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The Case of Hamilton Health Sciences and  
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# The Relationship between Public Relations and Marketing in the Nonprofit Sector: The Case of Hamilton Health Sciences and Hamilton Health Sciences Foundation

Heather Pullen

## Abstract

This case study examines, from the perspective of the non-profit sector, the long-standing turf war between public relations and marketing. The researcher evaluated perceptions about different functional roles and organizational models in the relationship between (1) public relations practitioners working for a large health care organization in Ontario, and (2) marketing staff working for a separate and distinct foundation that raises money for the health care organization. Interviews with three key leaders were conducted and both archival records and relevant documents were reviewed. The results showed that while tension is felt and disagreements occur, leaders from both groups agreed that compromise and cooperation are vital to the organization's success. The CEO of the health care organization believed that the best way to avoid or at least minimize rivalries is to have controls in place to manage their relationship – controls such as formal charters.

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# The Relationship between Public Relations and Marketing in the Nonprofit Sector: The Case of Hamilton Health Sciences and Hamilton Health Sciences Foundation

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## Background

Competition in the nonprofit sector – whether for public awareness, donations, or government goodwill – has become fierce in recent years. Public relations practitioners and fundraisers often find themselves in pitched battles with similar organizations that are vying for attention and support in a crowded marketplace of worthy causes.

On the fundraising side, *Maclean's Magazine* has characterized philanthropy in Canada as “cutthroat” citing the increasingly expensive recognition gifts that donors expect in return for their generosity (Patriquin, 2007). In social services such as health care, organizations compete for community and government support by positioning themselves as leading providers that are contributing to the well being of society. This plays out on the public stage with special events, media relations and information campaigns aimed at profiling the vision of the organizations and the commitment of their big donors and political supporters (Hemsworth, 2007).

On a more subtle level, the nonprofit sector has become increasingly aware of the importance of its identity in the community. Branding initiatives are now standard practice in organizations large and small, and the need to build public trust through carefully nurtured relationships with priority publics is widely recognized and accepted.

This increasingly competitive environment has magnified the tension that can exist between the public relations and marketing functions within nonprofit organizations, or between those organizations and their fundraising foundations. For example, when fundraisers step up their marketing efforts to meet the challenge of competition, PR practitioners may feel that their efforts to manage the reputation of the organization are being undermined. Similarly, in order to be effective, fundraisers should be well informed and regularly updated on the organization's changing plans and position -- something the public relations staff can and should do.

In the health care sector, tensions between public relations and marketing have been apparent for some time. In a U.S. study, Grunig and Grunig (1991) noted that:

Competitive pressures have caused many health-care organizations to sublimate public relations to the marketing function. [...] As a result, organizations lose the valuable function that public relations provides -- of managing interdependence with publics that constrain the autonomy of organizations to pursue and meet their goals (275).

So what is the ideal model of public relations and marketing in the competitive and complex nonprofit sector? Some leading public relations scholars believe strongly that public relations and marketing have distinctive roles in the organization. Cutlip, Center and Broom (1994) maintain that “Each makes unique but complementary contributions to building and maintaining the many relationships essential for organizational survival and growth. To ignore one is to risk failure of the other” (9). James Grunig (1992) believes that “public relations must emerge as a discipline distinct from marketing and that it must be practiced separately from marketing in organizations” (20). He also proposes that neither public relations nor marketing should be sublimated to the other.

In contrast, marketing scholars promote an organic model where public relations becomes one component of a wide-ranging marketing function. Philip Kolter, described as marketing's most visionary thinker over the past 25 years (as cited by Heath, 2001), portrayed public relations as a subset of “megamarketing”, an approach to marketing that he describes as including psychological, economic, public relations, and political skills (Kolter, 1986). This built on Kolter's earlier premise, that marketing is relevant to all transactions between an organization and all of its publics (Kolter, 1972).

Integrated marketing communications (IMC), a concept adopted by the advertising industry that assimilates public relations into its overall marketing function, has also challenged the independent role of public relations. James G. Hutton (2001) has observed that this development, as well as public relations' failure to “define its intellectual and practical domain” (Heath, 2001: 205) could lead to the subordination or sublimation of public relations to marketing (Heath, 2001: 214.)

Marketing public relations (MPR) is another model for integrated marketing/public relations (Harris, 1991). It stops short of fully assimilating public relations and instead differentiates it from corporate public relations (CPR). MPR focuses its efforts on customers and potential customers, while CPR manages relationships with the organization's non-customer publics. Harris (1991) describes the dynamic between these two functions as requiring “give-and-take” (para 1).

