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Investor Relations: A Study of Perceived Fundamental Skills and Practices in Corporations and Agencies

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Abstract

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Today, the importance of investor relations as a strategic management function in publicly held companies is growing. In the interdisciplinary field of investor relations, professionals need both finance and communication expertise to achieve effective investor relations results. This paper investigates investor relations professionals' perceptions of the fundamental skills and practices needed in corporations and agencies through an online self-administered survey. It finds that the professionals perceived relationship-building skills with media and the investment community to be the most important. A knowledge of information disclosure process, senior management assistance and crisis communication management were also seen as important. The professionals indicated that improving skills and knowledge of communications and finance was as important as the skills themselves. This study also finds that professionals with different affiliations and levels of experience have different perceptions of the fundamental skills and practices in the field of investor relations.

INVESTOR RELATIONS: A STUDY OF PERCEIVED FUNDAMENTAL SKILLS AND PRACTICES IN CORPORATIONS AND AGENCIES

by

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1. Introduction

Investor relations, as a specialization of public relations, began in the 1950s after World War II (Laskin, 2010, p.615). Originally, the major responsibilities of investor relations professionals were to disclose financial information and communicate with the investment community. According to Laskin (2010, p.616), investor relations entered a new "synergy era" as a strategic management function after the shocking corporate failures in 2002, and professionals were given responsibility for more than just reporting financial results.

The National Investor Relations Institute's (NIRI) 2003 definition of investor relations reinforced the synergy of communication skills and financial skills that is necessary for investor relations professionals. The responsibilities of investor relations professionals are not limited to the mandatory information disclosure required by law. Investor relations should also seek to improve transparency by voluntarily sharing information with market participants (Bassen et al., 2010). Hoffmann and Fieseler (2011) conducted research on investor relations beyond financials and concluded that there were eight non-financial factors that had a vital impact on capital market image building: stakeholder relations, quality of communication, corporate governance, corporate social responsibility, branding, reputation, consistency and quality of management.

The importance of investor relations is continually increasing. Previous scholarly research showed a growth in the number of companies that considered establishing stand-alone investor relations departments, which suggests the increased importance of this function (Laskin, 2014). Allen (2002) concluded that investor relations was capable of delivering competitive advantage to corporations (as cited in Laskin, 2007) by improving capital market participants' understanding of the corporations. Miller and Skinner (2015) found that recent developments in technology and the media were significantly changing investor relations professionals' disclosure practices, challenging professionals to develop new strategies appropriate for the new landscape. Investor relations professionals' involvement in shareholder activism helped corporations to conduct socially desirable actions and to improve their social legitimacy (Uysal, 2014).

As an interdisciplinary profession, investor relations requires skills and knowledge of both public relations and of equity markets. Laskin (2014) found that investor relations professionals continued to lack communications skills and expertise, even though these are necessary complements to their financial knowledge if they are to help corporations be successful in their investor relations efforts. Hong and Ki (2006) found that investor relations professionals valued writing and speaking skills, public relations knowledge, writing financial news releases and a knowledge of financial and capital markets for entry-level positions.

This research contributes to this body of literature by improving understanding of professionals' perceptions of which knowledge and skills are important for excellent investor relations. Professionals of various ages from corporations and agencies were involved in this research project. The study gives professionals, prospective professionals and scholars primary data that describes professionals' opinions about this industry.

2. Literature Review

2.1 Investor Relations: History and Definition

The modern profession of investor relations can be dated back to the 1950s, when General Electric created a position that was in charge of communications with shareholders (Laskin, 2010a, pp. 615-616). At first, the primary function of investor relations was to disclose financial information to investors (Savage, 1970), and the nature of the profession did not require practitioners to have substantial financial skills and knowledge. Practitioners served as communication technicians (Laskin, 2010a, p. 616) to generate corporate publicity by disseminating information as part in mostly one-way communication methods.

By the end of the 1970s, the number of stockholders in America had increased dramatically, and those private shareholders and institutional analysts began to focus on the financial dimensions of a company's performance in preference to a mix of corporate information. The landscape of investor relations had to change to fulfill the new requirement to communicate financial information to professional investors. The aim of investor relations at that time was to influence the share price positively rather than to achieve a fair valuation; this was done by liaising between the company's top management and its influential financial groups (Miller, 1991). This period was referred to as the "financial era" by Laskin (2010, pp. 615-617), and investor relations focused on professional investors and financial analysts.

In 1996, the National Investor Relations Institute (NIRI) defined investor relations as a corporate marketing activity that combined the disciplines of communications and finance and gave present and potential investors an accurate portrayal of a company's performance and prospects. According to the NIRI, the inherent goal of investor relations was to influence a company's total value relative to the overall market and a company's cost of capital positively.

