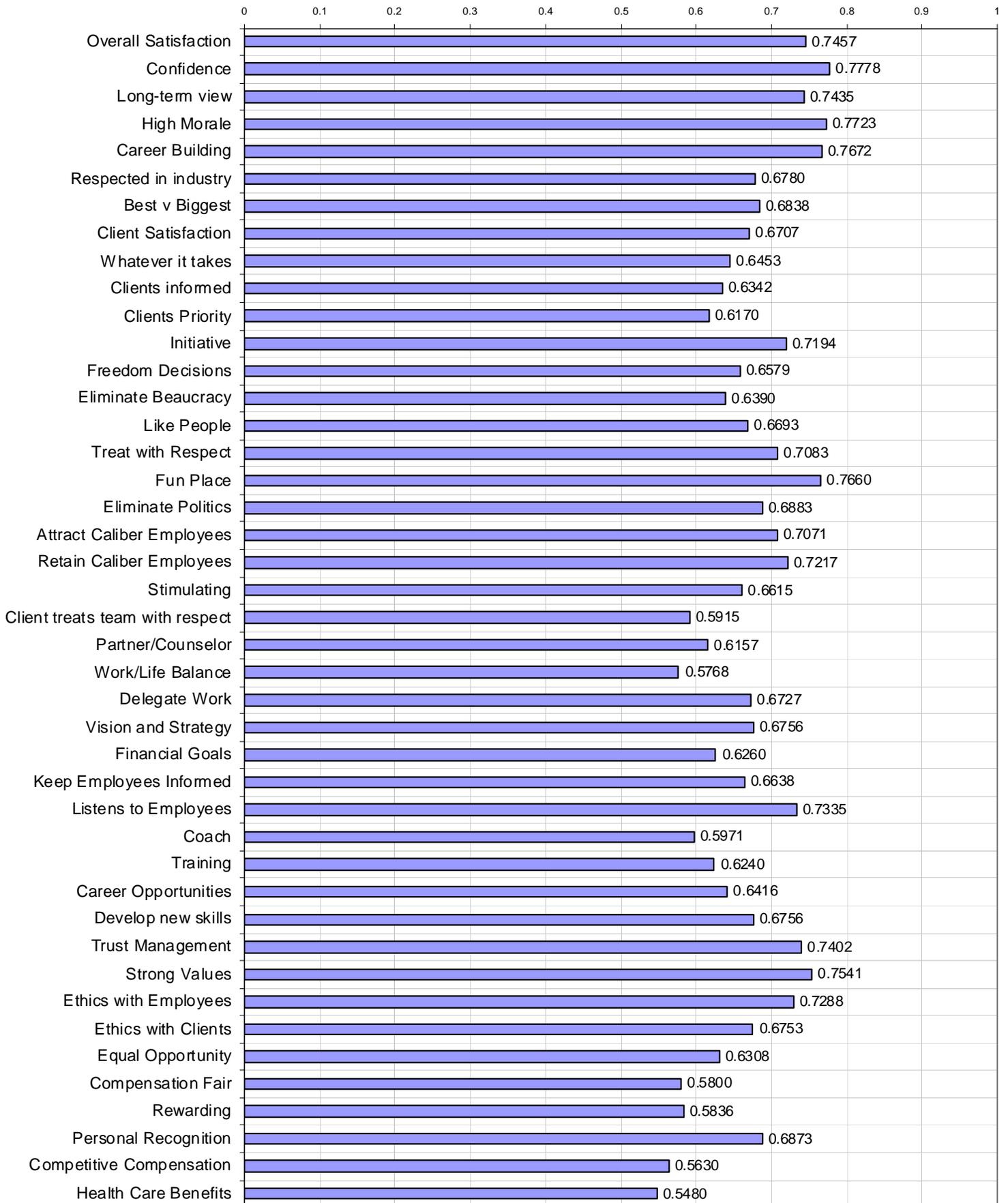
10. If you had to look for another job tomorrow, and could not work for your current firm, which other three PR firms would you most like to work for.