Public relations will have to abandon its intellectual pretensions and its disdain of the marketing function, and marketers will have to become increasingly aware of how the social, political and economic environment affects consumers and the opinion-makers who influence attitudes towards companies and their products. (para.1).

Despite this ongoing debate and the challenge it represents to the field of public relations, little research has been conducted to evaluate the impact of different functional roles and organizational models. In particular, the nonprofit sector, a large and vital component of the economy and society itself, would benefit from a better understanding of these apparent rivalries.

This case study examined the relationship between Hamilton Health Sciences (HHS), a group of five hospitals and a cancer centre with an annual budget of \$1 billion, and Hamilton Health Sciences Foundation (HHSF), a philanthropic organization that raises \$15-20 million annually to support programs and services at HHS. HHS has a public relations team that handles a full range of corporate communication functions. The HHSF has staff assigned to marketing roles, specifically donor relations and special event promotion.

The author explored the current relationship between these two groups in an effort to describe (a) the current model now practiced by the staff involved and (b) what a more integrated or organic model might look like. It is interesting to note that, in his review of the five models for relationships between public relations and marketing, Hutton (2001) says “The “public relations-dominant” model probably would be appropriate for most professional services, hospitals, universities and assorted nonprofit organizations” (qtd. in Heath, 2001: 208).

## Research Problem

Since there is little information about the impact of different functional roles and organizational models on the relationship between public relations and marketing in the nonprofit sector, the research problem for this case study was:

As public relations departments and foundations (especially their marketing staff) in the nonprofit sector evaluate the pros and cons of establishing separate or collaborative relationships, what are the opportunities or barriers they will experience as they explore these models while striving to develop and maintain relationships with their priority publics?

By identifying the current model being practiced at HHS and HHSF, evaluating the effectiveness of that model, and seeking input from key players on alternative approaches, this case study may help to inform other nonprofit organizations on more integrated approaches to public relations and marketing.

Indeed, the IABC Research Foundation's Excellence project determined that having an organic structure (decentralized and less formal, stratified and complex) is one of the excellence factors (Grunig, 1992). By collaborating on communications goals and objectives, public relations and marketing may be able to integrate their functions and advance their mutual goals. After all, good public relations and good marketing are both built on the strength of relationships with some of the same priority publics.

## Research Questions

This study explored the relationship between public relations and marketing in the nonprofit sector. The following two research questions were asked of three key leaders at HHS and HHSF:

***RQ#1: How does each group (Hamilton Health Sciences and Hamilton Health Sciences Foundation) define the role of public relations?***

The answers to this question helped to contrast the goals, tactics and audiences pursued by the two groups. It provided the information needed to identify the models or practices of marketing and public relations that are now utilized at HHS.

***RQ#2: How and to what extent is each group aware of, and managing, the potential overlap between their independent activities?***

This question probed the respondents' interpretations of roles and responsibilities related to communications. The responses helped the author assess how well and to what extent the two groups work together currently. Although two of the respondents have already expressed the desire to work more closely together on communications, it would be helpful to learn their reasoning. Are they being strategic or tactical? How committed are they to pursuing a new model? Does the President of HHS agree? This question was designed to generate discussion about the feasibility of collaboration and for establishing a new relationship model.

## Organizations to be Studied

The public relations staff at HHS works closely with the organization's executive team to achieve HHS' corporate objectives and help build positive relationships with a wide variety of priority publics including staff, patients/families, the community, other health care providers, the media and government. The HHSF operates independently with its own Board of Directors and organizational structure. Its mandate is to raise money to support Hamilton Health Sciences through various fundraising strategies including special campaigns, planned giving and donor relations. The HHSF

markets its 'cause' (HHS) through a variety of communications tactics including mailings, posters, profile at special events and some media relations.

A new President and CEO has just joined the Foundation and brings with her a strong record of fundraising success at another health care organization in Toronto. She has already expressed an interest in building more and better links between HHS' Public Relations team and the Foundation. In addition, the new chair of the HHSF (a former president of a large steel company) has raised his concerns about branding issues in terms of the hospital's and the foundation's public profiles.

### Definition of Concepts

On a topic where role definition is so critical, it is important to clarify some of the concepts relevant to the discussion.

Cutlip et al. (1994) defines *marketing* as “the management function that identifies human needs and wants, offers products and services to satisfy those demands, and causes transactions that deliver products and services in exchange for something of value to the provider” (7).

Earlier Grunig (1992) stated that “the marketing function should communicate with the markets for an organization’s goods and services. Public relations should be concerned with all of the publics of an organization” (20). Grunig and Grunig (1991) also contrasted marketing and public relations on a technical level: “public relations uses journalistic techniques, strives for free space in the media, produces publications, and uses interpersonal means of communications. Marketing relies on advertising and other paid methods of controlled communication” (263).