According to Laskin (2010, p. 620), after the shocking collapse of Enron and WorldCom, investor relations developed into a major corporate management function that went beyond being an information disclosure instrument. Investor relations was redefined as a strategic management function involving both financial and non-financial dimensions. The NIRI redefined investor relations as:

> A strategic management responsibility that integrates finance, communication, marketing and securities law compliance to enable the most effective two-way communication between a company, the financial community, and other constituencies, which ultimately contributes to a company's securities achieving fair valuation (NIRI Board of Directors, 2003).

This shift of definition was congruent with Grunig's excellence theory by including "two-way communication" as an important means of achieving ideal investor relations outcomes from the organizational perspective. Today, investor relations practitioners must comply with disclosure regulations, including Regulation Fair Disclosure, the Sarbanes-Oxley Act and the Dodd-Frank Bill, as well as perform public relations responsibilities to help a company to realize a fair valuation of its shares. Besides providing financial information, investor relations departments act as liaisons between companies and the investment community. Non-financial information is also crucial to investors' perceptions of a company's image and market performance (Hoffmann and Fieseler, 2011).

The growing importance of social media on corporate information disclosure creates both challenges and opportunities on modern investor relations. In 2012, the CEO of Netflix posted company matrices on his personal Facebook account, and the SEC ruled his action against information disclosure regulation. In 2013, SEC confirmed that corporate social media sites may be recognized channels of distributing investor information on the basis of informing investors of the specific channels a company will use for the dissemination of material, nonpublic information in advance (U.S. Securities and Exchange Commission, 2013). The number of public companies that are using social media to communication with their shareholders is rapidly increasing, and the SEC encourages companies to seek new ways to communicate and engage with shareholders and the market by recognizing the value and prevalence of social media channels in contemporary market communications.

2.2 The Significance of Investor Relations

Investor relations has always been an important corporate function. Originally, investor relations professionals focused mostly on publicity by promoting and disseminating information in one-way communication methods. The profession then became dominated by finance and accounting practitioners in order to communicate with market participants better and to maximize stock valuation. Today, investor relations is more important as a strategic management function. One of the reasons for this increased significance was the chain of corporate scandals in companies such as Adelphia, Enron, and WorldCom (Laskin, 2010, pp. 612-613). In the post-Enron era, the public attached more importance to corporate transparency and non-financial indicators, coinciding with the modern role of investor relations as an effective communication function that brings mutual benefits to both companies and investors.

Chang et al. (2014) found that increased corporate disclosure was associated with more accurate analyst forecasts, and voluntary disclosure was a trade-off between transparency and freedom of management activity (Bassen et al., 2010). Among the existing theories of the relationship between investor relations and stock prices, this paper espouses agency theory.[1] The agency problem is inherent because of the separation of ownership and control in public companies (Jensen and Meckling, 1976). Agency theory suggests that there is a permanent information gap between corporate insiders and the external investors. Insiders can value the company's market performance more precisely because they have access to more information, while investors are faced with imperfect and uncertain information that may increase their estimation risk (Bassen et al., 2010).[2] Investor relations is an effective management tool for reduce information asymmetry and agency costs (Chang, et al., 2014) by providing information to market participants. Effective information disclosure practices can reduce the estimation risk and improve the accuracy of market participants' evaluation of a company's

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[1] See Jasen and Mackling (1976). Agency theory argues that the existence of the agency problem is inherent in the separation of ownership and control in public companies. Agency theory assumes that both parties attempt to maximize their individual utility functions.

[2] See Lewellen and Shanken (2000). Estimation risk refers to investor uncertainty about the parameters of the return- or cashflow-generating process. Investors estimate the parameters based on whatever information they

performance.

Effective investor relations activities can reduce the cost of capital in equity markets. There are two major models that describe the relationship between investor relations and the cost of equity capital: the liquidity-based model and the estimation risk model. The liquidity-based model argues that increased information disclosure may improve a stock's market liquidity,[3] thereby reducing the cost of equity capital (Botosan, 1997). The estimation risk model claims that restricted corporate disclosure increases uncertainty about the true parameters of the firm's payoff distribution (Botosan, 1997). Bassen et al. (2010) argued that a low level of firm-specific information results in biased parameter estimates, and investors would intuitively require a premium for bearing this additional estimation risk, which increases the cost of equity capital in stock markets.

The significance of investor relations is also underscored by the development of new technologies (Laskin, 2010, p. 614). Alexander and Gentry (2014) claimed that social media is valuable as an opportunity for businesses to interact directly with investors and facilitate dialogues between all stakeholders. Since the issuance of updated guidance in 2008 on the use of company web sites, the Securities and Exchange Commission (SEC) has encouraged public companies to use online communications and social media (Hogan, 2009). In 2010, nine percent of corporations reported using social media to communicate with investors; in 2012, the number had increased to 26 percent (Bank of New York, 2012) to fulfill investors'

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3. See Byrd et al. (1993). Liquidity refers to the ease with which securities can be bought or sold quickly with a

requests for information disclosure. Miller and Skinner (2015) argued that social media has changed the way that companies interact with investors and the public as large.