Correlated by Overall Satisfaction



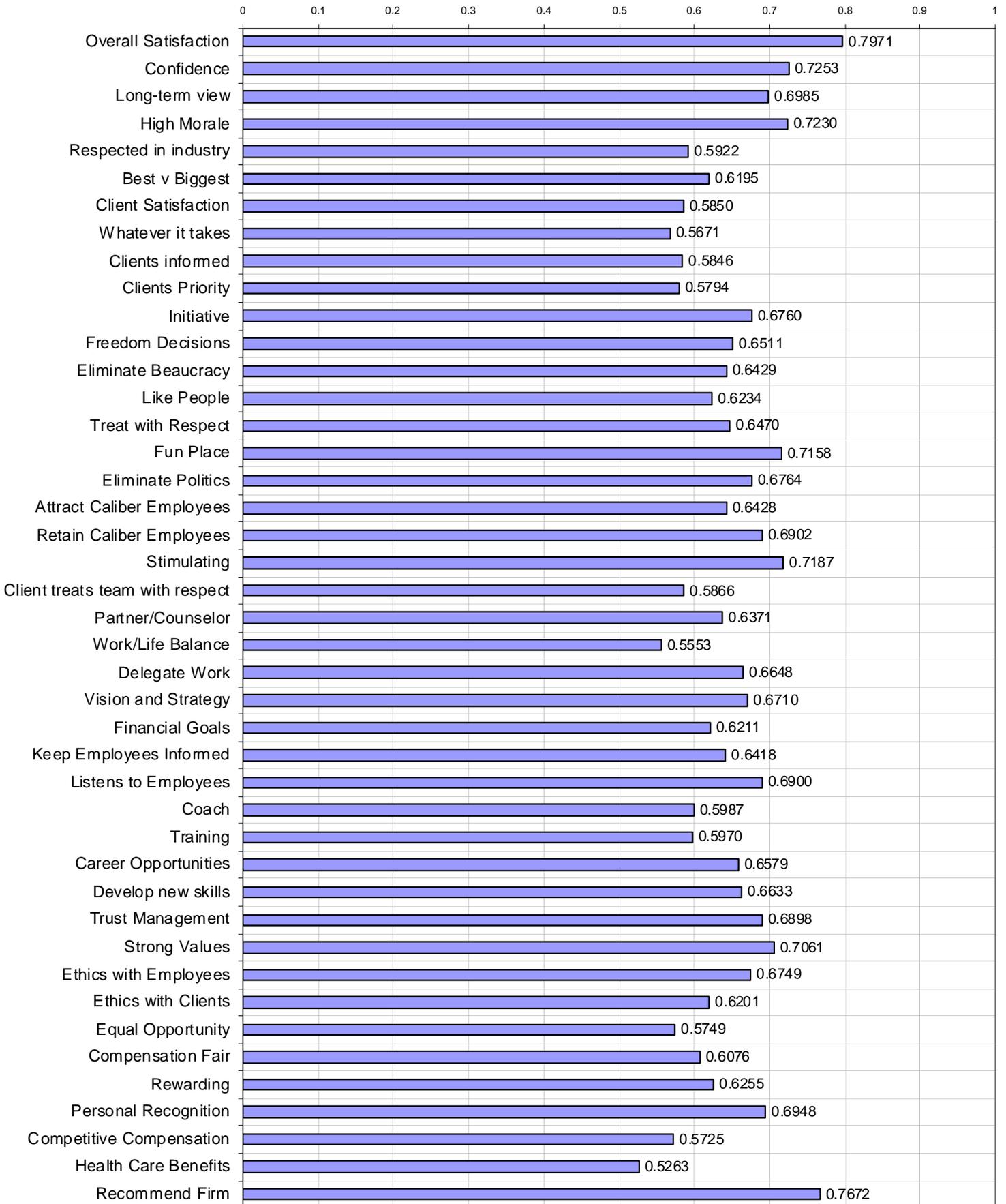
## Exhibit C.2

### Correlated by Recommended Firm



**Exhibit C.3**

**Correlated by Commitment to Build Career with Firm**



**Exhibit C.4**

**Correlated by Trust in Management**

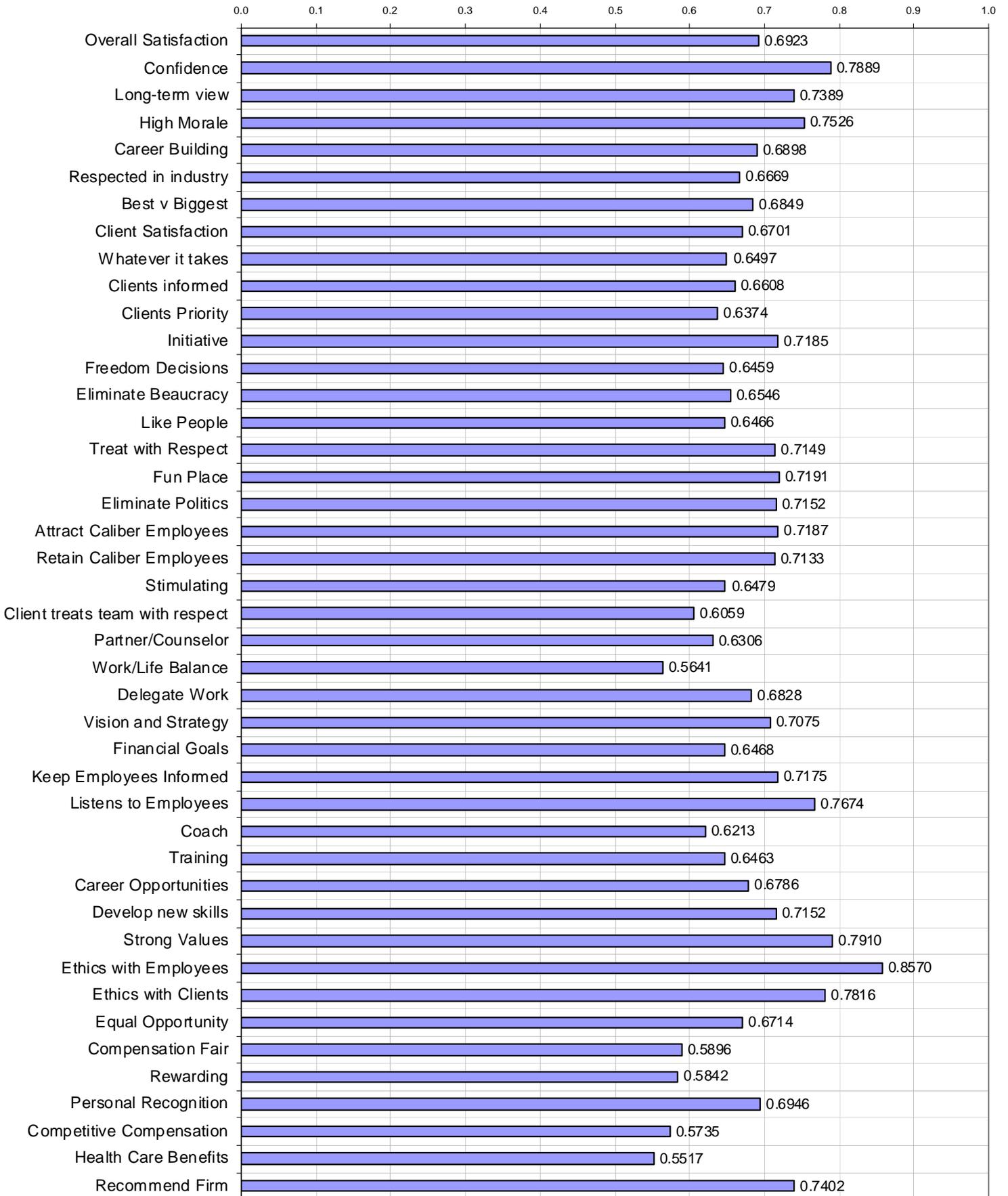


Exhibit C.5

Correlated by Understanding Vision and Strategy

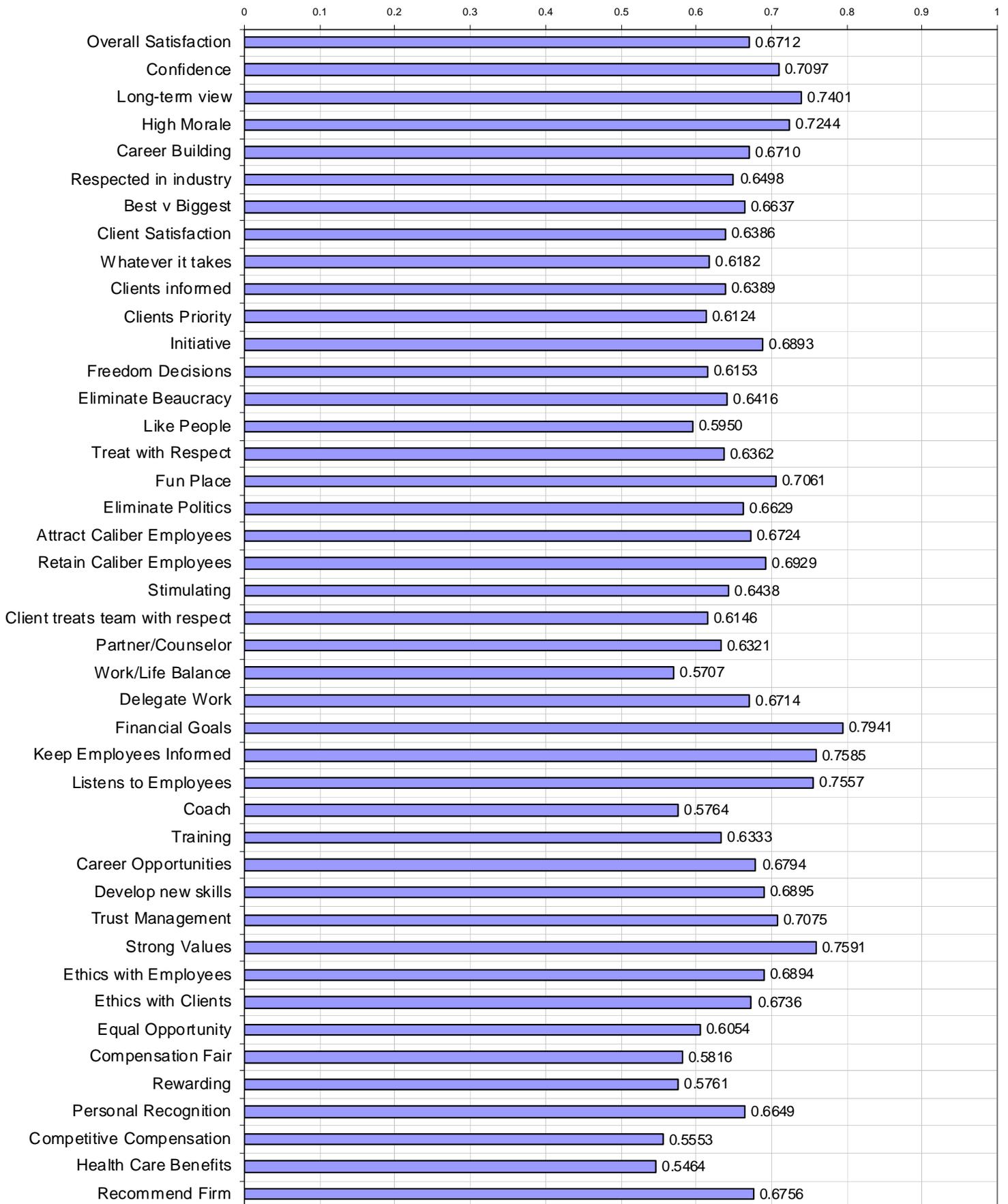


Exhibit C.6

Correlated by High Morale

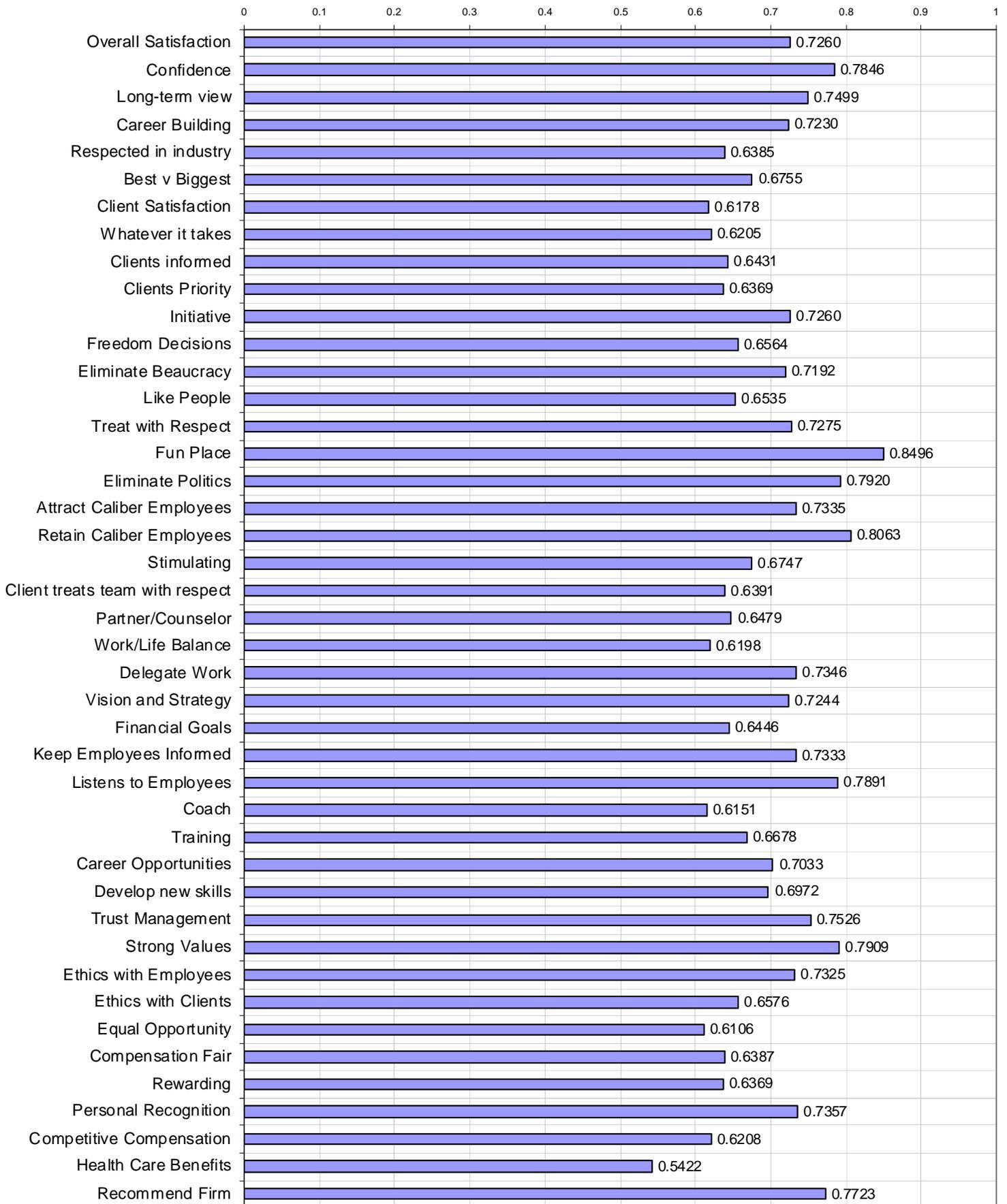


Exhibit C.7

Correlated by Retains Caliber Employees

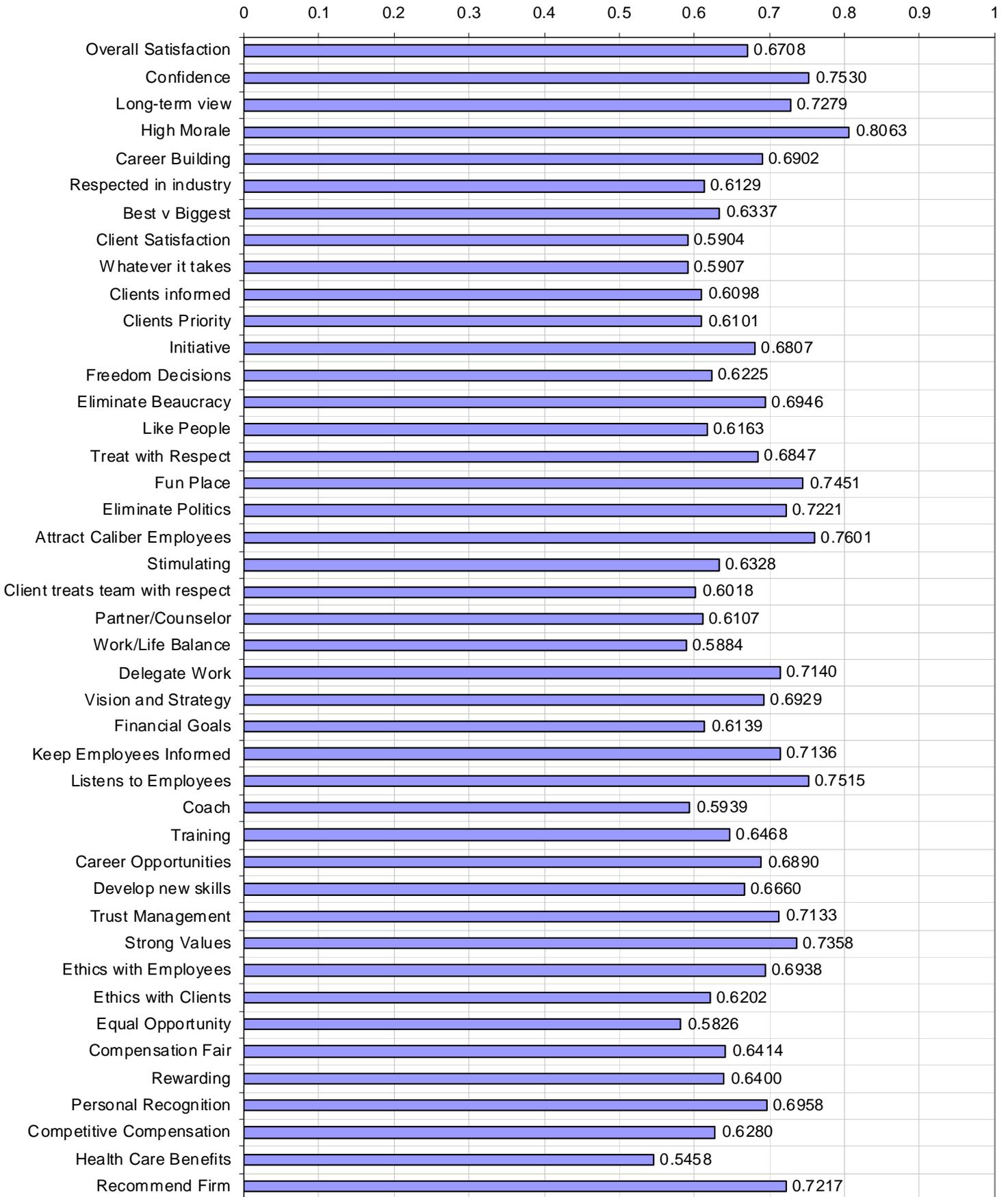
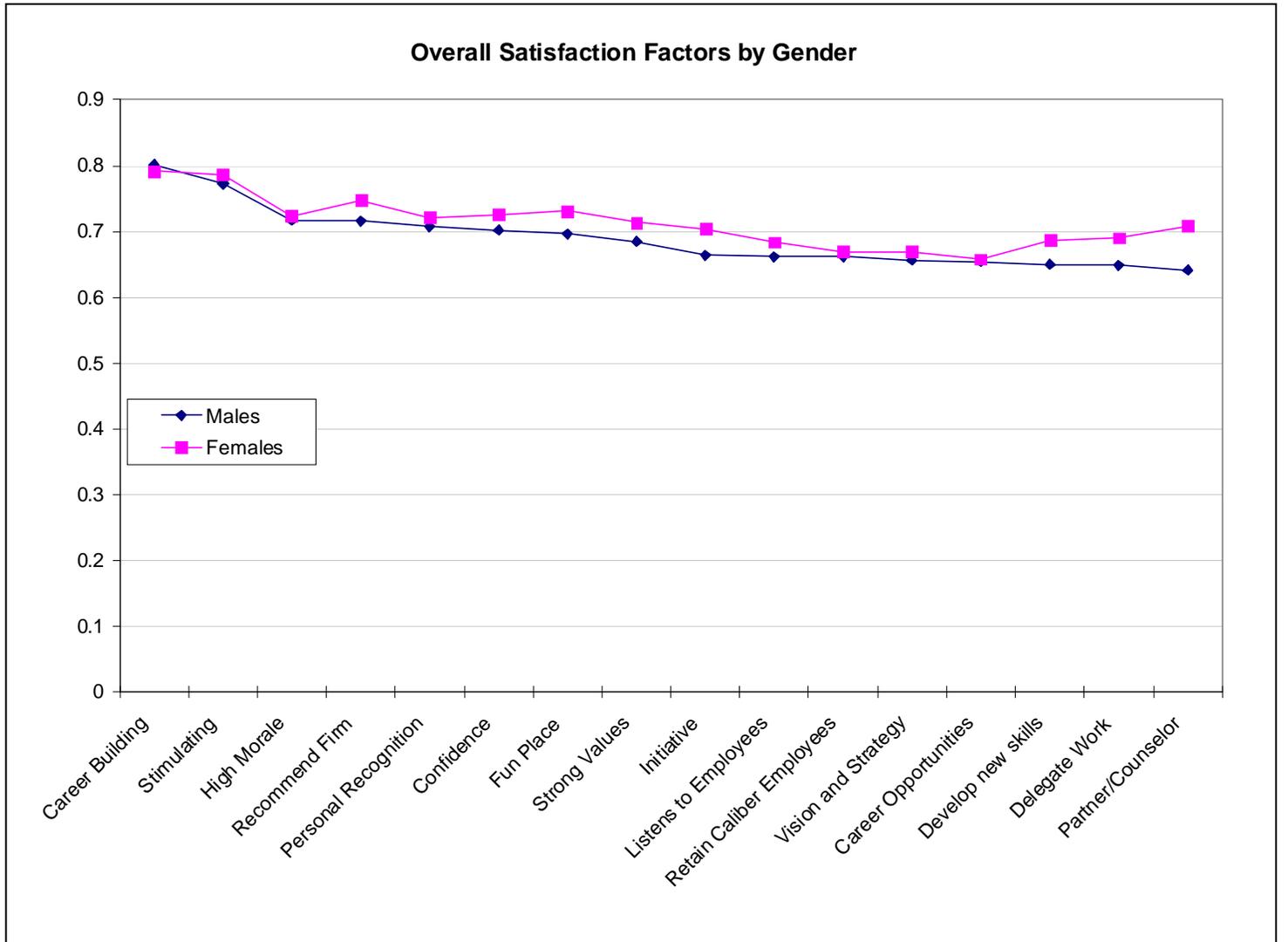
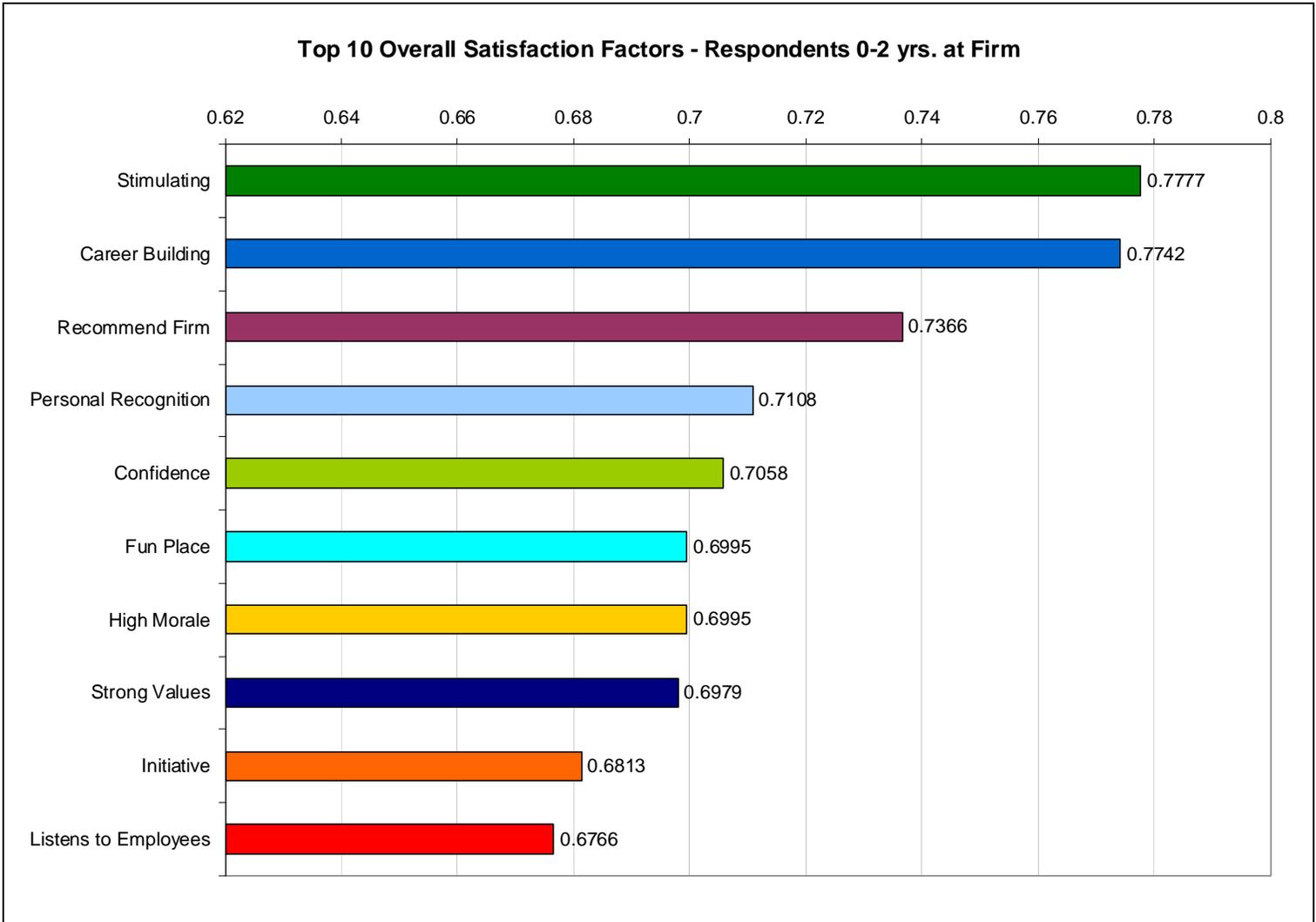