Perhaps the most perceptive description of marketing that the researcher has found is also the oldest. In 1969, Kolter and Levy described marketing in the non-business sector as a socially useful, symmetrical activity.

Marketing is that function of the organization that can keep in constant touch with the organization's consumers, read their needs, develop 'products' that meet those needs, and build a program of communications to express the organization's purpose (15).

Cutlip et al. (1994) defines *public relations* as “the management function that establishes and maintains mutually beneficial relationships between an organization and the public upon whom its success and failure depends” (i).

All of these scholars appear to agree that while marketing communicates with audiences that represent potential markets for the organization's good and services, the public relations function is to communicate and build relationships with all audiences.

Hutton (2001) concurs that the traditional scope of the two functions was as follows:

For the most part, marketing focused on market research, product development, pricing, distribution, selling, advertising, and sales promotion functions, whereas public relations devoted most of its attention to media relations, public opinion, publicity, internal communications, government relations, and investor relations (qtd. in Heath, 2001: 206).

These conventional interpretations of PR and marketing functions are being challenged however. Other scholars (Harris 1991, Duncan & Moriarity, 1998) have promoted alternate theories on communication-based marketing and marketing public relations that emphasize communication rather than persuasion as the foundation of marketing efforts. The researcher factored in this new philosophy as the case study continued.

The Webster dictionary (1972) defines *nonprofit* as “not for profit; the legal purpose and activities of such tax exempt entities as churches, charities, hospitals or foundations not involving or making a

profit" (646). The Canada Revenue Agency is more explicit: "Under the *Income Tax Act*, a nonprofit organization is an association organized and operated exclusively for social welfare, civic improvement, pleasure, recreation, or any other purpose except profit" (CRA-ARC, 2007: para. 1).

### Other Related Research

The relationship between public relations and marketing has been a fertile field of study for many years. The following trends and observations helped to inform this study.

#### *Need for Better Role Definition*

References in both public relations (Cropp & Pincus qtd. in Heath 2001, Hutton qtd. in Heath, 2001) and marketing literature (Stewart, 1996) posit that these sister disciplines would fare better if they were better defined and coordinated.

#### *Similar Challenges*

Competitiveness in the marketplace and market fragmentation affect both marketing (Robinson, 2006) and public relations (Wilson, qtd. in Heath, 2001).

#### *Relationship Building*

Both public relations and marketing (Morgan 1994, Kolter & Mindak, 1978) want to satisfy outside groups by nurturing good relationships and building trust with publics and customers.

#### *Education Gap*

Marketers typically have business training and are more likely to have a seat at the decision-making table compared to public relations practitioners who are usually trained as journalists or communicators and aren't familiar with the business aspects of the organization (Kolter & Mindak 1978, Hutton qtd. in Heath, 2001).

#### *Integrity/Rivalry*

Public relations scholars have identified more issues related to the ethical standards of their profession compared to marketing. Kolter and Mindak (1978) described it this way: "Public relations people are growing increasingly concerned with their company's marketing practices, questioning whether they 'square' with the company's social responsibility" (13). For their part, marketing scholars have challenged the position taken by some public relations scholars that marketing is a threat.

Many public relations scholars resort to the confrontational rhetoric of 'advertising encroachment' and 'marketing imperialism' over a constructive discussion about how communicators can help each other do a better job. They fear that public relations is being reduced to a set of tactical tools (Gronstedt, 1996: 27).

Kelly (1993) is one of the scholars who has expressed concern about fundraising encroaching into public relations. She interviewed leaders at 19 nonprofit and for-profit organizations and found that in 37 percent of them, public relations was subordinate to fundraising. It is her contention that this "focuses undue attention on donors at the expense of other strategically important publics" (354).

#### *Contributions to the Bottom Line*

Marketing has focused since its early days on economic efficiency and has well established measures that demonstrate its contribution to the organization's bottom line (Hutton, qtd. in Heath, 2001). Public relations, on the other hand, has been reluctant to adopt evaluation and measurement techniques. This has undermined its efforts to demonstrate the value it offers organizations and their leaders. It's not surprising that CEOs are able to cite examples of ineffective public relations much more easily than examples of effective public relations (Campbell, 1993).

#### *Contributions to the Organization's Mission*

Grunig and Grunig (1991) have noted that public relations and marketing contribute in different ways to the achievement of the organization's mission. The role of public relations "is to identify the

consequences of the mission on people outside the decision structure. Marketing also begins with the mission of the organization, but marketing selects the segment of the environment that will make it possible to implement its mission” (265). The Grunigs differentiate between the two roles by characterizing public relations as making the sure the organization isn't distracted from its mission while marketers perform functions that make sure it's achieved.