2.3 The Convergence between Public Relations and Investor Relations

Before the 1970s, investor relations and public relations were two individual corporate functions which were operated separately with segregated target audiences. Investor relations practitioners focused on financial analysts, the financial media and investors, while public relations practitioners mainly dealt with a broader range of audiences, including customers, employees, key opinion leaders and the general media. They required different sets of skills and knowledge. Investor relations practitioners mostly had accounting and finance backgrounds and had a good knowledge of equity markets. Public relations practitioners usually had a communications or journalism degree and excellent writing and relationship-building skills.

Investor relations was initially developed to build and maintain relationships with investors, and the profession was therefore altered by changes in the demands of investors. Laskin (2010) stated that investors are no longer satisfied with the disclosure of mandatory financial information alone, and want more non-financial information and intangible indicators so that they can more fully understand the company’s market performance. The rising bottom line of corporate transparency has made it more competitive for companies to win capital in stock markets: equity analysts rated the quality of a company’s communications as the most

Fieseler, 2011). The capability, availability, openness and reliability of an investor relations department has a great influence on market participants' willingness to build relationships with a company. Today, since a company's market capitalization is largely determined by intangible indicators (Cole, 2004), it is important that investor relations and public relations work together to help the company to build and maintain relationships with market participants. Silver (2005) also believed that the traditional role of investor relations – providing financial information to shareholders and potential investors – is no longer sufficient. The financial information provided to a company's publics must be coordinated and strategically presented, which requires "full integration of public relations, investor relations, corporate attorneys, financial officers and management in a team enterprise."

A survey of members of the Public Relations Society of America (PRSA) members suggested that most public relations practitioners believed that investor relations fell in the realm of public relations (Hong and Ki, 2006). Almost 90 percent of investor relations practitioners in a NIRI membership survey reported directly to the CFO, CEO, president or chairman (Laskin, 2014). Turnock (2002) argued that there was a greater need for all company departments to communicate consistently as part of a successful strategic communication strategy.

2.4 Theoretical Framework: Excellence Theory

Laskin (2007) argued that, although investor relations lacks its own theories, it has been able to achieve a rather prominent status and gain recognition as a profession. Existing studies of

2011). The lack of investor relations research from a public relations standpoint may lead to encroachment (Petersen and Martin, 1996) if investor relations activities are separated from public relations and act merely as a technical tool and not as a managerial function.

According to Botan and Taylor (2004), public relations is one of the most researched areas of communication. It is logical to explore the way in which public relations might be applied to the field of investor relations (Laskin, 2007). Excellence theory is one of the most influential theories in modern public relations. Excellence theory is a general theory of public relations that studies best practices in communication management. This 15-year explanatory study provided a theoretical benchmark of critical success factors and best practices in public relations (J. Grunig, L. Grunig and Dozier, 2006).

The NIRI's definition of investor relations (2003) emphasized building and maintaining relationships between a company and the investment community using a two-way communication method. Grunig's (2006) excellence theory claims that symmetrical communication is the basis of high-quality, long-term relationships between a firm and its publics. Stakeholder theory, meanwhile, claims that an effective organization must behave in ways that satisfy the goals of stakeholders as well as those of management (Freeman and Reed, 1983), which requires the organization t to identify important stakeholders and potential problems in its environment (Grunig, 2006). Two-way symmetrical communication aims to generate mutual understanding between corporations and their publics, and is therefore the most effective and socially responsible model of communication. Investor relations practitioners who are members of the NIRI and PRSA's Financial Communication Section predominantly practice the two-way symmetrical model of public relations (Kelly et al., 2010).

Excellence theory argues that involvement in strategic management is the critical characteristic that defines excellent public relations (J. Grunig, L. Grunig and Dozier, 2006). Almost 90 percent of the respondents in an NIRI membership survey report directly to the CFO, CEO, president or chairman (NIRI, 2005). Senior management, to a greater extent, are more reliant on the investor relations department for insights and market intelligence on a regular and informal basis (Bank of New York, 2012). Hong and Ki's research (2006) indicated that the most important investor relations activity was counseling top management and that the direct involvement of top management was the most effective way of achieving organizational goals. The NIRI listed three major responsibilities of corporate investor relations officers: integral participation in the evolution of corporate strategy; providing marketing intelligence to senior management; and keeping senior management apprised of publicly disclosed information (NIRI Standards of Practice for Investor Relations, 2004).

2.5 Investor Relations: Objectives and Practices

The most frequent investor relations activities at Fortune 500 companies are responding to requests from shareholders, analysts or stockholders and organizing roadshows, presentations and conferences (Laskin, 2005). Providing market intelligence to senior management and the

Although corporate disclosure used to be the most important responsibility of investor relations, practitioners are now also involved in corporate management and the evolution of corporate strategy.