Exhibit C.8

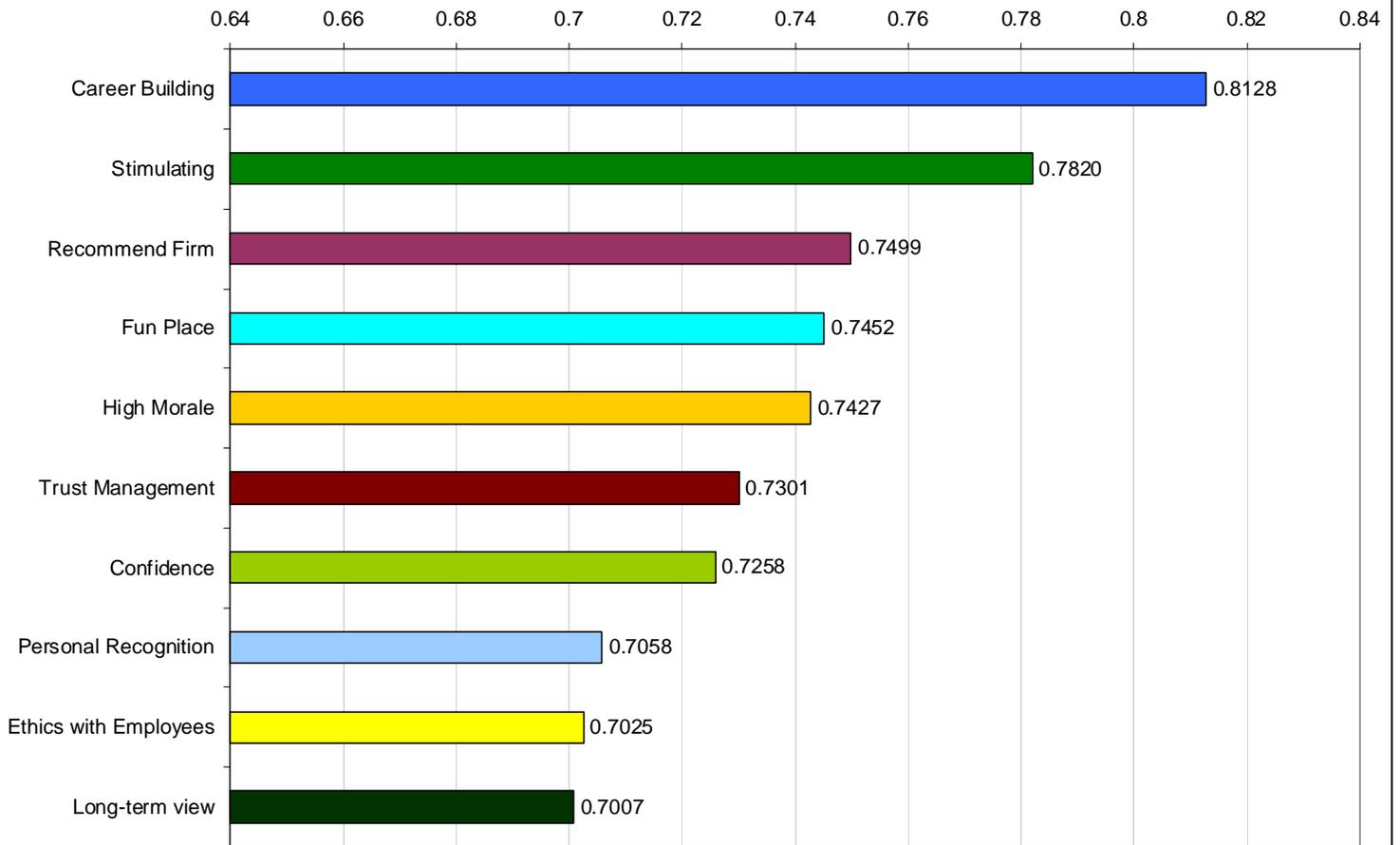


# Exhibit C.9



# Exhibit C.10

## Top 10 Overall Satisfaction Factors - Respondents 2-5 yrs. at Firm



# Exhibit C.11

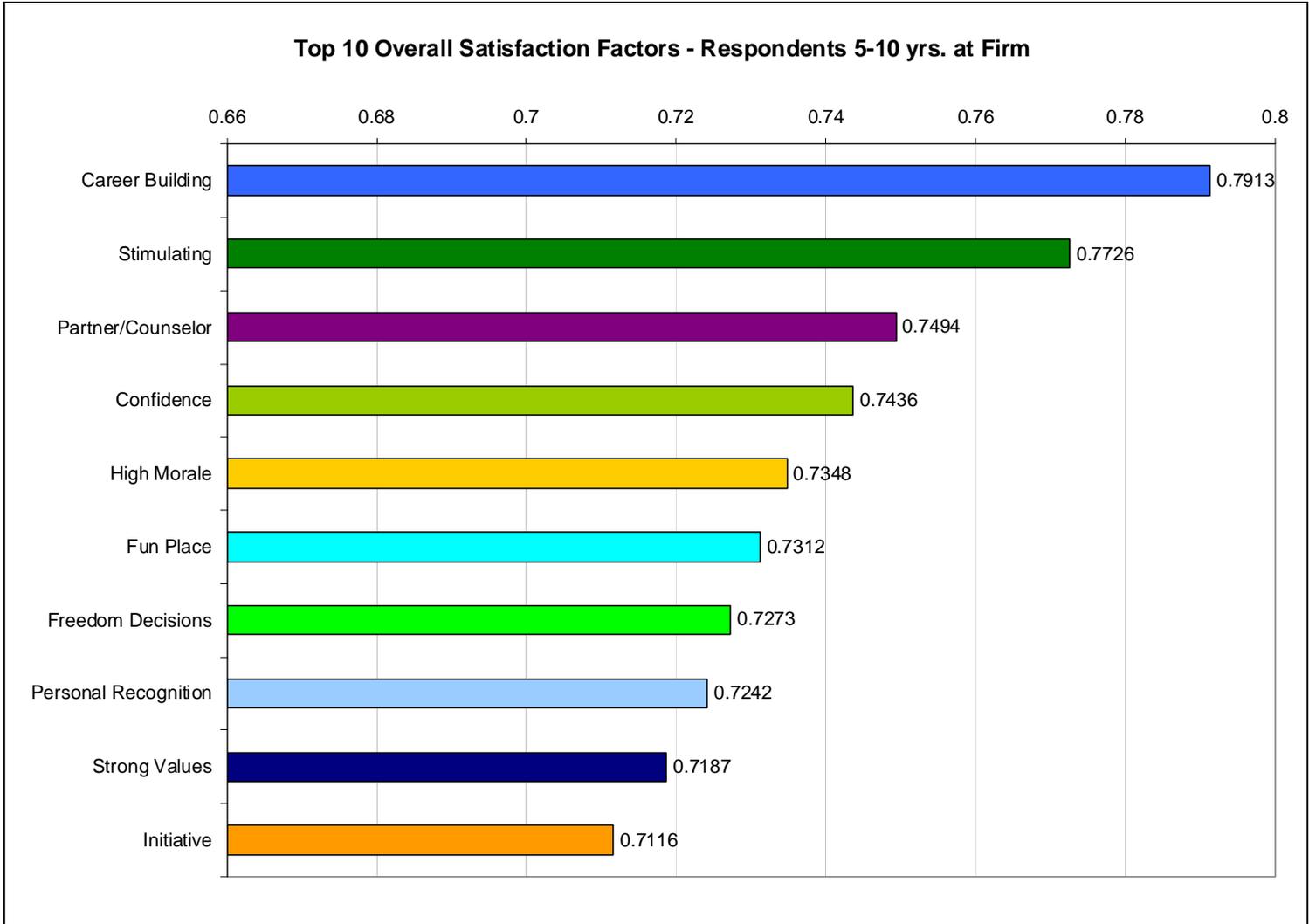


Exhibit C.12

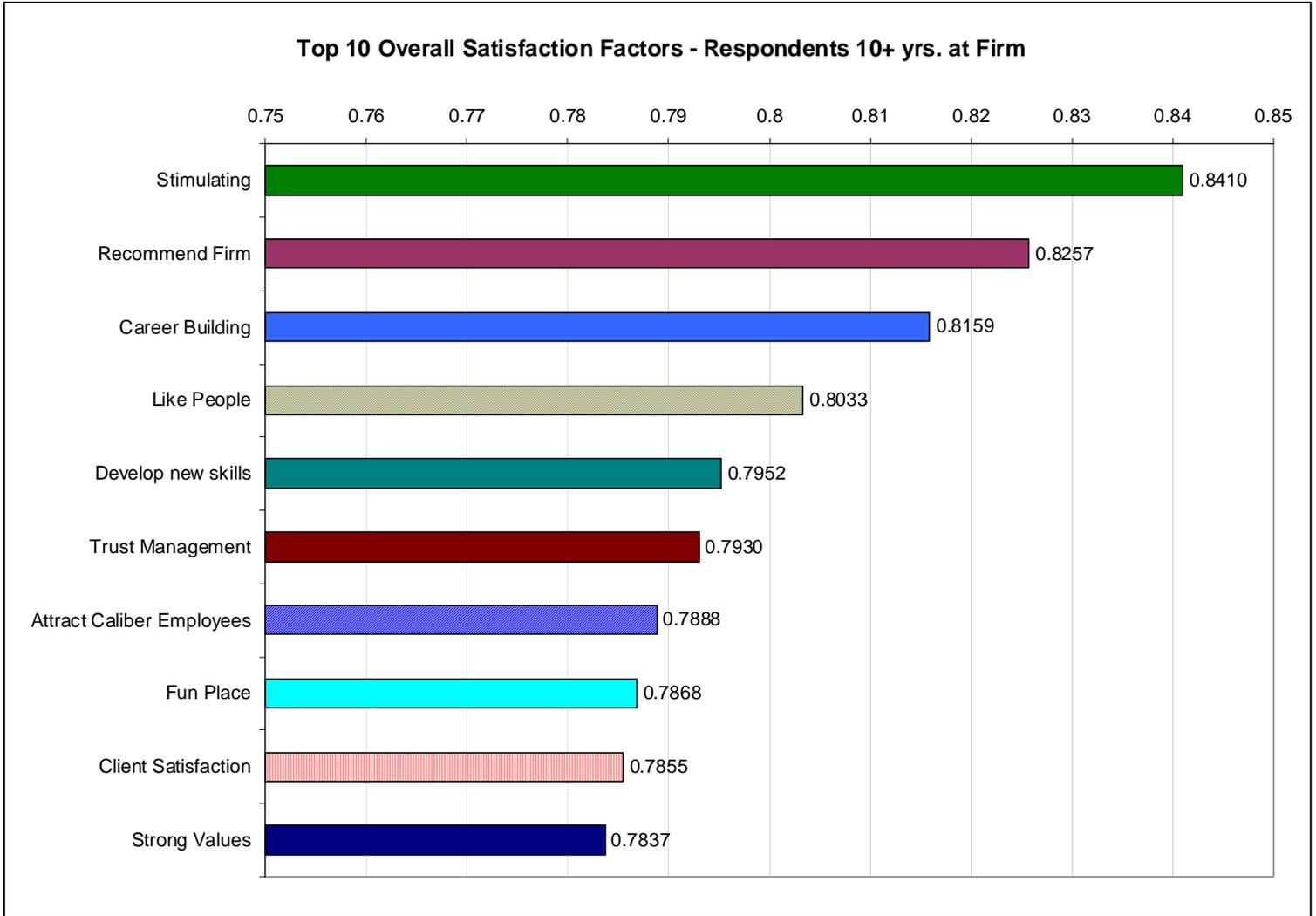


Exhibit C.13 and C.14

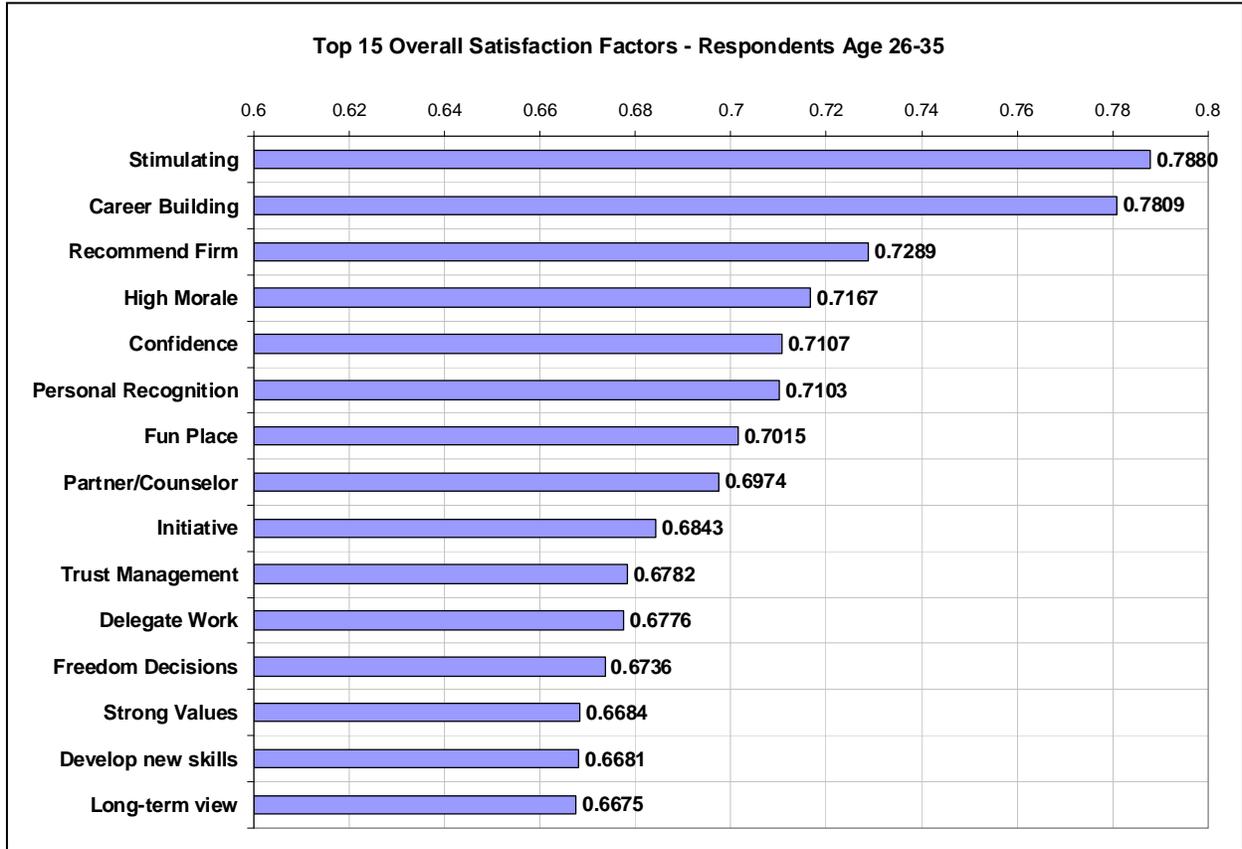
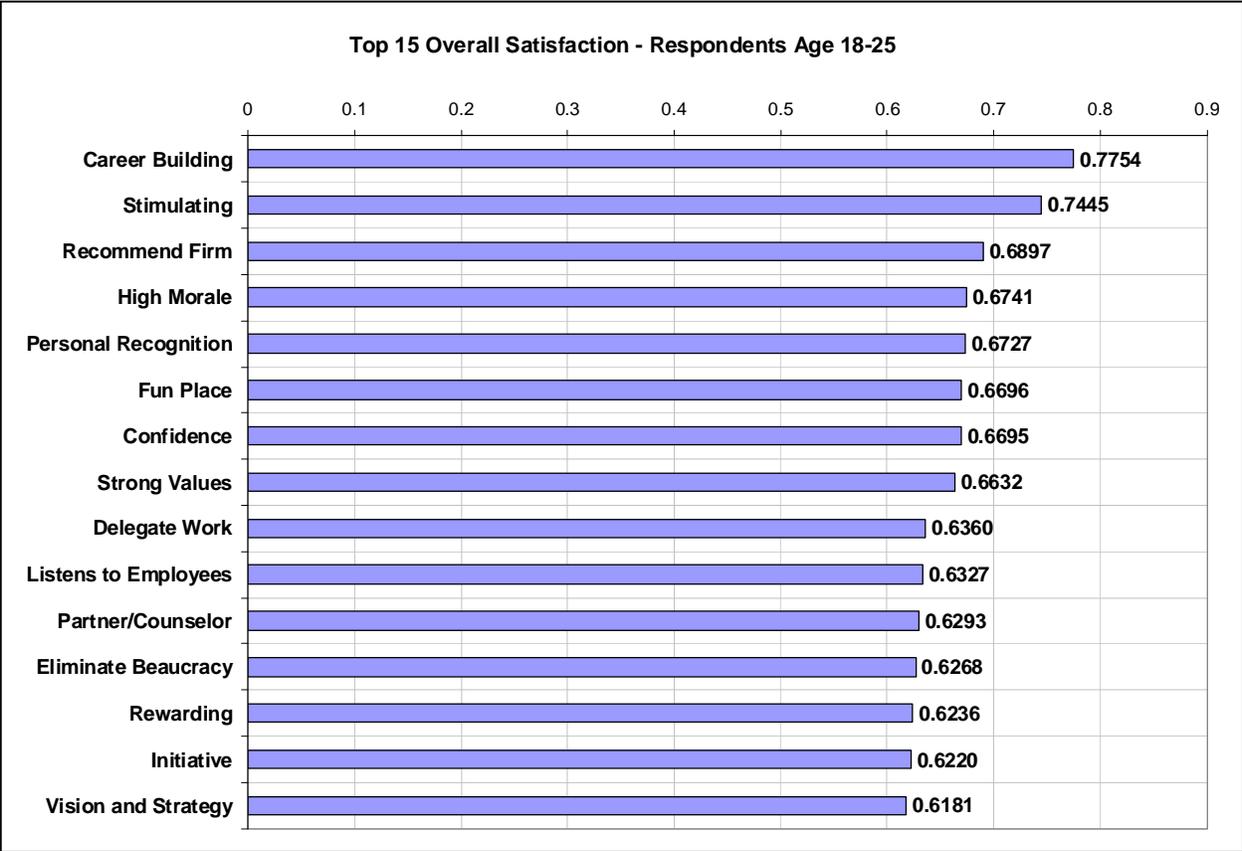
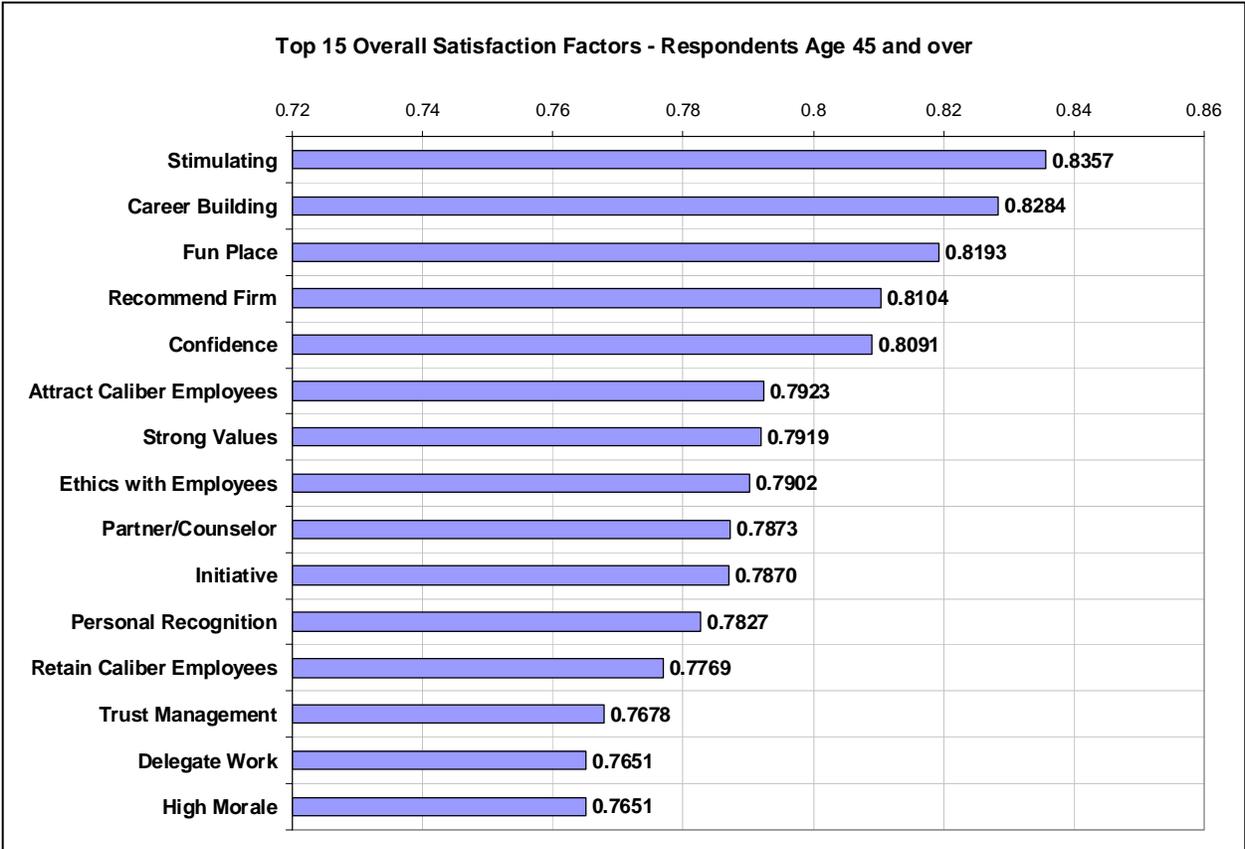
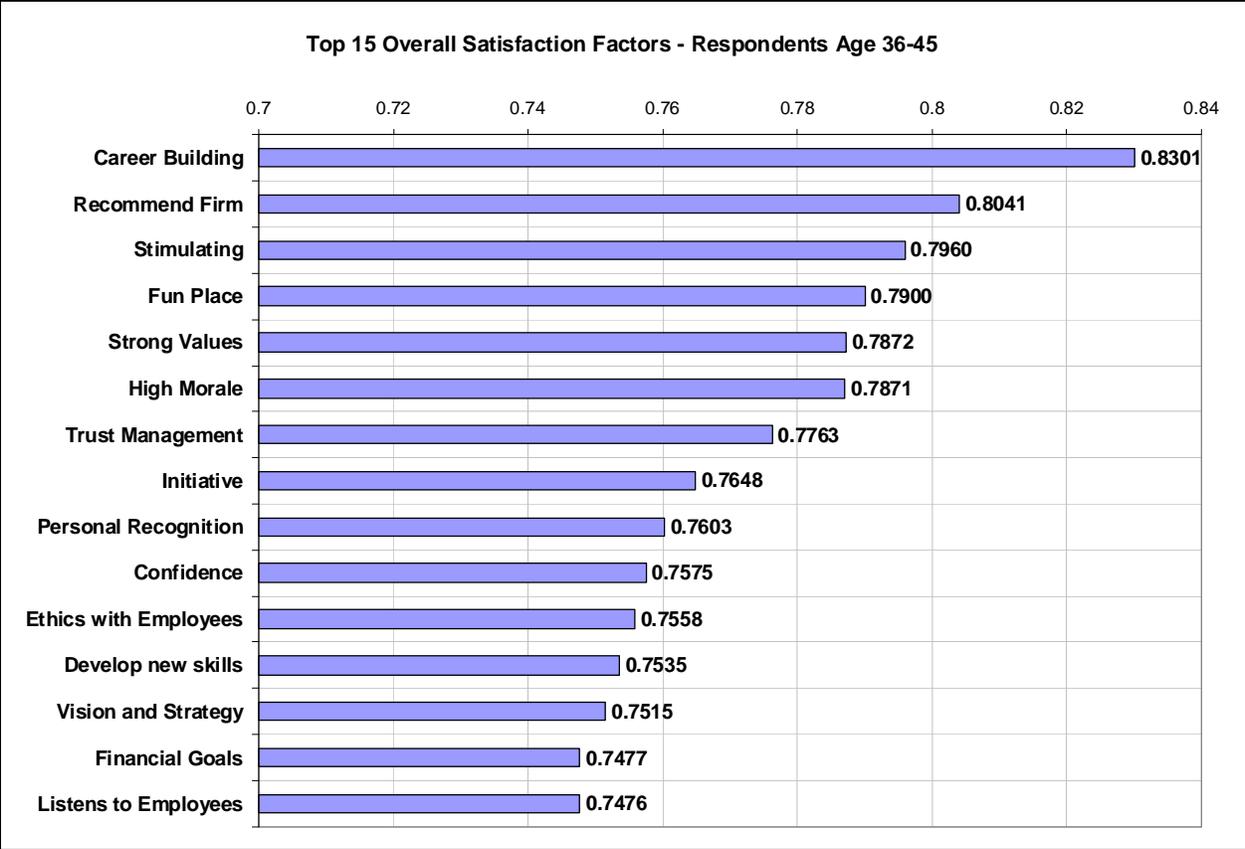