#### *Inevitability of Integration*

Some marketing scholars have proposed that integration of public relations and marketing is inevitable (Schultz 1996, Gronstedt, 1996). Thirteen years later, this remains to be seen.

### Case Study Method

The purpose of this case study was to identify and describe the current model of public relations/marketing that is being practiced at HHS and HHSE. The researcher evaluated the effectiveness of that model and sought input from key players on alternative approaches. The ultimate goal of this case study was to help to inform other nonprofit organizations on more integrated approaches to public relations and marketing.

This case study was an appropriate strategy for this research endeavour since its aim was to extrapolate the experiences of one organization to a broad sector. The U.S. General Accounting Office's Program and Methodology Division described this reasoning in a 1990 report:

The challenge for evaluators is how to use those aspects of an anecdote that are effective for our work -- the immediacy, the convincingness, the attention-getting quality -- and, at the same time, fulfill other informational requirements for our jobs, such as generalizability and reliability. Case study methods, while not without their limitations in this regard, can help us answer this challenge (8).

Yin (2003) corroborates this approach saying that case studies “have a distinctive place in evaluation research” (15). This case study attempted to describe and explain a real life situation, and explore the prospects for an intervention -- three of the case study applications described by Yin (2003). The interviews, in particular, helped to illuminate the day-to-day experience of people who are communicating with stakeholders on behalf of a large, complex institution and its fundraising organization.

This case study utilized the single-case design. Yin contends that the single-case design is appropriate if the single case “represents the critical test of a significant theory” (Yin, 2003: 41). The researcher believes this case is both critical and significant. During her 20-plus-year career in health care public relations, the researcher has seen similar role challenges in a variety of nonprofit organizations. The literature review has also exposed a long-standing and vigorous debate on the alignment of the roles and responsibilities of public relations and marketing. As recently as June 2007, a commentator pointed out that “The main obstacle to motivating IMC [integrated marketing communications] behavior is unwillingness (rather than the inability) to act unselfishly and for the benefit of the organization. Unfortunately, when integration is discussed, parochialism and territoriality emerge” (Weiner, 2007: para. 7). Another scholar (Hughes, 2007) observed that senior leaders of nonprofit organizations still have trouble distinguishing between public relations, marketing and development (fundraising).

The ambiguity that surrounds the distinction between these functions is a significant barrier for public relations. From the qualitative data gained, it appears that the public relations profession needs to clarify the distinction between public relations, marketing and development in order to differentiate itself and be valued as a strategic management function in the nonprofit sector (24).

In his introduction to Yin's *Case Study Research*, Donald T. Campbell talks about the “crucial role of pattern and context in achieving knowledge” (Yin, 2003: x). By delving into the pattern and context of this one case, the author has generated findings that will enhance the understanding of this complicated issue, perhaps encouraging others to replicate the case study and extend our shared base of knowledge even further.

### Justification of the Interview Questions

***RQ#1: How does each group (Hamilton Health Sciences and Hamilton Health Sciences Foundation) define the role of public relations?***

1A. When I say public relations, what immediately comes to mind? How do you define public relations?

1B. What is the role of the HHS Public Relations & Communications Department? What priority publics does it target?

1C. What communications-related roles does HHSF play? What priority publics does it target?

1D. How would you characterize the similarities and differences in why and how these two groups communicate with their priority publics?

Differentiation is a key factor in understanding the current dynamic between these two entities. If perceptions vary significantly, this may indicate several possibilities: misunderstanding/misinformation, inconsistent priorities, or divergent frames of reference. The answers to this question will help to contrast the goals, tactics and audiences pursued by the two groups. In general terms, RQ#2 should provide the information needed to identify the models or practices of marketing and public relations that are now utilized at HHS.

***RQ#2: How and to what extent is each group aware of, and managing, the potential overlap between their independent activities?***

2A. How would you describe the relationship between public relations at HHS and the HHSF? If you have observed them working together, how effective do you think they are?

2B. The President of the Foundation and the AVP of Corporate & Medical Affairs have both expressed an interest in bringing the two groups closer together. Do you think that would be a good idea? Why or why not?

2C. How do you think a new, more collaborative model for public relations and marketing at HHS and HHSF could work? What changes should be made? (in structure, responsibilities, communication?) What benefits would be realized?

This set of questions is intended to probe the interviewees' interpretations of how well and to what extent the two groups are working together currently. Although two of the interviewees have already expressed a desire to collaborate more, it would be helpful to learn their reasoning. Are they being strategic or tactical? How committed are they to pursuing a new model? Does the President of HHS agree? In general terms, RQ#2 is designed to generate discussion about the possibilities for collaboration and for establishing a new relationship model.