Today, investor relations professionals must comply with multiple disclosure regulations, which require practitioners to have a fundamental knowledge of financial markets and information disclosure law. However, investor relations professionals still lack communication skills and expertise (Laskin, 2014). Investor relations is regarded as a hybrid profession that combines finance and communications, but only six percent of professionals in a NIRI survey claimed to have both a business and communications education background, while only a cumulative 13 percent had a communications background (Laskin, 2014). The NIRI redefined the goal of investor relations as helping a company's securities achieve a fair valuation, which coincides with the increasing need for convergence between investor relations and public relations.

Public relations practitioners believe that writing and speaking skills and public relations knowledge are the skills and knowledge most necessary for handling investor relations activities (Hong and Ki, 2007). Relationship building with the financial media and the investment community also fall more into the more general responsibilities of public relations rather than the more particular ones in finance.

Hogan (2009) claimed that online communication tools were changing the communication shareholders of public companies were reached, drastically improving two-way communications between the company and its shareholders and boosting the effectiveness of investor relations efforts. Although SEC regulations are reducing barriers to financial disclosures through social media, publicly held companies are still slow in uptake social media communication channels (Hogan, 2009). In 2013, the SEC confirmed that corporate social media sites may be a recognized channel of distribution of financial information. After the SEC renewed its guidance, almost half of investor relations professionals reported that they would reassess their company's use of social media as part of its communications strategies (Jones, 2013).

Besides the importance of communication in investor relations activities, Uysal (2014) argued that establishing and maintaining shareholder activism and organizational legitimacy should be considered part of modern investor relations. The investor relations function should act as a reflective mechanism that can help public companies to identify any potential social or environmental issues and meet stakeholder expectations by mitigating those issues in advance (Uysal, 2014).

The importance of investor relations is continually increasing, yet there are no major or minor in investor relations at universities in the United States (Laskin, 2014). Former research on investor relations practices mostly focused on prioritizing the order of activities, yet little is known about the demographics of the skill sets that are important for excellence in investor relations. This study seeks to answer the following research questions to help fill this gap in the available literature on the investor relations profession and education.

RQ1: What do investor relations professionals believe are key objectives in the field of investor relations?

RQ2: What do investor relations professionals believe are the fundamental practices that should be used to achieve those objectives?

RQ3: What similarities and differences are there in agencies and organizations?

RQ4: What similarities and differences are there in groups with different levels of experience as investor relations professionals?

3. Methodology

3.1 Survey Instrument

The author administered online surveys to investigate the research questions. A survey is an effective research methodology for collecting data from a representative group of a larger population. It is able to "gauge how a public perceives an issue or event or person" (Stacks, 2011, p. 224). A survey is also an inexpensive research method, and it is able to reach a large number of respondents in a short period of time. Other researchers have widely employed this method to study investor relations. Laskin (2014) conducted a survey to investigate the state of the profession in the United States. BNY Mellon's annual *Global Trends in Investor Relations Survey* was conducted globally using online survey questionnaires. Research into two-way symmetrical practice in investor relations has also used self-administered questionnaires to gather data (Kelly et al., 2015).

This survey used a stratified sampling method, which can reduce probable sampling errors and obtain a greater degree of representativeness (Babbie, 1989, p. 188). According to Babbie (pp. 188-189), stratified sampling draws samples from homogenous subsets of the total population to reduce the likeliness of sampling error. For this research, the population at large is investor relations practitioners in United States, and the stratified subset is the membership from the Financial Communications Section of the PRSA. A notification that contained the online survey link were posted to the Section's online forum to reach the 198 members of the

3.2 Online Questionnaire

The online questionnaire used the online survey portal Qualtrics. It comprised three parts: background information, key objectives and key practices and skills. The first part contained three questions about the respondents' job affiliation, years of experience and educational background. The second part contained ten items developed from previous investor relations, public relations and finance literature. Participants were asked to indicate the importance of each item for achieving excellent investor relations according to their experience on a seven-point Likert scale, where "1" means not at all important and "7" means extremely important. In the third part, eight items describing practices and skills were listed under each objective, and participants were instructed to evaluate each item's importance using the same scoring method. The objective of this online questionnaire was to investigate what investor relations practitioners perceived to be the best practices and skills for effectively conducting excellent investor relations. The following sections illustrate the theoretical formation of each objective and its subordinates.

Assisting the senior management. As a strategic corporate management function, the NIRI (2003, pp. 6-7) suggests that Investor Relations Officers (IROs) should "keep senior management apprised of the company's disclosure record" and "provide market intelligence to senior management for use in their strategic decision-making." Many job descriptions of investor relations positions include as major responsibilities monitoring the investment and competitive environment, providing Regulation FD training to spokespersons and developing investor relations messages based on operational and managerial changes. Stakeholder theory suggests that there is a separation of ownership and management in public companies and that "corporation action and inaction is to be driven by attention to the needs of its stockholders" (Freeman and Reed, 1983). Investor relations serves as a liaison between companies and their financial audience (Peterson and Martin, 1996) by "providing information to the top-management or other departments of the organization" (Laskin, 2005). Public relations practitioners believe that "the relationship with top management is the most important among all investor relations activities" (Hong and Ki, 2006).