Exhibit C.15 & C.16



## Exhibit D

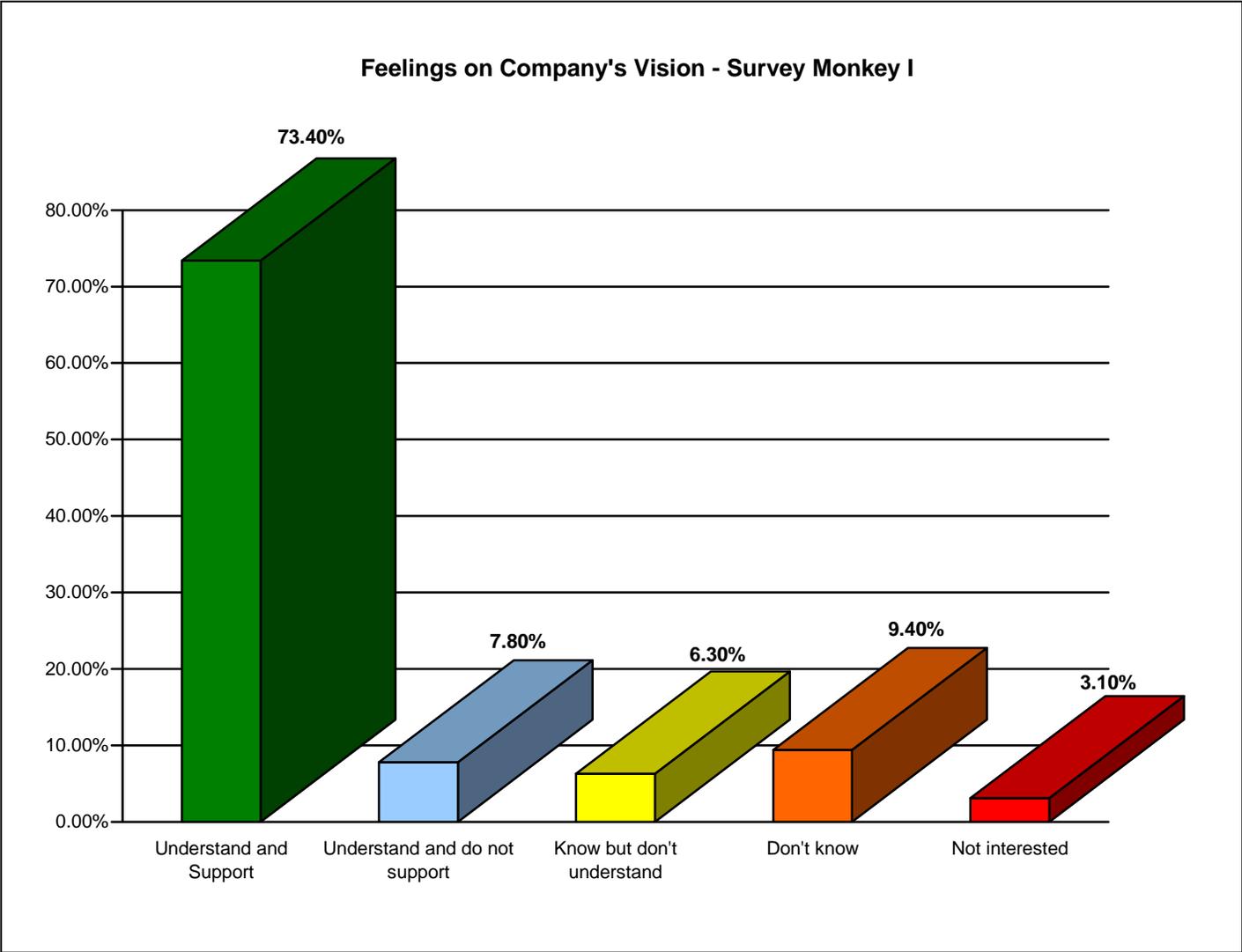
### Survey Monkey I: Turnover in the Public Relations Industry

1. How long have you worked at your current firm?
  - 0-2 years
  - 2-5 years
  - 5-10 years
  - 10+ years
2. Would you recommend your firm to a friend as a good place to work?
  - Yes
  - Maybe
  - No
3. How satisfied are you with your firm's review policy, and the execution of that policy?
  - Very satisfied
  - Satisfied
  - Neither satisfied or dissatisfied
  - Dissatisfied
  - Very Dissatisfied
4. How satisfied are you with career development opportunities at your firm?
  - Very satisfied
  - Satisfied
  - Neither satisfied or dissatisfied
  - Dissatisfied
  - Very Dissatisfied
5. Do you know your company's vision and how do you feel about it?
  - I know and understand my company's vision and I support and work by it.
  - I know and understand my company's vision but I do support it.
  - I know my company's vision but do not understand it.
  - I don't know my company's vision.
  - I'm not interested in understanding my company's vision.
6. How satisfied are you with the level of challenge and responsibility in your current role?
  - Very satisfied
  - Satisfied
  - Neither satisfied or dissatisfied
  - Dissatisfied
  - Very Dissatisfied

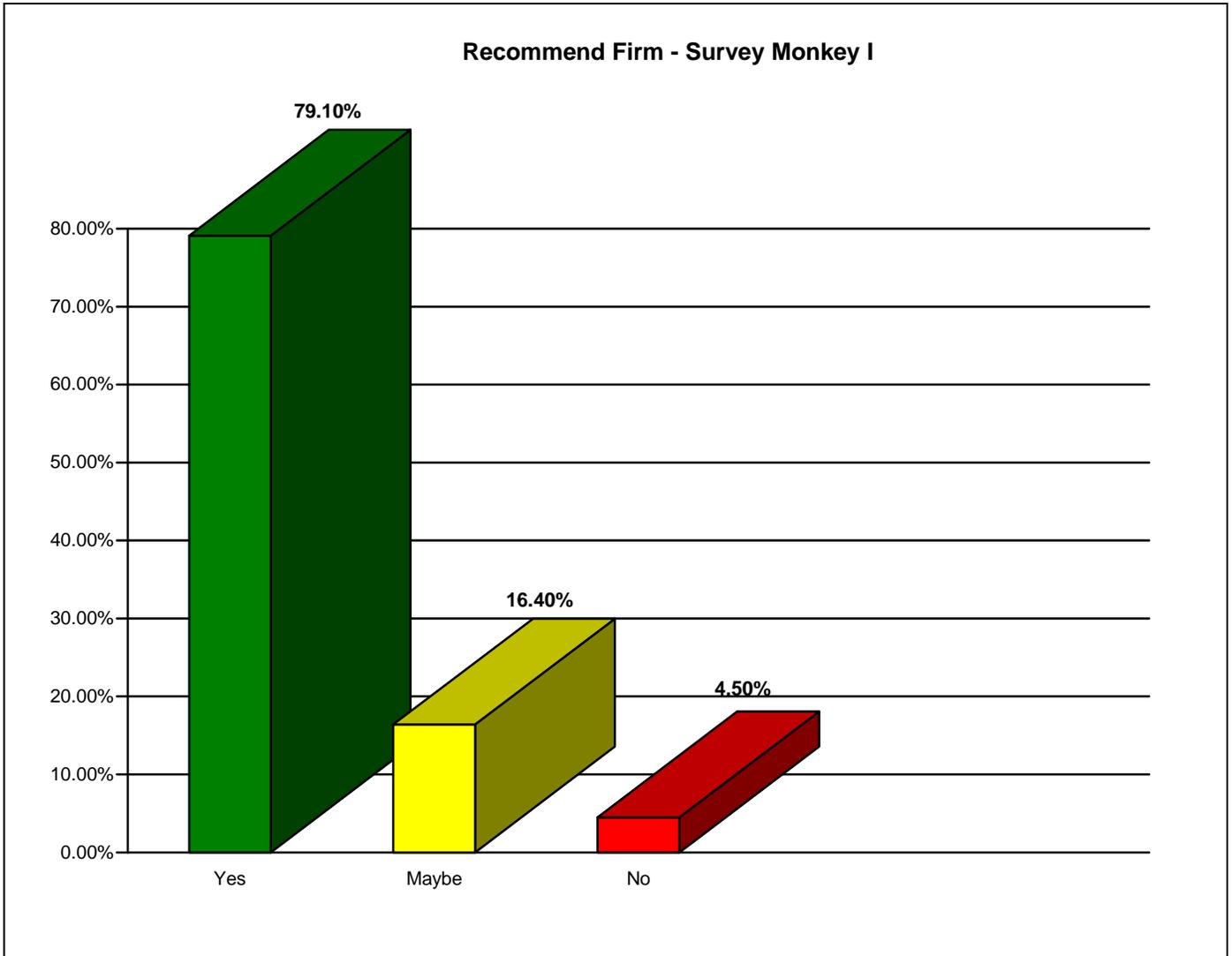
7. To what extent do you believe your firm to be fair in delegating roles and work?
  - My firm is very fair in the way it delegates roles and work.
  - I'm not sure how fair my firm is in the way it delegates roles and work.
  - My firm is unfair in the way it delegates roles and work.
  
8. Which of these is most important to you in determining whether you stay with your current firm or consider leaving?
  - My level of challenge and responsibility.
  - Communication at my firm
  - Career development opportunities
  - Work/life balance
  - Compensation and benefits
  - Recognition beyond my supervisor and team
  
9. Do you intend to remain at your current firm?
  - I have no plans to leave my firm
  - I am not actively looking for a new job, but would consider opportunities that come my way.
  - I am actively looking for a new job in other PR firms.
  - I am actively looking for a new job in corporate/client companies.
  - I am happy but need a change. I am looking for other opportunities outside of the PR industry.
  
10. Turnover is often cited as the biggest issue in the public relations consulting business. Why do you think it's a problem and what should the industry do about it?
  