### Data Collection Procedures

The researcher utilized three forms of data gathering for this case study. One form was the interview. (see Appendix 1) Three interviews of hospital and foundation leaders were conducted. As a source of evidence, the interview is a strong option because the answers provided by the interviewees are informed, focused and on topic. On the other hand, interviews can produce biased and therefore inaccurate results (Yin, 2003). It is worth noting that the interviewer/researcher is a

public relations staff member at HHS, a position that likely affected the type of responses the interviewees provided.

A second form of data collection was archival records. These include organization charts, strategic plans, and summaries of team goals and objectives. These records helped to chronicle the past relationship between the two groups. For example, staffing structures and cross-appointments, common themes in strategic plans, and shared goals and objectives.

A third form of data collection was documentation. This includes emails and reports. These documents helped to identify the current relationship between the two groups. For example, emails chronicle the successful and challenging aspects of the relationship between the two groups. Reports that represent joint ventures assisted in the evaluation of the potential for a more integrated approach in the future.

As sources of evidence, both archival records and documentation have the advantage of being concrete and precise. They can also be limited, however, by problems related to accessibility and bias (Yin, 2003).

### Data Analysis Techniques

As recommended by Yin (2003), a general analytic strategy and a specific technique were utilized to analyze the data collected for this case study. The general analytic strategy for this case study is based on the theoretical proposition that sparked it in the first place -- in the nonprofit sector, a closer working relationship between public relations and marketing/fundraising will benefit the organization. This proposition helped focus attention on some data and ignore others. It also helped organize the study and assisted in the definition of alternate explanations (Yin, 2003). The independent variable was the leaders' perceptions about the advantages and disadvantages of building a closer relationship between public relations and marketing/fundraising. The specific technique used was pattern matching. If, in exploring this issue, the case study data do not support the proposition, the proposition itself would be in question (Yin, 2003).

All of this analysis was conducted within the scientific framework that Yin promotes: "to attend to all the evidence, display and present the evidence separate from any interpretation, and show adequate concern for exploring alternative interpretations" (Yin, 2003: 109).

### Results

The three interviewees were:

- (1) Murray T. Martin, President & C.E.O., Hamilton Health Sciences,
- (2) Pearl F. Veenema, FAHP, President & C.E.O., Hamilton Health Sciences Foundation, and
- (3) Jeff Vallentin, APR, Assistant Vice President, Corporate & Medical Affairs, Hamilton Health Sciences. (Mr. Vallentin's portfolio included Public Relations & Communications.)

These three individuals are well positioned and experienced to offer insight into the prospect of developing a new relationship model for public relations and the Foundation. Secondary research included the collection and evaluation of archival records and documentation.

The researcher posed two questions aimed at exploring the theoretical proposition that, in the nonprofit sector, a closer working relationship between public relation and marketing/fundraising will benefit the organization.

***RQ #1: How does each group (Hamilton Health Sciences and Hamilton Health Sciences Foundation) define the role of public relations?***

Pearl Veenema responded to this question with a tactical description of public relations as a specialty service with a niche role in the organization, i.e. as “a program that is designed to communicate what is going on in the organization to its various stakeholders and externally”.

Murray Martin also referred to the expertise of public relations staff, but added a strategic dimension, noting that public relations is involved in creating an identity for the organization and serves as a resource to the executives. This perception is borne out by Mr. Martin's decision several years ago to include public relations on HHS' executive team (the dominant coalition). Mr. Vallentin sits alongside executive vice presidents and vice presidents at the organization's most senior decision-making table. (Ms. Veenema is also a member of this executive team.)

Jeff Vallentin's description of the role of public relations focused on its strategic rather than tactical activities. In his department's strategic plan (2002), he described three, long-term foci:

- Position – build an identity and position for the organization;
- Reputation – anticipate and manage issues to foster trust, credibility and support; and
- Morale – build self and team esteem with internal audiences.

In the interview for this case study, Mr. Vallentin said that public relations performs a “connecting” function, connecting organizations with audiences, ideas with questions, answers to questions, etc. He believes that everyone in the organization has a communications role to play. Public relations therefore has “an educational role, a supportive role, and a culture changing role”.

When questioned about the specific role of the Hamilton Health Sciences Public Relations & Communications Department, Ms. Veenema identified reputation management, “a little bit” of brand and crisis communications, as three examples of the department's activities.

Mr. Martin broadened that to include providing advice to the executive team on “how to most effectively communicate the key messages and concepts like the values, mission and vision of the organization”.