Internal Communications. Internal communications is the dialog between an organization's management and its employees (Mishra et al., 2014). Many organizations consider internal communications to be one of their top priorities because of its ability to drive employee engagement (Mishra et al., 2014), and IROs at Fortune 500 companies also believe that internal publics are important in financial communications (Laskin, 2005). Internal communications are more complicated from an investor relations perspective, since employees are sometimes also shareholders. Some organizations insist that they will only give employee shareholders the exact same information as nonemployee shareholders, while others give employee shareholders a digest of analyst reports (NIRI, 2003, p.15). The responsibility for educating employees and employee shareholders about regulations against insider trading also falls in the realm of investor relations. As a two-way communication function, investor relations is able to utilize employees as shareholders by collecting and

Information disclosure. "The integrity of the capital markets is based on full and fair disclosure of information" (NIRI, 2003, p.21). Information disclosure must conform to Regulation FD and the Sarbanes-Oxley Act, and corporations need to consider voluntary disclosure policies carefully. Laskin (2005) found that the most common investor relations activities were "responding to requests from shareholders, analysts, or stockbrokers." Miller and Skinner (2015) claim that the emergence of new reporting methods,[4] social media and Big Data "affect the way that information is produced, disseminated, processed, and traded on." Based on the literature on financial disclosure, it is important for a corporation to formulate a clear and appropriate disclosure policy and ensure that employees are well-informed about it.

Professional qualifications. "CEOs considered understanding of finance, communication skills, and personal acquaintance with analysts and investors to be the most important qualifications for the job" (Peterson and Martin, 1996). Hong and Ki's (2006) exploratory study of public relations practitioners found that writing and speaking skills and public relations knowledge were the two most important skills for entry-level investor relations practitioner. Many studies noted that social media and websites were more involved in investor relations activities, yet no study has yet measured practitioners' perceptions of skills and knowledge as they relate to this area. In the post-Enron environment, companies' primarily need to restore and maintain credibility and trustworthiness (Allen, 2002). It is

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[4] See Miller and Skinner (2015). The SEC now requires firms to file using EDGAR, which effectively provides real time

therefore important for investor relations practitioners to adhere to professional ethics and build a transparent information disclosure environment.

Effectiveness measurement. The evaluation of investor relations outputs, like other communication efforts, has always been an important professional activity. Some previous studies believed that investor relations efforts could be measured by stock price, market capitalization and liquidity. However, it has been proven that the link between stock prices and investor relations is not significant. Ragas et al. (2013) found that nonfinancial factors, i.e. "relationship with the financial community, qualitative assessment by the C-suite, individual meetings with top shareholders and analyst coverage quality", were perceived to be more important than stock valuation, analyst coverage quantity, trading volume and stock liquidity in determining the effectiveness of investor relations effectiveness. The measureable factors are different when companies have different market capitalization or are in a different industry.

Professional image. Berger's research (2012) found that public relations professionals perceived "improving the image of the professional" to be an important issue. His results also showed that "younger public relations professionals ranked professional image as a significantly more important issue than do older groups," which indicated the future trend of emphasizing the professional image. As a sub-function of public relations, investor relations is not a well-known profession and has a relatively short history and small number of practitioners. Professionals can improve the image of the profession by modeling appropriate behaviors, participating in ethics trainings, improving awareness of investor relations in the various communities around them and supporting higher education programs. Despite the NIRI and the Financial Communications Section of PRSA promoting professional standards and guidelines, investor relations has no professional accreditation other than that granted by the PRSA and other trade organizations for general public relations practitioners.

Crisis communications. Stakeholder theory indicates that an organization has multiple stakeholders, amongst which the shareholder is a vital category. Coombs (2010, p. 485) claimed that effective crisis communication tended not only to help an organization to maintain its reputation and sales, but also to receive favorable comments from stakeholders. He suggested that effectiveness could be achieved by involving stakeholder interests in crisis communication planning. Wan and Pfau (2004) found that building positive relationships with stakeholders before crises occur was key to effective crisis communication, and investor relations was effective in reaching the investment community and the financial media. Another important practice for investor relations is previewing any information that will go public during a crisis to ensure that there is conformity with disclosure regulations.

Relationship management. Miller (1991) stated that investor relations was a liaison between a firm's senior management and its 16 "influential financial groups,"[5] including brokers, bankers, analysts, individual shareholders and the financial media. Hoffman and Fieseler

[5] See Miller (1991). The 16 influential financial groups included: (1) stock exchange member firms, customer' brokers, branch office managers; (2) members of the security analyst societies and individual analysts; (3) unlisted or over-the-counter dealers; (4) investment bankers; (5) commercial bankers (trust department); (6) registered investment advisory services; (7) insurance companies and pension funds that buy common stocks; (8) mutual funds and investment funds; (9) investment counselors; (10) trustees of estates and institutions; (11) financial statistical organizers; (12)

(2011) found that “the stakeholder relations of an organization” was a determining factor when analysts were forming an impression of a company. Relationship building with members of the financial media and the investment community reduces information asymmetry. The *Global Trends in Investor Relations* study (2012) found that “corporations are spending more time on current shareholders”, and “CEOs are spending a majority of their investment engagement time on current institutional investors”.