11. Please tell us about where you are located (Optional).
  - Company: \_\_\_\_\_
  - Country: \_\_\_\_\_

**Exhibit E.1**

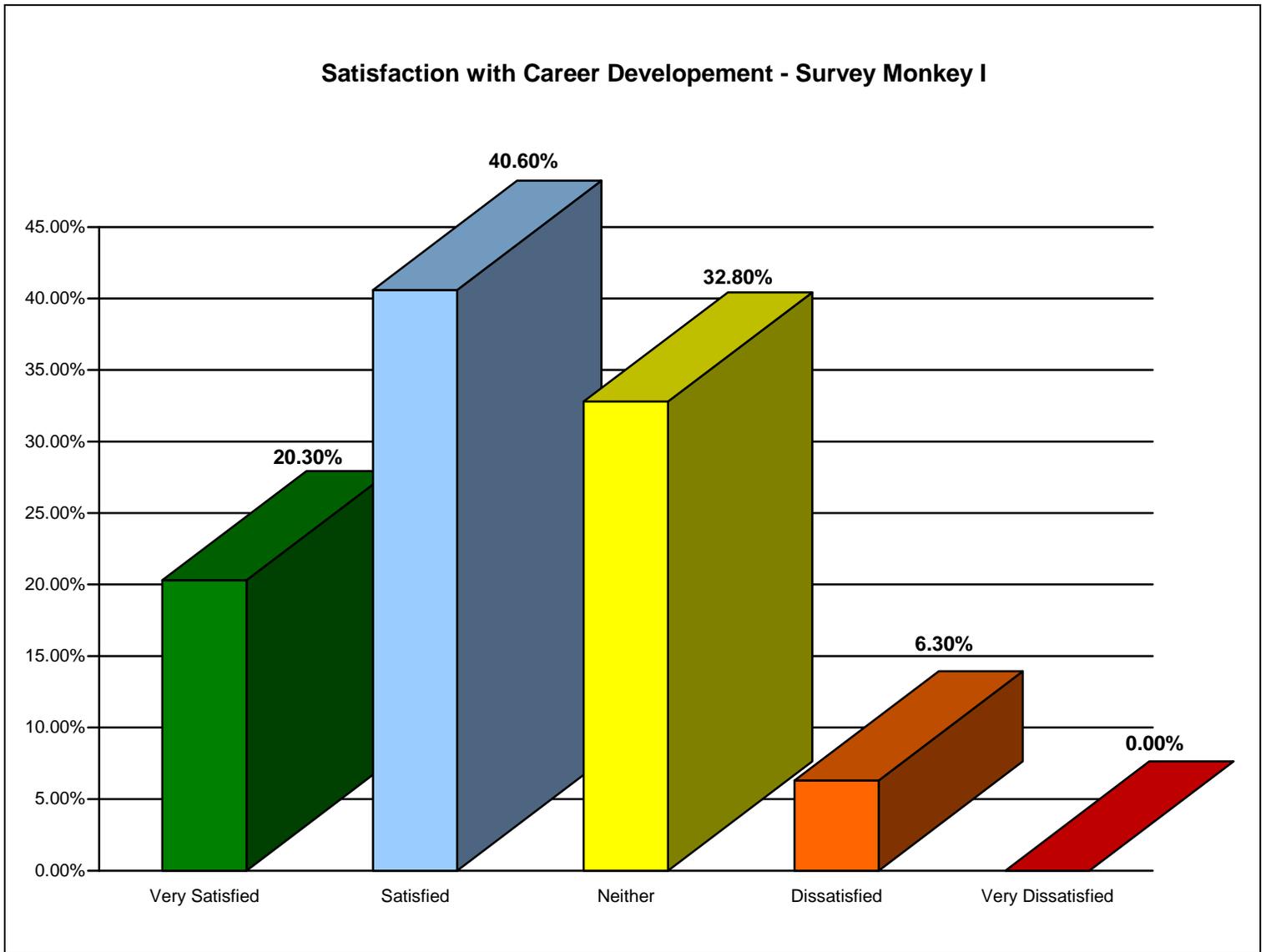
**Survey Monkey I – Results**



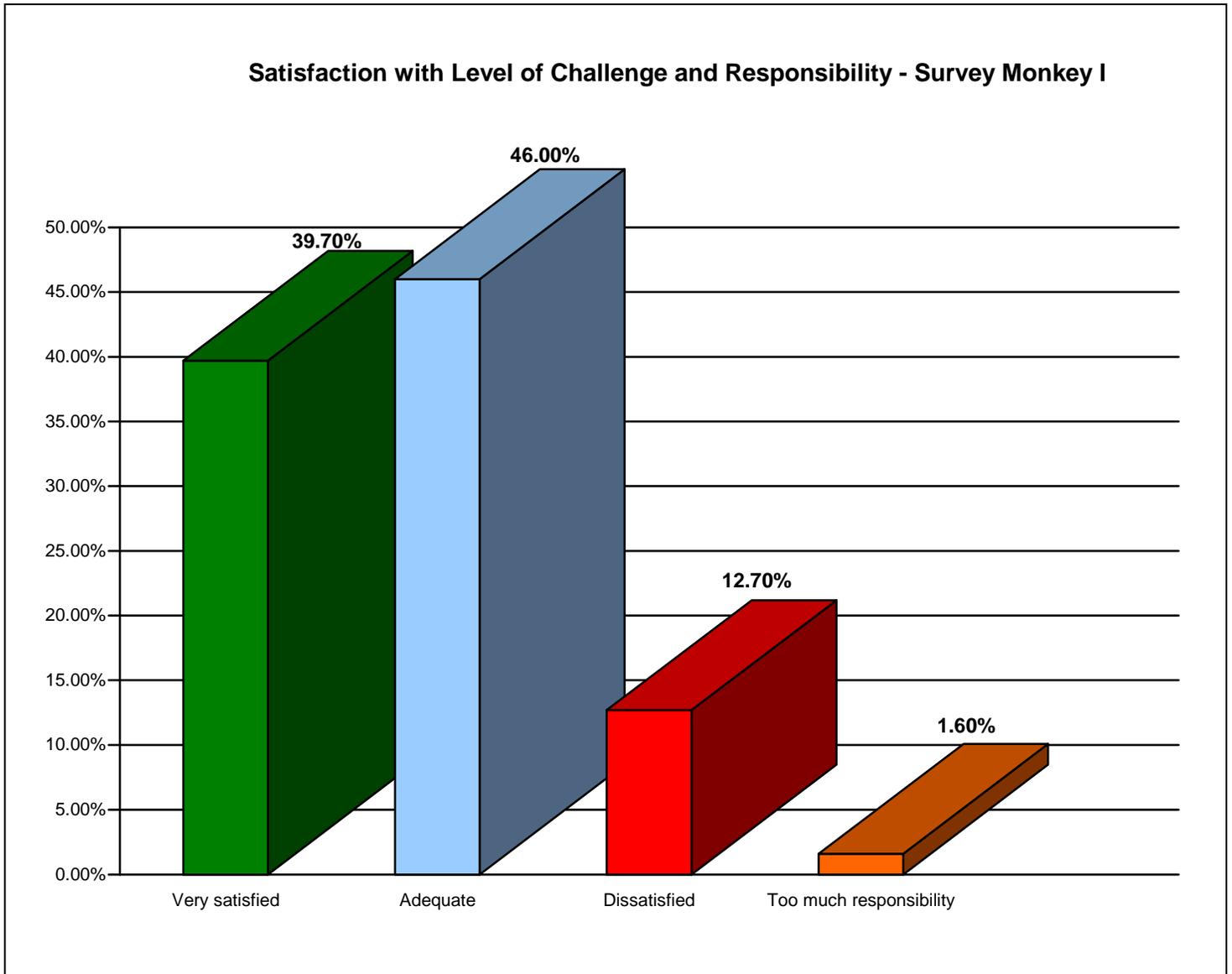
**Exhibit E.2**



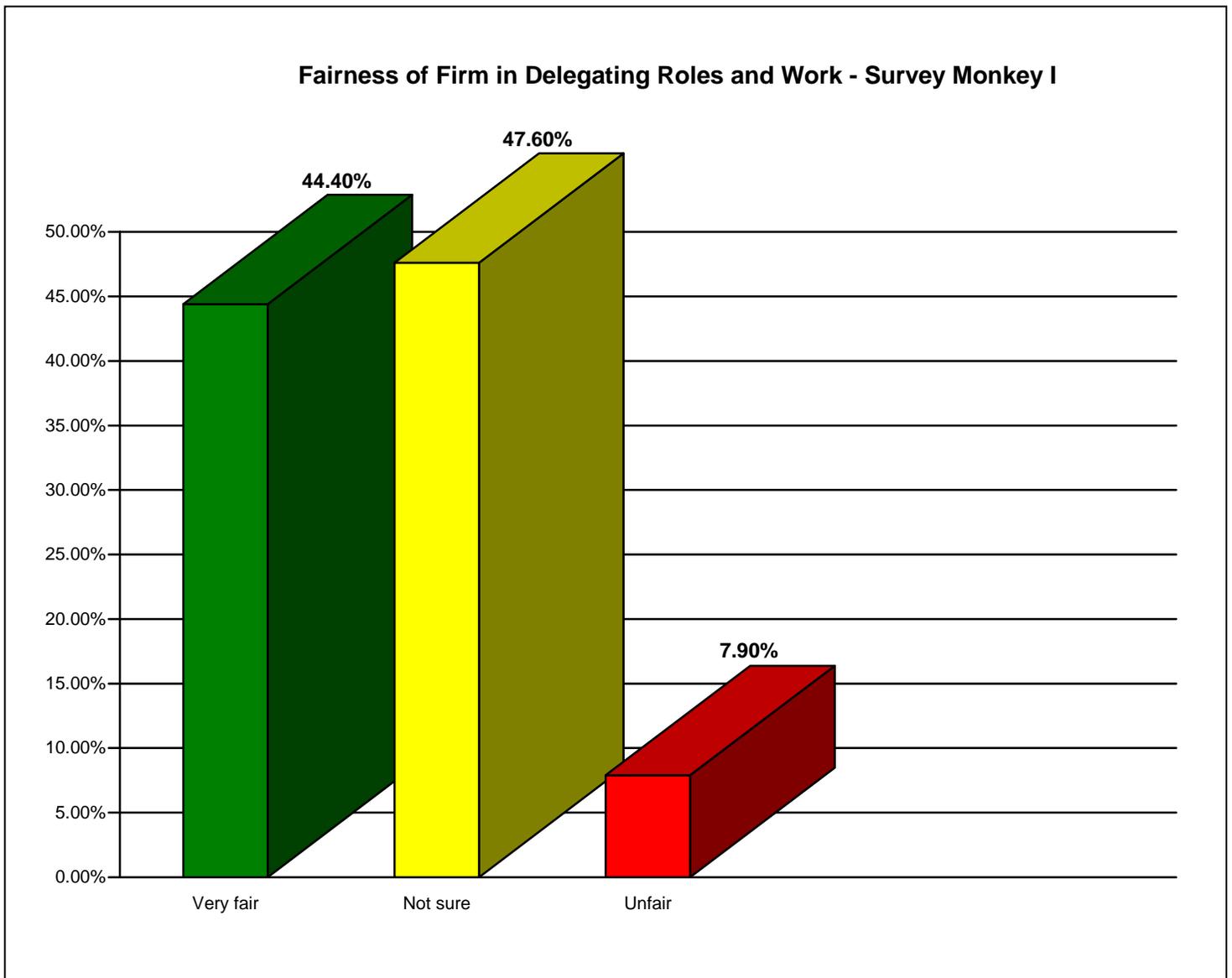
### Exhibit E.3



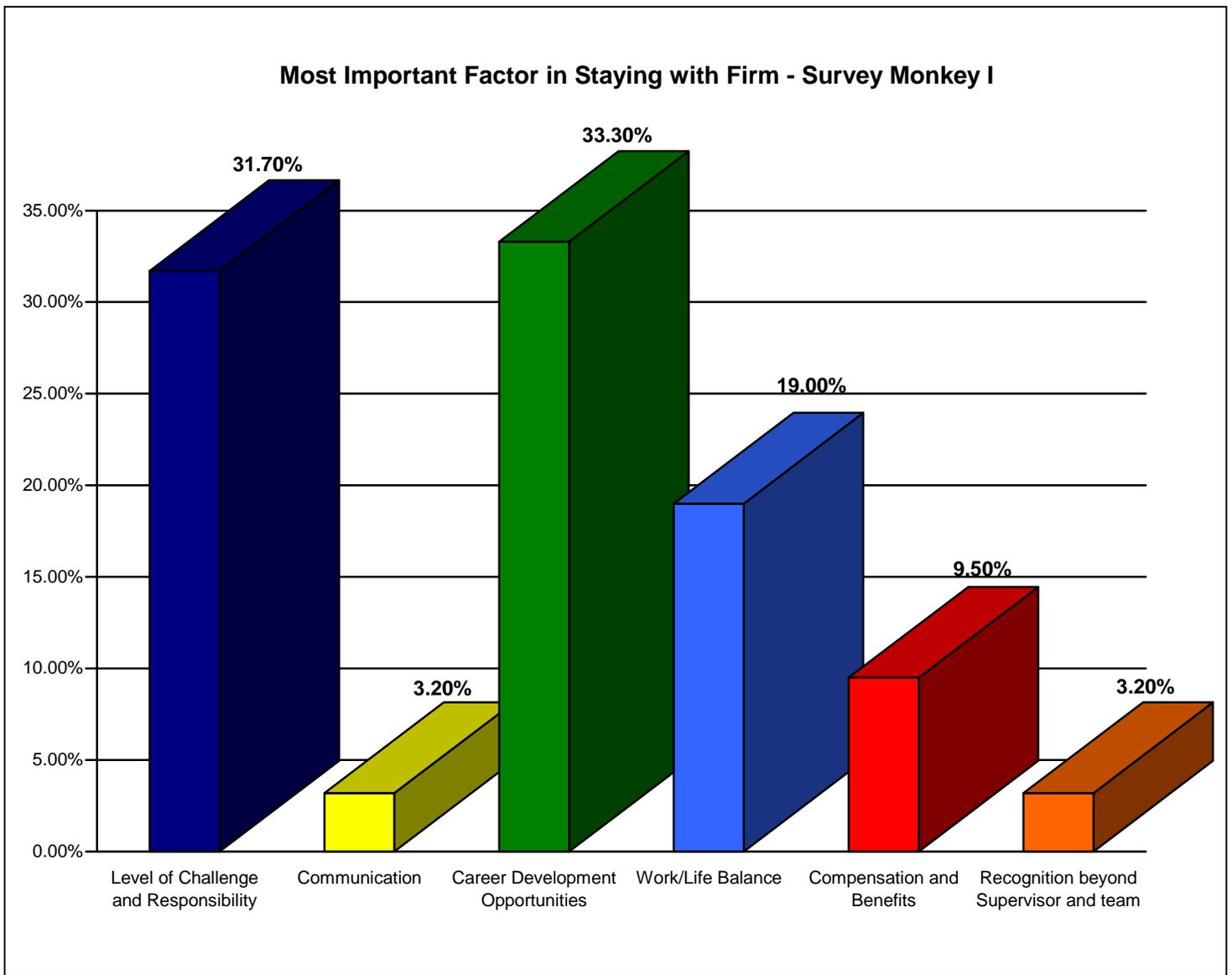
**Exhibit E.4**



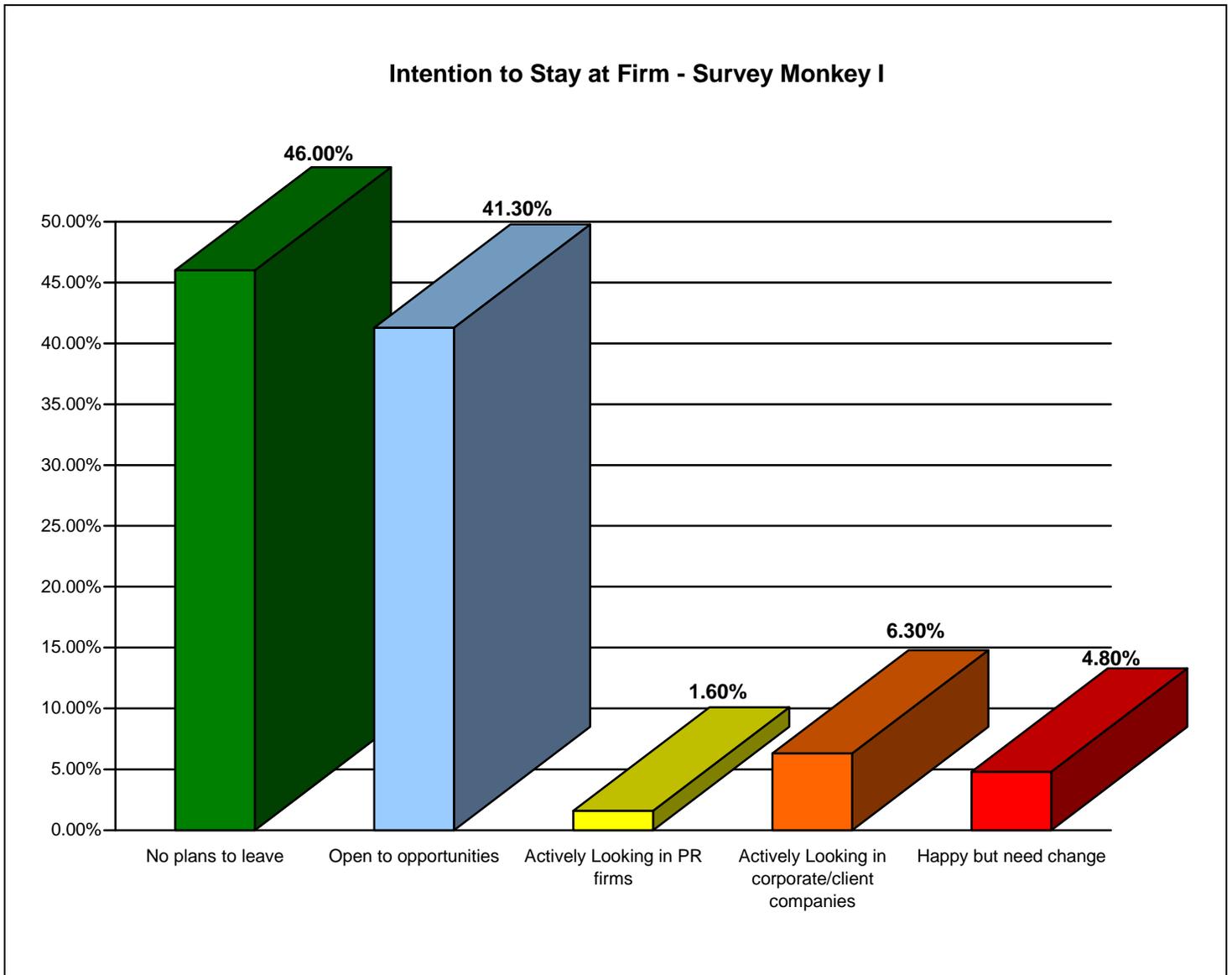
**Exhibit E.5**



### Exhibit E.6



### Exhibit E.7



**Exhibit E.8**

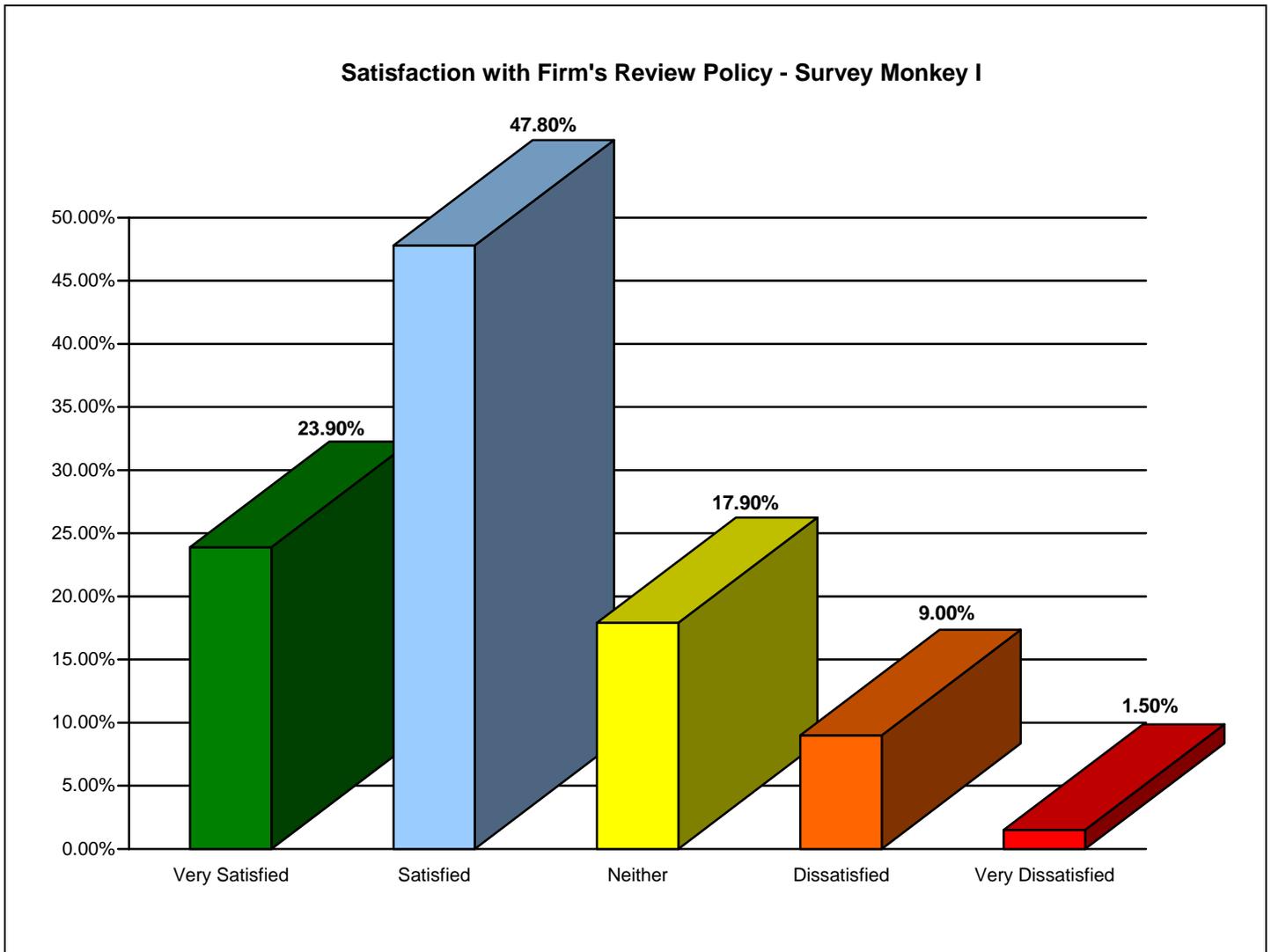
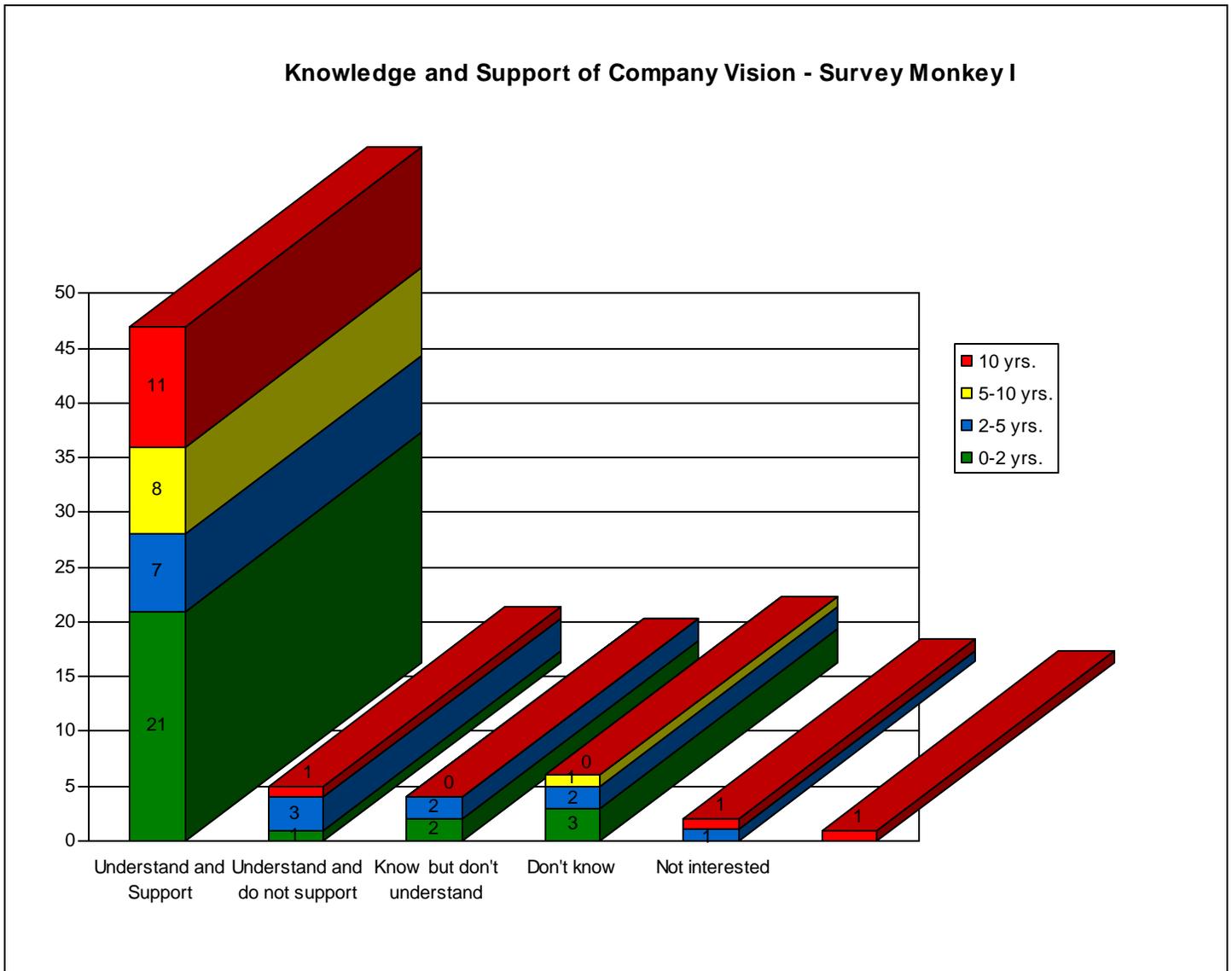