Once again Mr. Vallentin's description of his team's role was more strategic than tactical. He says his team “tries to provide leadership in relationship building as well as good communications practices”. He talked about his department's lack of “boundaries” in terms of its role, and how that flexibility makes it useful to the organization during times of change. “The organization evolves and it evolves in such a way where the Public Relations & Communications department function responds and fuels that evolution,” according to Mr. Vallentin.

A review of Foundation-related media relations activities shows that Public Relations staff is directly involved in promoting almost all fundraising initiatives and events. Indeed on the rare occasion that controversy has erupted over something the Foundation has done, Public Relations has provided direct counsel to Foundation leaders.

The interviewees had widely varying perceptions of the communications role of Hamilton Health Sciences Foundation. Mr. Martin's view is that, since the Foundation's role is fundraising, “The image they want to project to the public is a very positive one of an organization that people will financially support.”

Ms. Veenema recently unveiled a new Mission Statement for the Foundation. It reads, “Our mission is to raise funds and manage donor gifts for the purpose of supporting outstanding clinical care and research for the communities served by Hamilton Health Sciences.” Within this overall perspective, Ms. Veenema said she sees her team's communication role to be a combination of public relations and marketing. She described the HHSF communication goals as:

- differentiating Hamilton Health Sciences from other worthy causes
- building loyalty among donors and other audiences including media

- earning the trust of HHS leaders so the Foundation can keep key donors up to date on important changes at HHS and in health care in general.

The latter suggests that currently, the Foundation is not 'in the know' on important issues and an information gap may need to be addressed in order to bring the Foundation's and the Public Relations Department's activities into closer alignment.

Mr. Vallentin talked generally about how fundraisers, like public relations practitioners, should be interested in building long-term relationships with their priority publics, especially donors. While acknowledging the pressure on fundraisers to meet short-term financial targets, he said, "Good fundraisers build positive, long-term relationships with stakeholders, audiences and prospective donors. They know it's not about a 'quick sale'."

When asked for her thoughts on the differences in how HHS Public Relations and her Foundation communicate with their priority publics, Ms. Veenema said her team uses elements of public relations such as story-telling, as well as typical marketing tools like advertising. Brand is particularly important to her as well, since differentiation is a significant strategy for any charity trying to capture the interest of new donors.

Mr. Vallentin said that he doesn't think there is a big difference between public relations and marketing. "It is a constant exercise in both marketing and public relations to match the goals and objectives of the organization against the issues or needs of an audience, public or stakeholder," he said. He pointed out however, that "communication is a dialogue, not a sales pitch".

Mr. Martin's response to this question addressed a core issue behind the challenges of building good working relationships between public relations teams and fundraisers in hospitals. "The way the Canadian health care system is, it is very, very ingrained that we are a public service and so, in that vein, we serve, we do not market. We are not selling ourselves whereas the connotation of marketing is selling yourself," he said. He believes that this paradox creates conflict between public relations, that conducts communications, and fundraising/marketing, for which communication is an essential ingredient of success.

***RQ #2: How and to what extent is each group aware of, and managing, the potential overlap between their independent activities?***

An examination of the organization charts for Public Relations and the Foundation show that there is little formal overlap in staff assignments. There are also no cross appointments between the groups, something which if it existed would indicate at least a degree of formal integration.

Ms. Veenema acknowledged that the relationship between her team and Public Relations has "not been as smooth as it should be" in the past but is convinced that, despite this history of discord, the two groups should try to understand each other and work together. She is encouraged by the way they are already collaborating, for example, in the production of an external quarterly newsletter.

When asked for his opinion on the relationship between HHS Public Relations and the Foundation, Mr. Vallentin talked about the same inherent conflict that Mr. Martin alluded to in his answer to the last part of Research Question #2.

Our relationship with the Foundation has been frustrating -- it has not been good. Talking with my peers across the country, it is probably not good anywhere. No one has success stories to tell you about, at least success stories that have stood the test of time. [...] There are some inherent conflicts between us that probably have to do with the pace of our business. [...] Health care happens to be very reactionary. [...] It always seems to be hard to be well thought out, planned and purposeful, not just on our own, but together with the Foundation. (Jeff Vallentin)

In a March 2007 email, the former President of the HHS Foundation, Michael Farrell, expressed his frustration with his staff's struggles to gain approval from Public Relations for a new gift solicitation poster program. "I have reviewed the entire file on the grateful patient posters and I think that we have created a camel. A classic committee by E-mail that has effectively muted a powerful and innovative idea," read his E-mail.

Mr. Martin's perspective is that while both sides may be sincere in their commitment to establishing a new working relationship, the Foundation cannot expect autonomy in any projects or decisions related to the hospital's brand. When they try to shape the brand in a way that does not conform to the hospital's standards, "they run smack into the hospital public relations people who feel they control it generally, internally in the organization, they do."