3.3 Participants

This study is interested in investor relations practitioners, both from corporations and agencies and freelance. There is no readily available list of such investor relations professionals, so this research relies on the Financial Communications Section of PRSA. The respondents were recruited through an announcement on the Section’s forum and asked to finish a self-administered questionnaire facilitated by the online research portal Qualtrics. The survey invitation, with the survey link and consent document, was published on the Section’s forum.

The PRSA established its Investor Relations Section in 1976, and it was renamed the Financial Communications Section in 1992. The PRSA Financial Communications Section currently has 198 members from corporations, consulting firms and organizations concerned with the financial and business media, shareholders and the investment community. The financial and business media relations, investor relations and corporate governance. The Section also keeps members informed of the activities of the Securities Exchange Commission, the Financial Accounting Standards Board, the Public Company Accounting Oversight Board and other relevant bodies (PRSA Financial Communications Section, n.d.).

4. Findings

4.1 Participant Profile

The answers to the study's research questions are discussed and analyzed based on the *N* = 45 effective responses collected. The respondent rate of this study was 23.2%. Among the 46 respondents, 40 percent (*N* = 18) came from corporate investor relations departments, 29 percent (*N* = 13) from investor relations agencies, 13 percent (*N* = 6) from corporate financial departments and 11 percent (*N* = 5) from public relations agencies' investor relations sections, while 6 percent (*N* = 3) were investor relations freelancers. (There was one respondent who defined himself as an investor relations solo practitioner under the category of "others," which from the author's perspective should be considered an investor relations freelancer.)

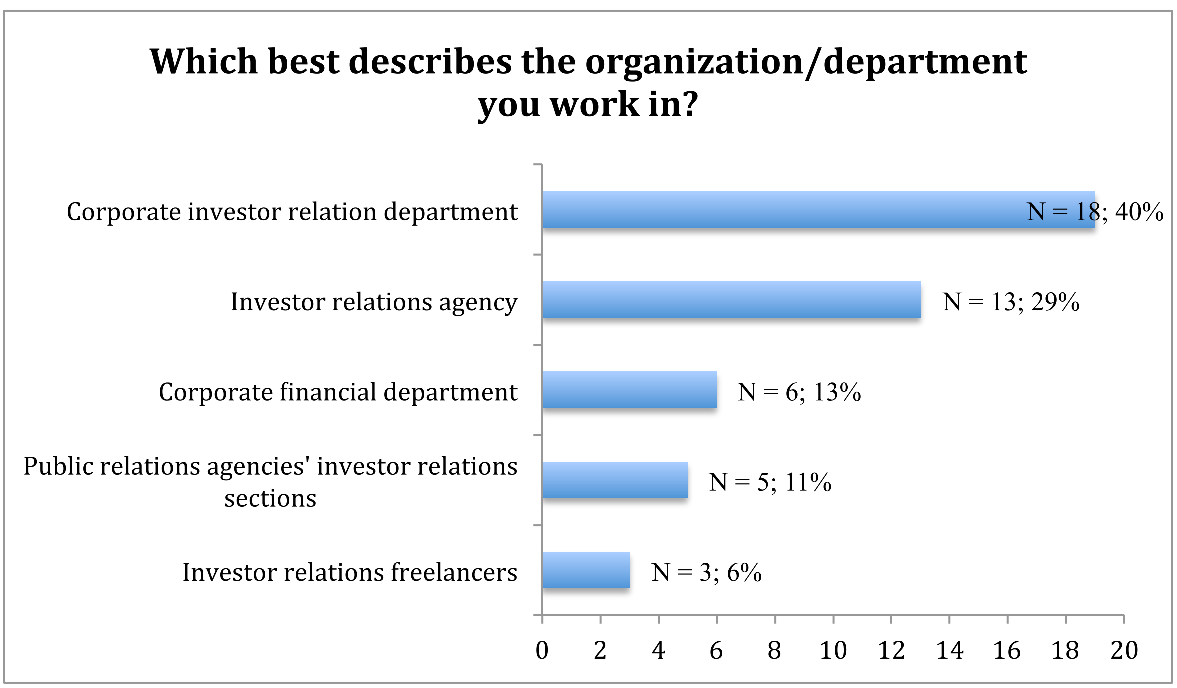

Figure 1. Respondents' Departmental Affiliation

42 percent ($N = 19$) of the respondents had 5 to 10 years of experience as investor relations professionals. 30 percent ($N = 14$) had less than 5 years of experience, 16 percent ($N = 7$) had 10 to 15 years of experience, 7 percent ($N = 3$) had 15 to 20 years of experience and 4 percent ($N = 2$) had more than twenty years of experience.