Exhibit E.9



## Exhibit F

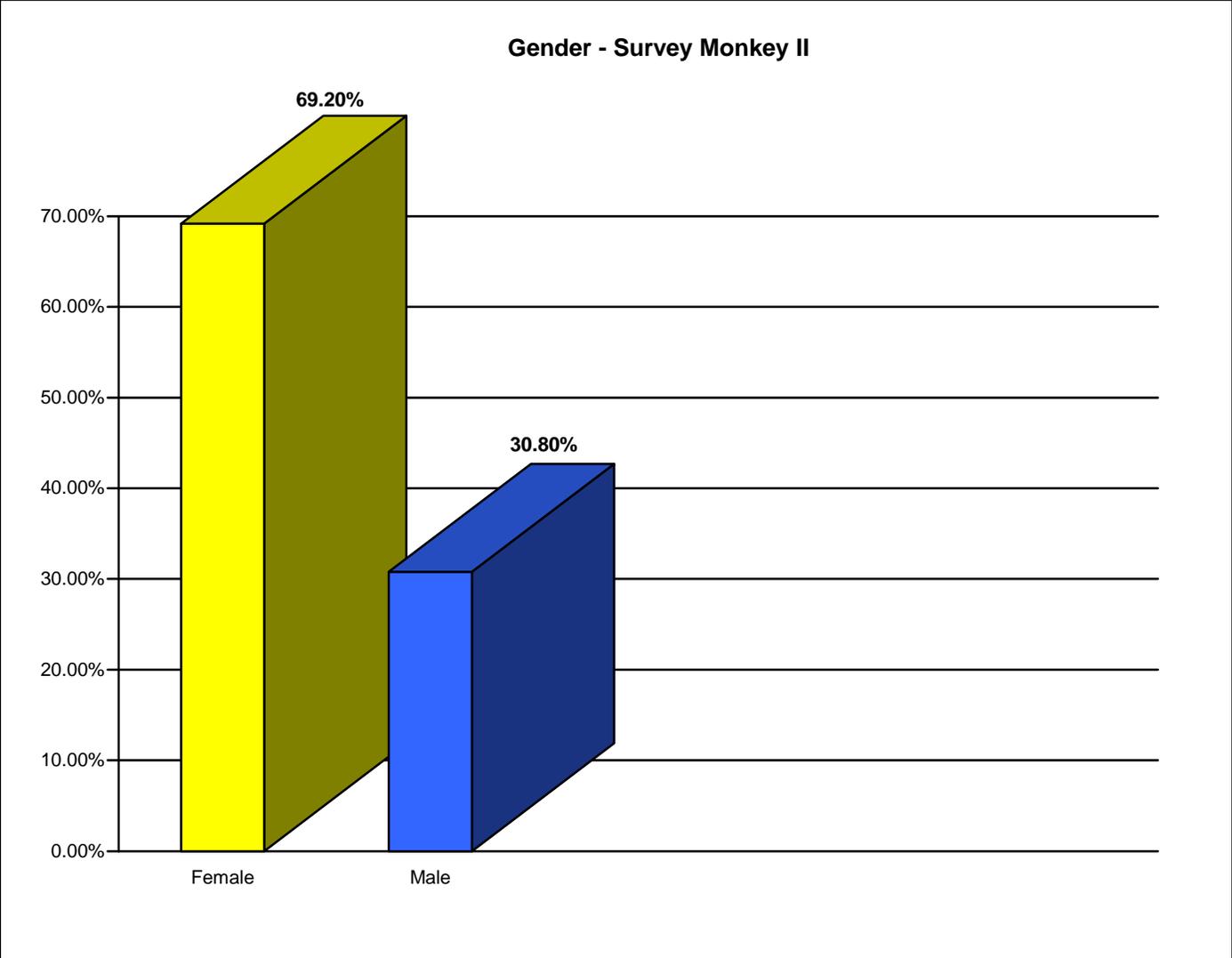
### Survey Monkey II: Studying Turnover in the Public Relations Industry

1. Please tell us your gender
  - Female
  - Male
2. Please select your age group
  - Age 18-25
  - Age 26-35
  - Age 36-45
  - Age 46+
3. How long have you worked at your current firm?
  - 0-2 years
  - 2-5 years
  - 5-10 years
  - 10+ years
4. Do you know your company's vision and how do you feel about it?
  - I know and understand my company's vision and I support and work by it.
  - I know and understand my company's vision but I do support it.
  - I know my company's vision but do not understand it.
  - I don't know my company's vision.
  - I'm not interested in understanding my company's vision.
5. Would you recommend your firm to a friend as a good place to work?
  - Yes
  - Maybe
  - No
6. How satisfied are you with career development opportunities at your firm?
  - Very satisfied
  - Satisfied
  - Neither satisfied or dissatisfied
  - Dissatisfied
  - Very Dissatisfied
7. How satisfied are you with the level of training at your firm?
  - Very satisfied
  - Satisfied
  - Neither satisfied or dissatisfied
  - Dissatisfied
  - Very Dissatisfied

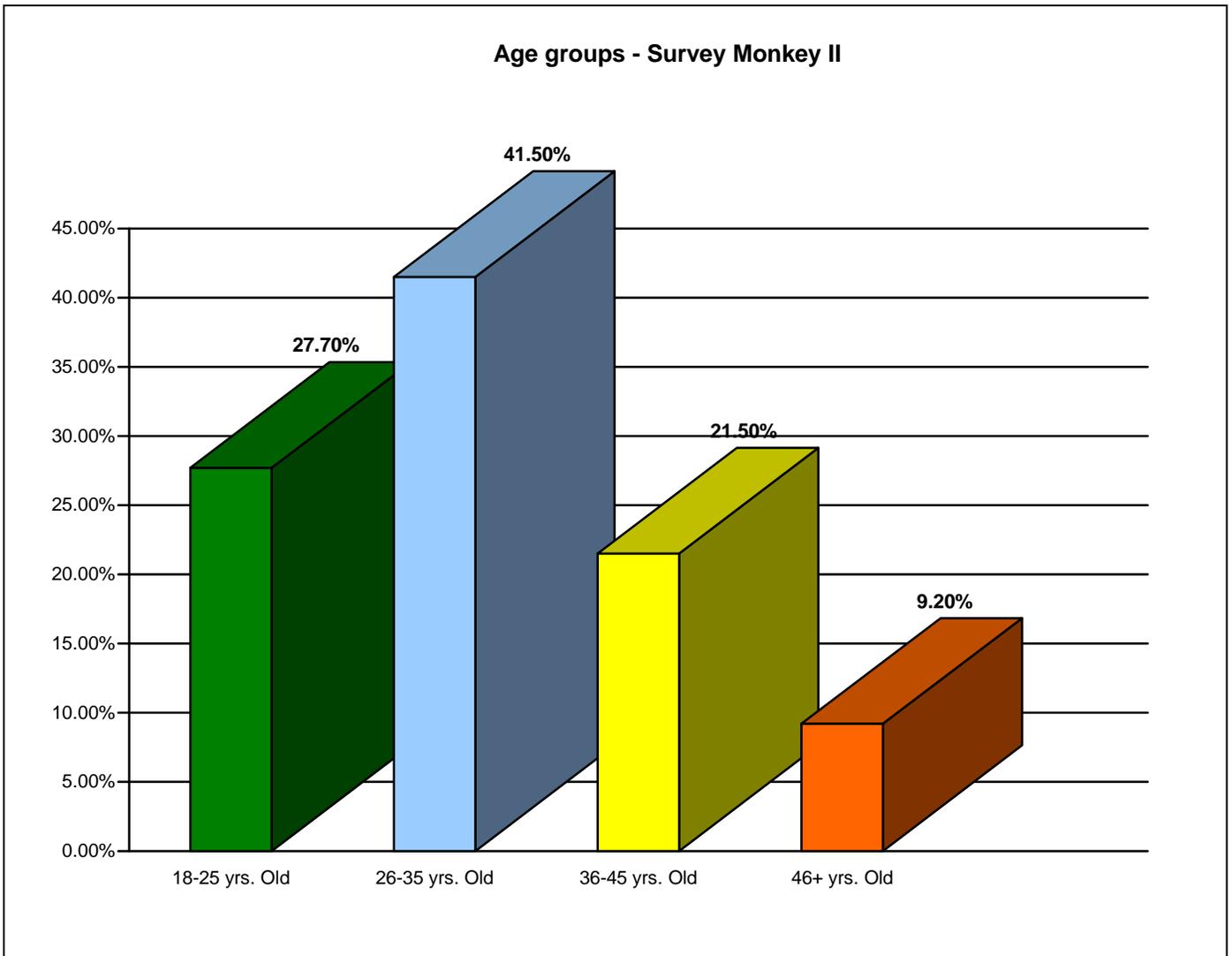
8. How satisfied are you with the level of challenge and responsibility in your current role?
  - Very satisfied
  - Satisfied
  - Neither satisfied or dissatisfied
  - Dissatisfied
  - Very Dissatisfied
  
9. To what extent do you believe your firm to be fair in delegating roles and work?
  - My firm is very fair in the way it delegates roles and work.
  - I'm not sure how fair my firm is in the way it delegates roles and work.
  - My firm is unfair in the way it delegates roles and work.
  
10. Which of these is most important to you in determining whether you stay with your current firm or consider leaving?
  - My level of challenge and responsibility.
  - Communication at my firm
  - Career development opportunities
  - Work/life balance
  - Compensation and benefits
  - Recognition beyond my supervisor and team
  
11. Do you intend to remain at your current firm?
  - I have no plans to leave my firm
  - I am not actively looking for a new job, but would consider opportunities that come my way.
  - I am actively looking for a new job in other PR firms.
  - I am actively looking for a new job in corporate/client companies.
  - I am happy but need a change. I am looking for other opportunities outside of the PR industry.
  
12. How satisfied are you with your firm's review policy, and the execution of that policy?
  - Very satisfied
  - Satisfied
  - Neither satisfied or dissatisfied
  - Dissatisfied
  - Very Dissatisfied
  
13. Turnover is often cited as the biggest issue in the public relations consulting business. Why do you think it's a problem and what should the industry do about it?
  