Ms. Veenema, who is obviously highly committed to forging a new relationship with Public Relations, recommended more joint planning, doing a better job of managing each team's expectations, and appreciating the other team's roles, responsibilities and pressures. Fundamentally she sees the need for the two functions to be "really stitched together" and just priority to this interview, she co-hosted, with Mr. Vallentin, a half day 'get acquainted' retreat of both their teams. During her interview, however, Ms. Veenema also said that Public Relations will never truly understand fundraising. "A pure public relations professional in my view does not understand the relationship, management and expectations between a donor and the development professionals," she said.

Mr. Vallentin's response in this regard was quite similar to Ms. Veenema's. He believes in the value of tapping into "each other more effectively so we are each better off, and then the organization is better off on the whole." But, like Ms. Veenema, he has reservations about the viability of a closer relationship. When it comes to priority setting he said, "We get caught up in a difference of opinion."

Mr. Martin felt that rivalries between the two groups are inevitable.

At the end of the day, even if the two of them totally understand what the other wants, it would be a first if they did not find a rivalry still develops at the front lines. Even if the whole group of people involved is well intentioned, just the fact that you play on the same turf means there will be issues. (Murray Martin)

In the pursuit of a more collaborative model for Public Relations and the Foundation, Ms. Veenema said she would like to work with Public Relations to engage all hospital staff in "a culture of philanthropy". She believes "anything can work and any structure can work if there is a will to make it work, so that is what is going to work here."

Mr. Vallentin acknowledged Ms. Veenema's willingness to build a new, closer relationship, but said that the solution to the historical conflict between their two teams may lie in setting boundaries. Specifically, he believes that there should be a clear understanding of who does what, and that understanding should be debated regularly by both groups. He also posited that the ultimate solution could be to make a structural change that would see the fundraising function folded into the hospital structure, much as universities manage their own development initiatives.

They have one organization, one office that is led by a Vice President where he allows for public relations to do its job, the fundraising team to do its work, and he bridges the gap in a strategic way so they can call upon each other rather than compete against each other. I think that is a really smart way to do it. (Jeff Vallentin)

Mr. Martin thinks that a new structure would not address the inherent conflicts between public relations and fundraising. Instead he recommended control mechanisms that prevent or manage

conflicts. For example, he said he serves as a control mechanism because he sits on the Board of the Foundation where he participates in their planning and informs their decisions. Mr. Martin also talked positively about a new initiative being promoted by the Ontario Hospital Association where hospitals and their foundations sign official charters in which their relationship is defined on a formal basis. He believes this would help to avoid conflict before it starts.

### Conclusions and Limitations

The purpose of this study was to explore and gain an in-depth understanding of the prospects for developing a closer working relationship between public relations and marketing/fundraising practitioners in the nonprofit sector. The researcher was interested in proposing, if possible, a new collaborative model that will help address the issues and rivalries that often develop between these two groups.

As the literature review in this case study illustrates, there has been a significant amount of research (primarily American) conducted on the relationship between public relations and marketing. This provides an interesting theoretical framework for Canadian investigation into the subject, and the existing definitions and concepts offered by American scholars informed the above research questions.

It should be noted, however, that besides the usual cultural contrasts between the U.S. and Canada, the practice of public relations and marketing is different in the nonprofit versus for-profit sectors. Also, within the nonprofit sector, health care is a unique endeavour. Rather than being in direct competition with other health care providers, Hamilton Health Sciences (the subject of this study) partners with other hospitals and agencies to offer a continuum of services from primary care to acute care, and from prenatal care to geriatrics. For the purposes of advancing health care institutions, Foundations mount fundraising campaigns and, in the course of doing that, use marketing tactics that attempt to convince potential donors to support the hospital because they see it as a worthy cause. It is this marketing/communications component of the Foundation's function that is under evaluation in this study.

One of the goals of this case study was to identify the current model of public relations/marketing being practiced at HHS and HHSF. Utilizing Hutton's (cited in Heath, 2001) heuristic, it appears from the research findings that it is either the "overlapping model" or the "public relations dominant" model. In the overlapping model, the public relations and marketing teams are equal players with some overlapping responsibilities. In the public relations dominant model, marketing is a subset of public relations. Based on the responses from two of the interviewees - Ms. Veenema and Mr. Vallentin - Hamilton Health Sciences is an overlapping model with both of their teams communicating with stakeholders, sometimes collaboratively. However, the third interviewee - Mr. Martin - seemed to indicate that the situation is more public relations dominant since both he and the public relations leaders control decision making related to important communication issues such as brand. In Hutton's opinion (cited in Heath, 2001) the public relations dominant model is most appropriate for hospitals because of its focus on longer term, "soft sell" tactics (208).