Figure 2. Respondents' Years of Experience

44 percent ($N = 20$) of the respondents had a business educational background, 22 percent ($N = 10$) had a communications educational background, 31 percent ($N = 14$) had both a business and a communications educational background and 2 percent ($N = 1$) had an engineering background. Laksin (2014) conducted research among NIRI members to investigate the investor relations profession and found that 73 percent of respondents reported that they had some kind of business degree, 7 percent reported that they held a communications degree and 6 percent had both a business and a communications background. The fact that the author's respondents were all PRSA members may explain why there were more professionals with a communications background.

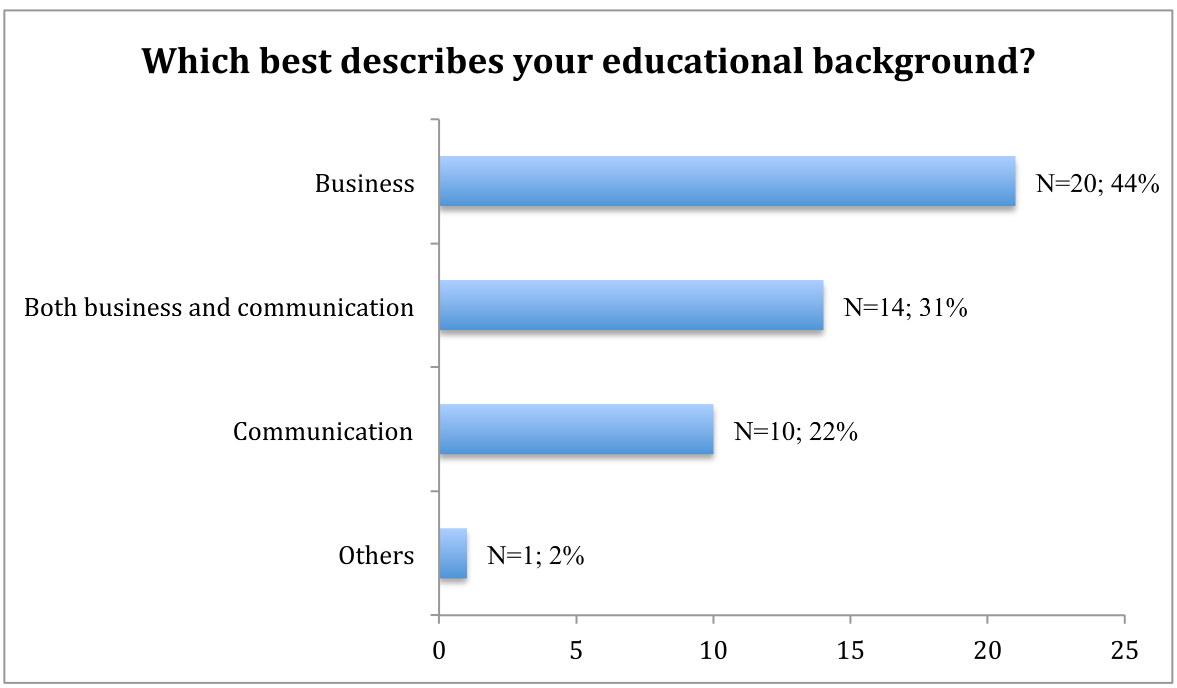

Figure 3. Respondents' Education Background

4.2 Empirical Results

RQ1: What do investor relations professionals believe are the key objectives of the field of investor relations?

RQ3: What similarities and differences are there in agencies and organizations?

RQ4: What similarities and differences are there in groups with different years of experience as investor relations professionals?

The professionals were first asked to indicate the relative importance of ten objectives in investor relations activities. These objectives were taken from existing academic and professional research. The survey employed a seven-point Likert scale, where “1” means not at all important and “7” means extremely important. The results are presented in Figure 4. The data was analyzed by examining their mean value and standard deviation. The author chose not to run statistical tests because of the small sample size.

The investor relations professionals perceived the following investor relations objectives to be more important than others: “managing relationships with media,” and “managing relationships with the investment community” (M = 6.15 and 6.15, respectively). Despite having the same mean score, “managing relationship with investment community” had a larger standard deviation (SD = 1.15) than “managing relationship with media” (SD = 0.92), which indicated that practitioners’ perception of the latter was more convergent than their perception of the former.

Other investor relations objectives were also considered important: “assisting the senior management team” and “complying with regulation and policy in process of information disclosure” (*M* = 5.73 and 5.73, respectively). Despite having the same mean score, “assisting the senior management team” had a larger standard deviation (*SD* = 1.59) than “complying with regulation and policy in process of information disclosure” (*SD* = 1.29), which indicated that practitioners’ perception of the latter was more convergent than their perception of the former.

The following investor relations objectives were considered somewhat important: “managing crisis communication in investor relations perspective,” “improving public relations/communication skills and knowledge,” “improving finance/accounting skills and knowledge,” “improving the measurement of communication effectiveness” and “improving the professional image of investor relations” (*M* = 5.51, 5.47, 5.42, 5.38 and 5.36, respectively). The following objective was considered the least important: “communicating with employee and employee shareholders” (*M* = 5.00).