14. Please tell us about where you are located (Optional).
  - Company: \_\_\_\_\_
  - Country: \_\_\_\_\_

**Exhibit G.1**

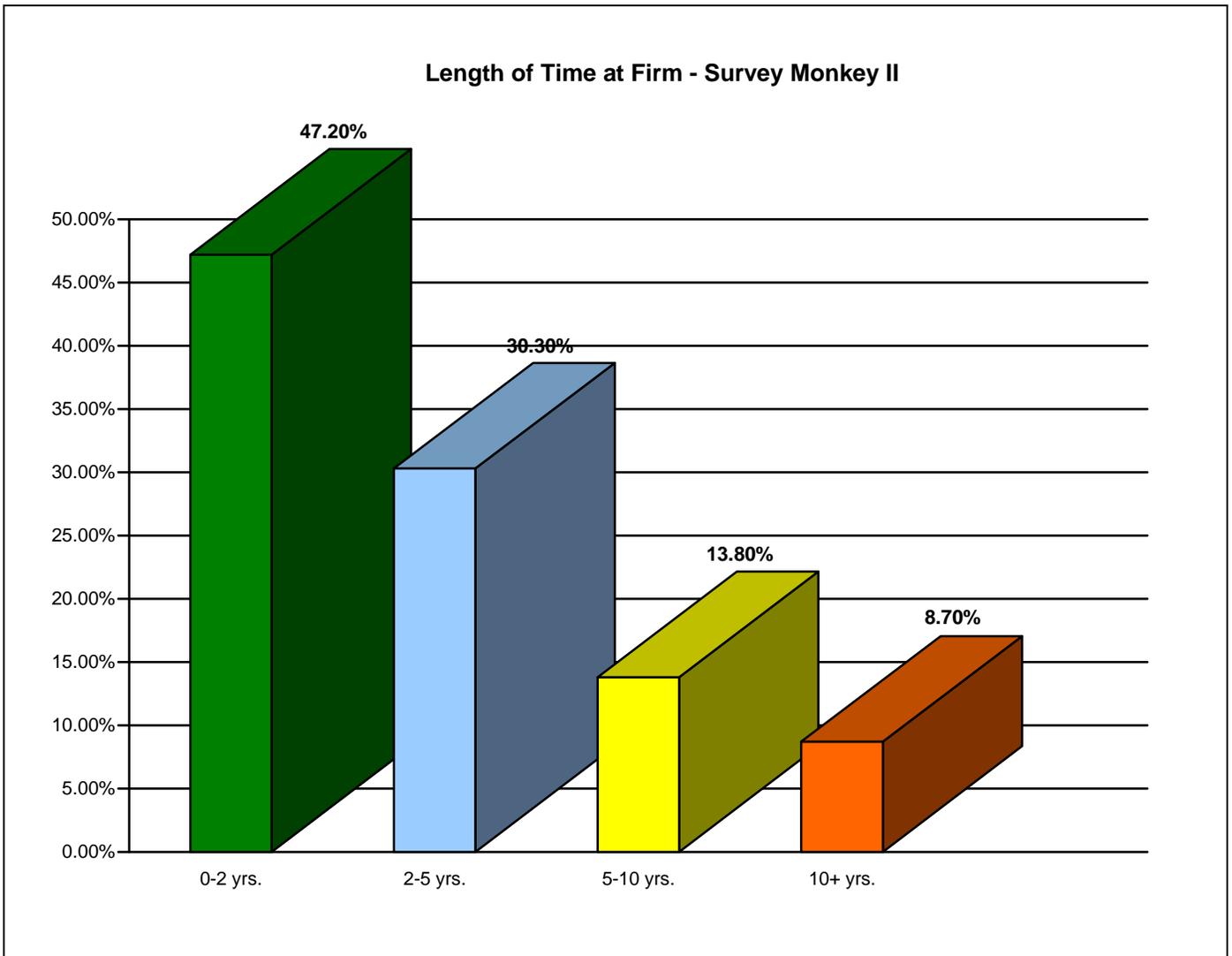
**Survey Monkey II - Results**



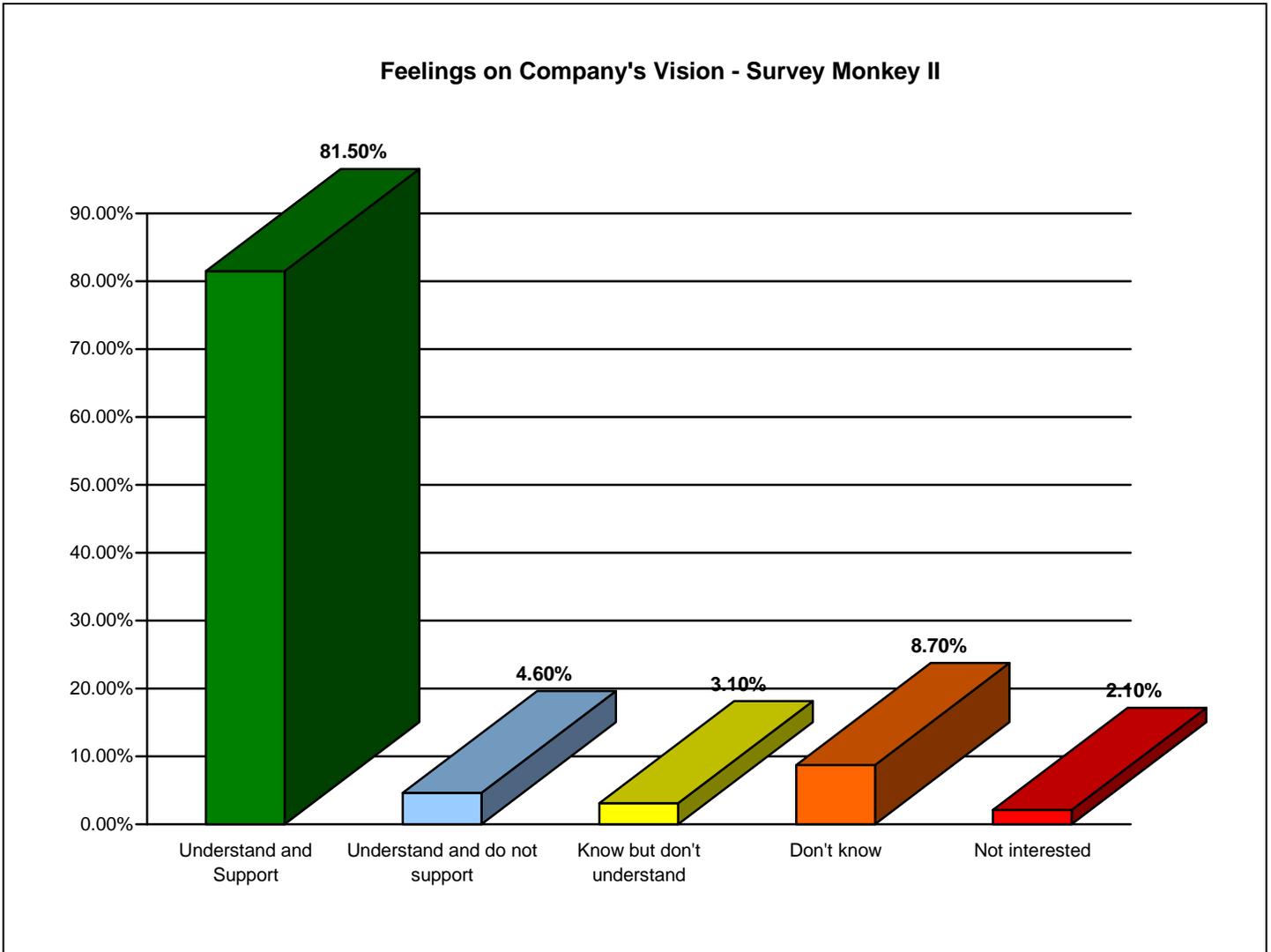
**Exhibit G.2**



**Exhibit G.3**



# Exhibit G.4



**Exhibit G.5**

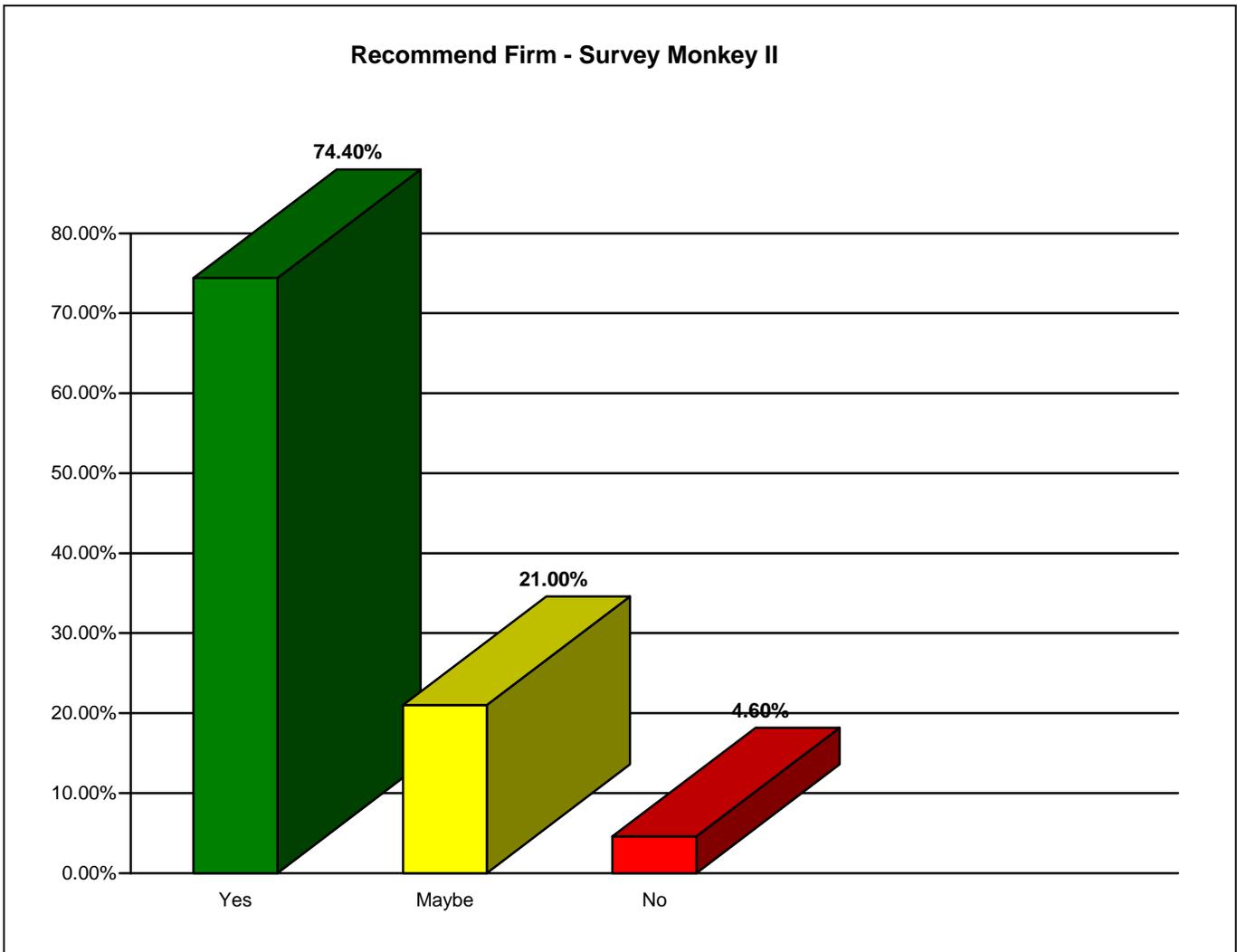


Exhibit G.6

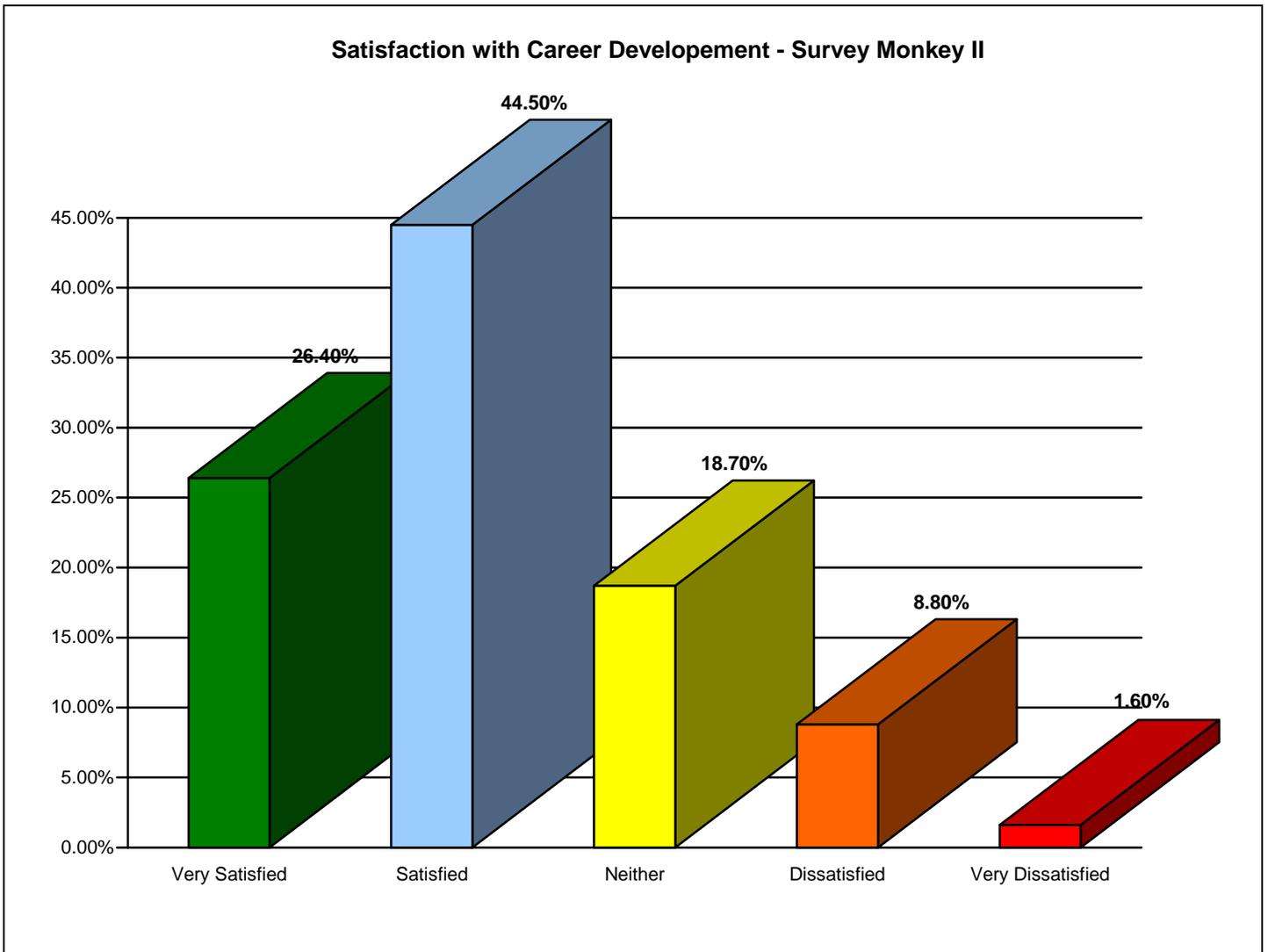
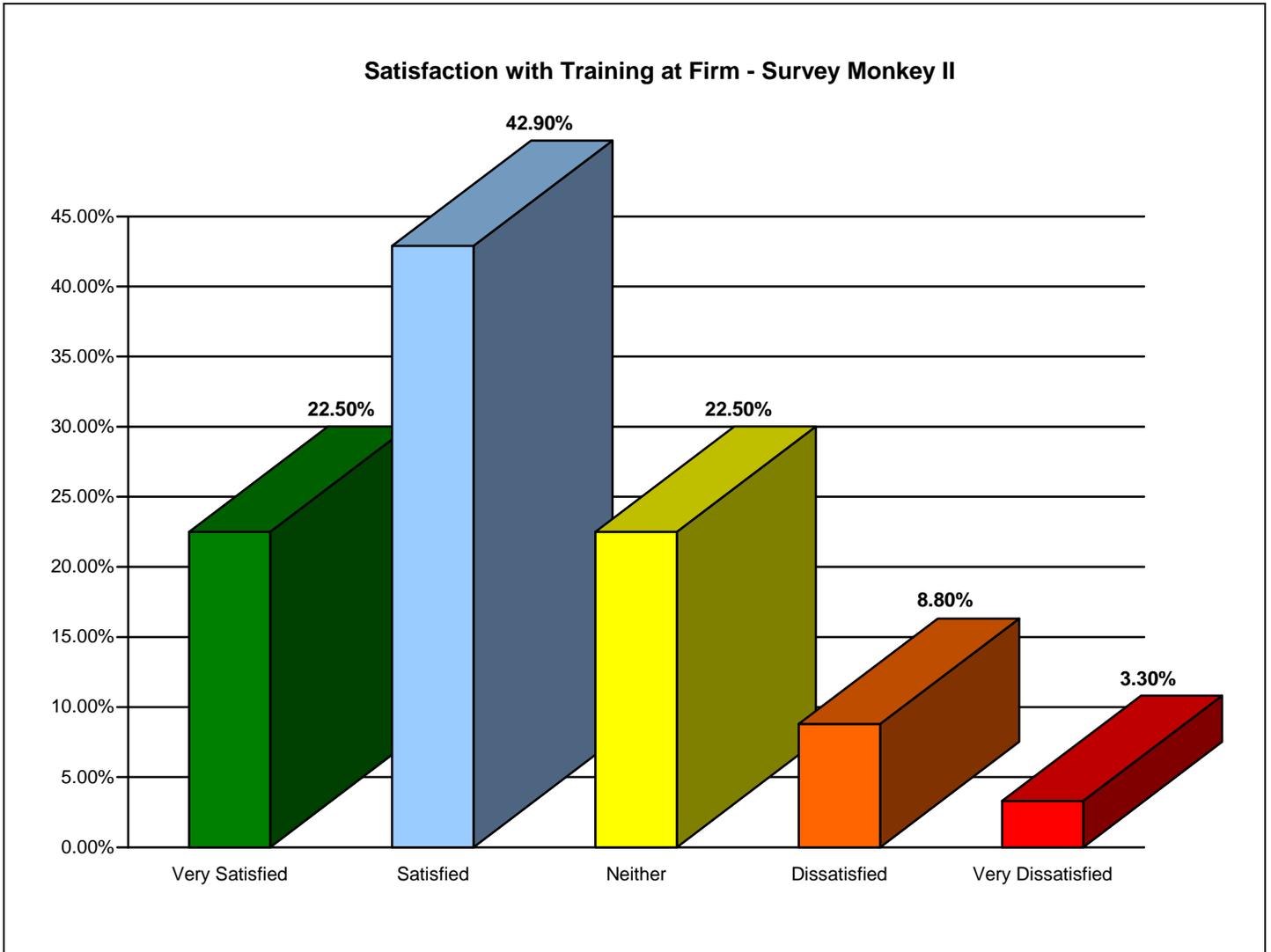
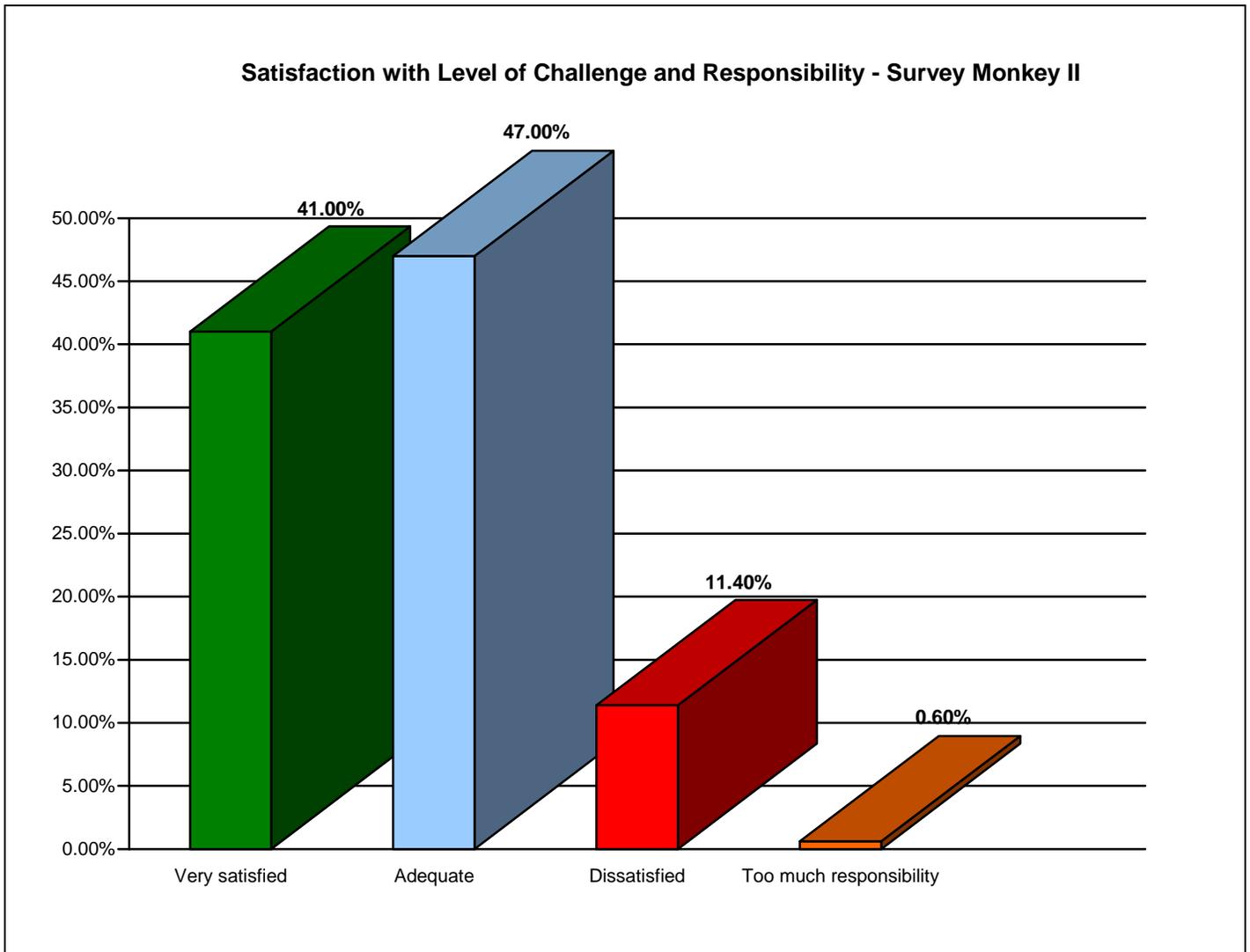