In evaluating the effectiveness of the public relations/marketing model at Hamilton Health Sciences, a cursory look suggests that whatever model they are using is quite effective. For example, in early 2007, the Hamilton Health Sciences Cornerstone of Care capital campaign met and exceeded its \$100 million goal, making it the largest successful fundraising campaign of its kind in the history of the region. Both Public Relations and the Foundation's marketing staff contributed to the development and implementation of the communications program that supported the campaign.

There are other successful public relations/marketing co-ventures at HHS however most are focused on special event management and related messaging.

Alas, not all is at it seems. A closer look at the responses of the interviewees provided more insight. The interviewees made reference to differences of opinion and past problems - also to egos and controversy. Their definitions of public relations also varied significantly, with Ms. Veenema identifying tactical roles and Mr. Vallentin focusing on his team's strategic value. Mr. Vallentin's contention that good fundraisers put relationship building ahead of the "quick sale" may have been based on his observation that some fundraisers don't practice this principle (a principle that is widely recognized as being fundamental to both professions.) These negative connotations confirm findings by scholars like Kelly (1993) who have chronicled various factors that have led to "organizational turbulence" (349).

On the other hand, all three interviewees said they think public relations and marketing have a lot in common. They agreed that dialoguing with stakeholders, building brand and supporting the organization's goals were overlapping activities. This consensus could be important if the two groups try to collaborate more in the future. Indeed Ms. Veenema and Mr. Vallentin both said they think their teams should continue to build a closer relationship.

Mr. Vallentin offered a tangential thought as well. He mused about the possibility of pursuing the university model of not having a separate fundraising organization, but merging that function into the organization's main structure under one leader. He thought there was a lot of merit in that model.

Some of Mr. Martin's responses were substantially different from those of the other two, perhaps because he doesn't belong to either profession and, after a long career as a health care leader, he has a system-wide point of view. He noted, for example, that to market a public service is a contradiction in terms. He explained that a service is there to serve, not compete. He was also clear that the Foundation needs to take its cues from the hospital and, on communications issues, from the hospital public relations department. Mr. Martin's strong recommendation was that the best way to avoid or at least minimize rivalries between public relations and marketing is to have controls in place to manage their relationship. As an *ex officio* member of the Foundation board, he serves as such a control. He is also interested in pursuing the concept of having a formal charter developed to govern all aspects of the hospital/Foundation relationship.

The limitations of this case study need to be recognized. As a member of the HHS public relations team, the researcher's own involvement likely biased the results. The interviewees may not have been as candid as they would have been talking with a neutral third party. Both Ms. Veenema and Mr. Vallentin have also been public about their support for more collaboration between their teams. Although Mr. Vallentin talked briefly about a fully integrated model, both he and Ms. Veenema stayed 'on message' and talked in positive terms about working more closely together.

Future research on the relationships between public relations and fundraising in the nonprofit sector would help to clarify some of the findings that this case study has only begun to reveal. There are many questions still to be answered including:

- What is the ideal model for public relations and marketing/fundraising in the health care sector?
- What is the ideal model for public relations and marketing/fundraising in the nonprofit sector generally?
- What strategies can be used to counteract the apparently inherent conflicts and rivalries between public relations and marketing/fundraising in the nonprofit sector?

Answers to these questions would represent a significant contribution to both the theory and practice of public relations in Canada. The Canadian experience of public relations is unique and very

little research related to its nonprofit sector has been undertaken. The organizations that would benefit the most from this type of research would be charities who often don't have many resources or experienced staff. Evidence-based guidelines or recommendations would be well received by these organizations.

Appendix #1 -- Interview Questionnaire

**RQ#1: How does each group (Hamilton Health Sciences and Hamilton Health Sciences Foundation) define the role of public relations?**

**1A.** When I say Public Relations, what immediately comes to mind? How do you define Public Relations?

**1B.** What is the role of the HHS Public Relations & Communications department? What priority publics does it target?

**1C.** What communications-related role does HHSF play? What priority publics does it target?

**1D.** How would you characterize the similarities and differences in why and how these two groups communicate?

**RQ#2: How and to what extent is each group aware of, and managing, the potential overlap between their independent activities?**

**2A.** How would you describe the relationship between public relations at HHS and the HHSF? If you have observed them working together, how effective do you think they are?

**2B.** The President of the Foundation and the AVP of Corporate & Medical Affairs have both expressed an interest in bringing the two groups closer together. Do you think that would be a good idea? Why or why not?

**2C.** How do you think a new, more collaborative model for public relations and marketing at HHS and HHSF could work? What changes should be made? (in structure, responsibilities, communication?)

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