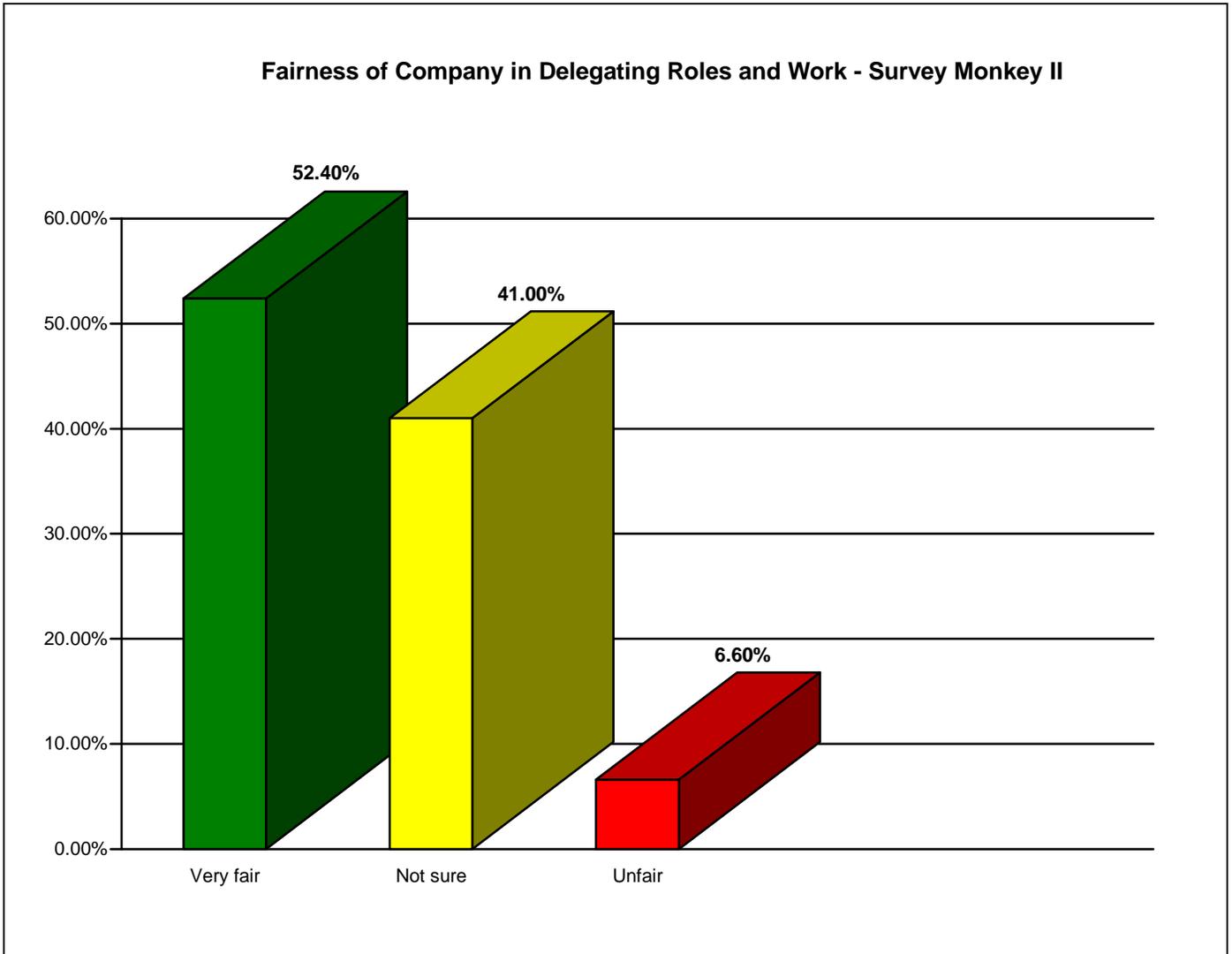
Exhibit G.7



**Exhibit G.8**



### Exhibit G.9



**Exhibit G.10**

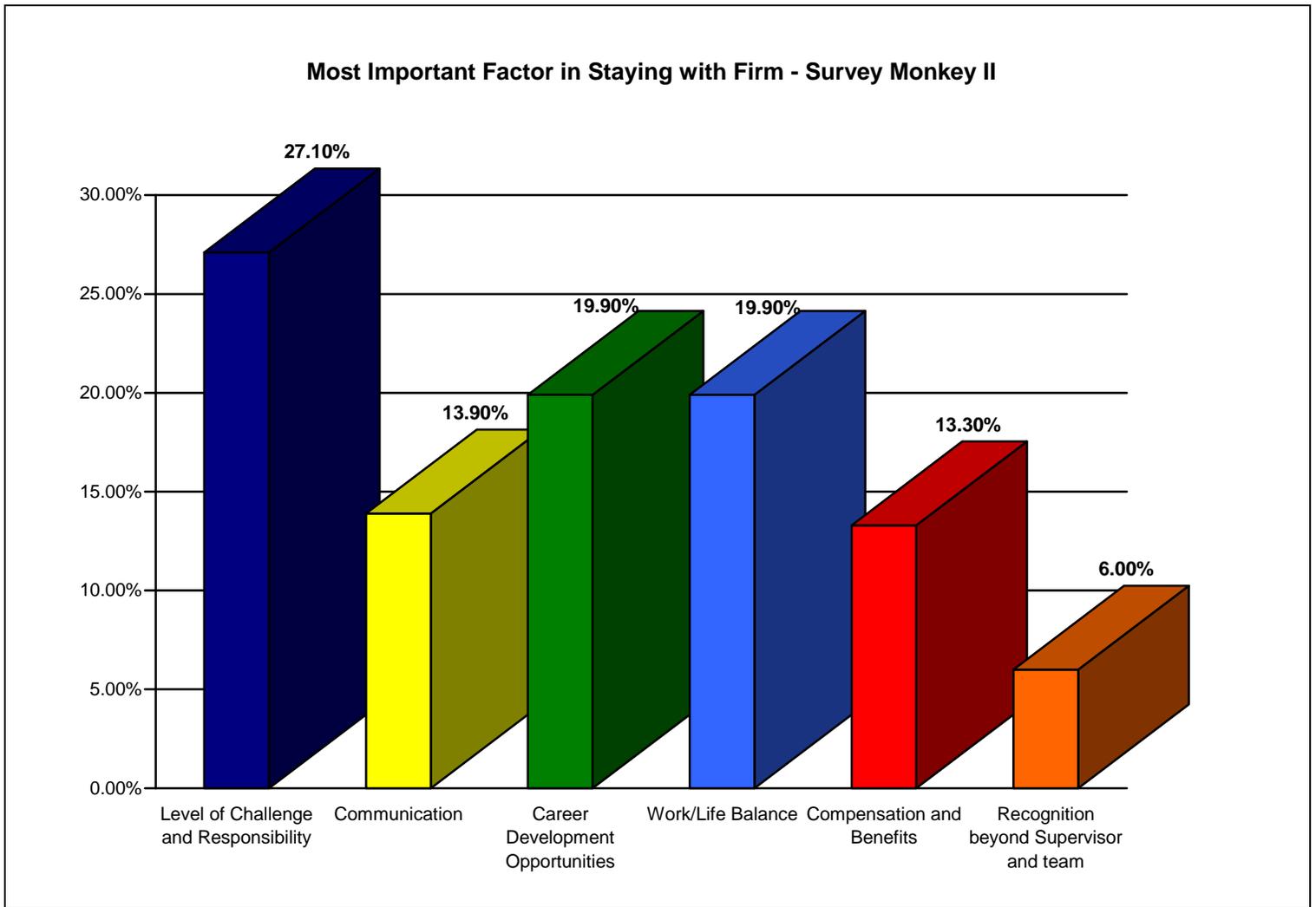


Exhibit G.11

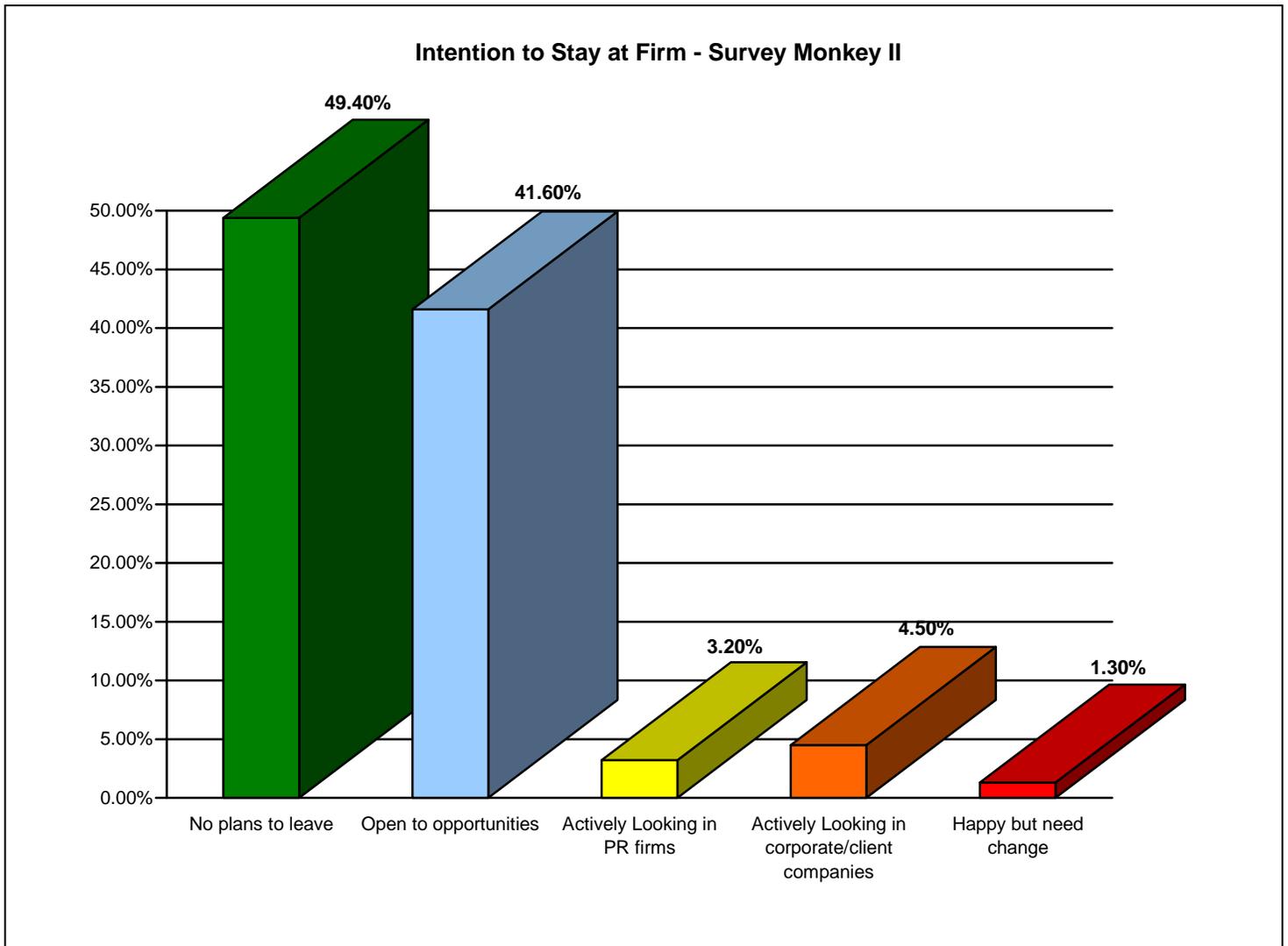


Exhibit G.12

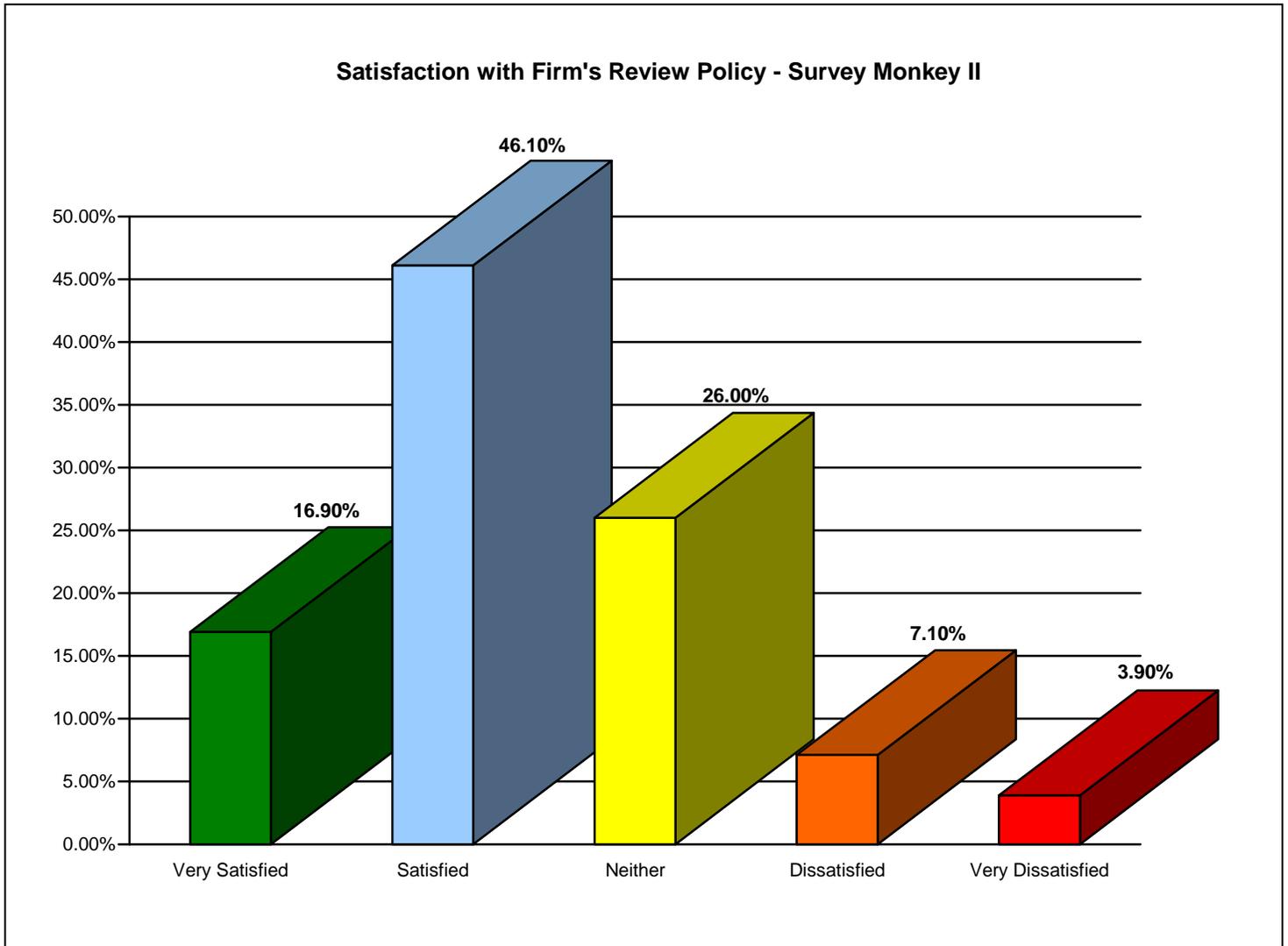
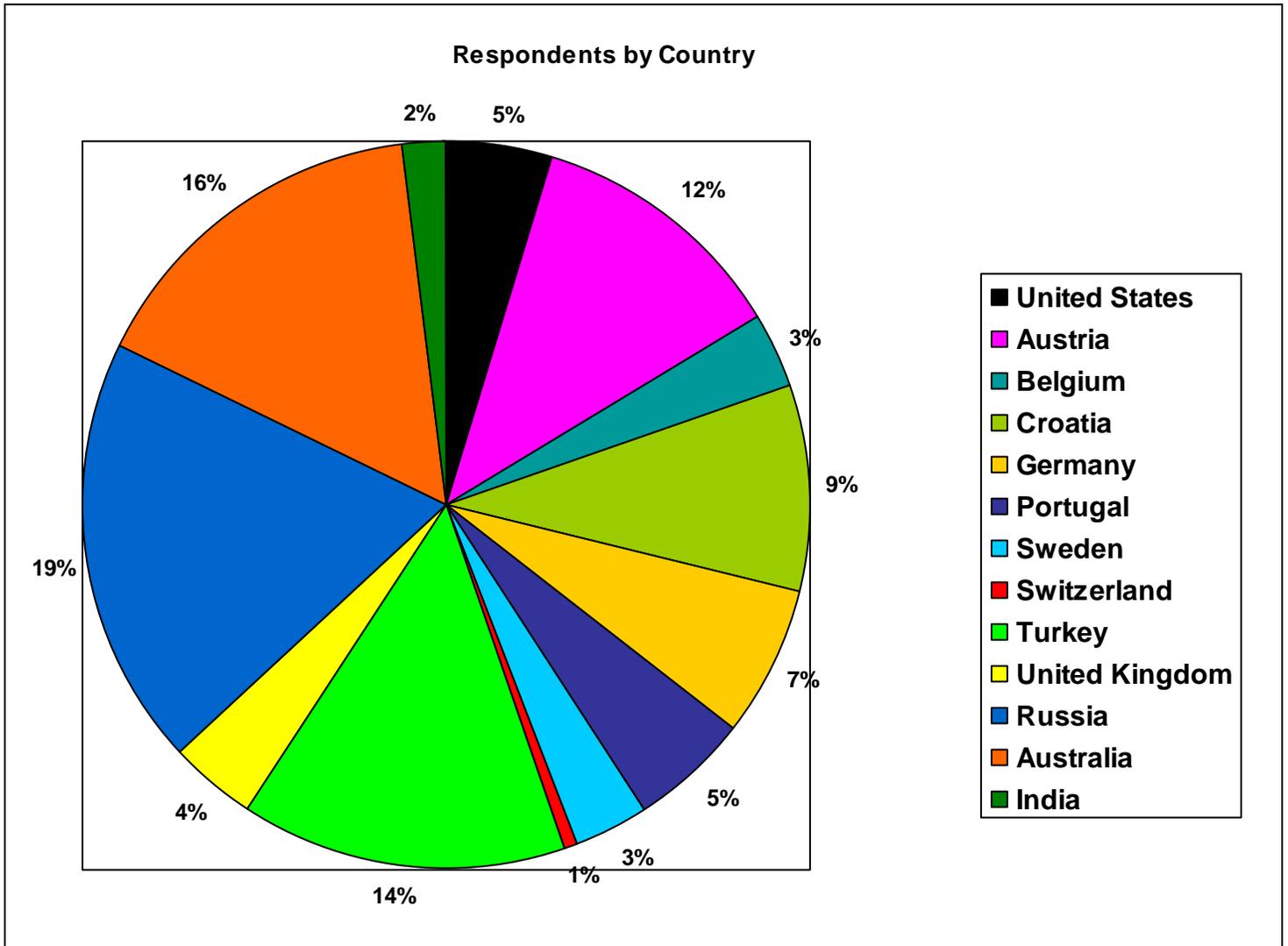


Exhibit G.13



## Exhibit H

### Human Resources Executives Interviewed

**Bowne & Co., Inc.**

**Susan W. Cummiskey**

Senior Vice President  
Human Resources

**Burson-Marsteller**

**Celia I. Berk**

Managing Director  
Human Resources  
Worldwide

**Fleishman-Hillard**

**Agnes Gioconda**

Chief Talent Officer

**Ketchum**

**Rachel Wallins**

Senior Vice President  
Director of Human Resources and  
Global Talent Management

**Manning Selvage & Lee**

**Tara Lilien**

Senior Vice President  
North American Human Resources

**Waggener Edstrom Worldwide**

**Janet Van Rysselberghe**

Staffing Manager

## Exhibit I

### Questions to Human Resources Executives

1. What is your title?
2. How long have you worked in P.R.? In H.R.?
3. Does your firm have resource who "owns" employee retention?
4. Do you conduct exit interviews? How are they conducted? Do you utilize data collected in exit interviews by turning them into action?
5. What issue(s) most contributes to employee turnover and/or disengagement?
6. In your firm, do you think employees consider HR a coach or advisor to help them stay engaged and develop their careers?
7. What is your review policy? How closely is it followed (e.g. frequency of reviews, format, 360° feedback)?
8. Do you regularly survey your employees? What issues or issues stand out? Do you use survey findings and turn them into action?
9. Do you have a formal career development strategy? What does it comprise?
10. Is there a formal employee communications program at your firm? Does your company have an interactive intranet or an employee newsletter? Do the executives visit offices or have conference calls with employees beyond those that report directly to them? Are there Q&A sessions?

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