Professionals from corporations reported that “managing relationships with media” (*M* = 6.35, *N* = 25) was the most important objective, while professionals from agencies believed that “managing relationship with investment community” (*M* = 6.11, *N* = 18) was the most important objective. Professionals with more than five years of experience agreed that “managing relationship with media” (*M* = 6.23, *N* = 32) was more important than the other objectives, but those with less than five years of experience believed that “managing relationship with investment community" (M = 6.08, N = 14) was more important.

Those who had worked as investor relations professionals for more than ten years rated "assisting the senior management team" (M = 6.17, N = 13) more important than did respondents with five to ten years of experience (M = 6.00, N = 19) and those with less than five years of experience (M = 6.08, N = 14). Practitioners with less than five years of experience rated "improving public relations/communications skill and knowledge" (M = 6.00, N = 14) more important than did those with five to ten years of experience (M = 5.53, N = 19) and those with than ten years of experience (M = 4.92, N = 13).

Investor relations objectives	***N***	**Mean**	**SD**
Managing relationships with media.	45	6.15	0.92
Managing relationships with the investment community	45	6.15	1.15
Assisting the senior management team	45	5.73	1.59
Complying with regulation and policy in process of information disclosure	45	5.73	1.29
Managing crisis communication in investor relations perspective	45	5.51	0.92
Improving public relations/communication skills and knowledge	45	5.47	1.04
Improving finance/accounting skills and knowledge	45	5.42	1.23
Improving the measurement of communication effectiveness	45	5.38	0.96
Improving the professional image of investor relations	45	5.36	0.96
Communicating with employees and employee shareholders	45	5.00	1.04

Figure 4. Respondents' Perceptions of Investor Relations Objectives

*RQ*2: What do investor relations professionals believe are the fundamental practices that should be used to achieve those objectives?

*RQ*3: What similarities and differences are there in agencies and organizations?

*RQ*4: What similarities and differences are there in groups with different levels of experience as investor relations professionals?

To investigate these research questions, the participants were asked to indicate the importance of several practices aggregated by previous studies under each objective. These sets of practices were specific to each objective. The responses were also analyzed in coordination with their affiliation factor and their years of experience factor. Here are the mean scores for the top seven objectives.

#1. Managing relationships with media (*N = 45*)

	Mean	SD
Maintaining consistency when working with media	5.91	0.92
Responding to media inquiries in a timely and accurate manner	5.87	1.08
Creating and maintaining a media contact database	5.78	1.08
Developing media relations guidance and updating periodically	5.60	0.91
Using media relations management software	5.49	1.08
Improving understanding of media professional ethics	5.47	1.06
Improving familiarity with media professionals' duties	5.47	1.01
Inviting media to major events and workshops	5.27	1.01

Figure 5. Skills and Practices to Manage Relationships with Media

The relatively high mean scores on the seven-point scale and the relatively small standard relationships with media and that those practices were generally accepted across the industry. Practitioners believed that "maintaining consistency when working with the media" and "responding to media inquiries in a timely and accurate manner" (M = 5.91 and 5.87 respectively) were the most important practices for effectively managing media relations. They considered "creating and maintaining media contact database" (M = 5.78) and "developing media relations guidance and updating periodically" (M = 5.60) to be relatively important practices. Professionals also reported that "improving understanding of media professional ethics" was as important as "improving familiarity with media professional' duties" (M = 5.47).

Practitioners from corporations and agencies reported almost the same mean scores for the top three practices. However, professionals from corporations perceived "improving understanding of media professional ethics" (M = 5.87, N = 24) to be more important than did those who worked in agencies (M = 5.00, N = 18). Groups with different levels of experience also reported the same mean scores without significant differences, which again indicated that the ten listed practices were generally perceived to be important among investor relations professionals. This information is particularly valuable for entry-level practitioners and college students who intend to enter this profession because it sets a benchmark for media relations managing practices.

#2. Managing relationships with the investment community (*N = 45*)

	Mean	SD
Responding to requests from shareholders, analysts, and stockbrokers in a timely and accurate manner	6.22	1.15
Using traditional channels to communicate with investment community	5.71	1.06
Developing investment community relations guidance and updating periodically	5.64	0.91
Providing individual investors with core information from SEC filings in non-technical language	5.51	1.04
Voluntarily providing more information than disclosure regulation required	5.49	1.34
Using social media channels to communicate with investment community	5.42	0.94
Running campaigns to achieve investor relations goals and objectives	5.38	1.09
Interacting with shareholder advocacy groups to improve CSR practices	4.87	1.24

Figure 6. Skills and Practices to Manage Relationships with the Investment Community

Investor relations professionals reported that "responding to requests from shareholders, analysts, and stockbrokers in a timely and accurate manner" (*M* = 6.22) was the most important practice for effectively managing relationships with the investment community. Professionals also generally believed that "using traditional channels to communicate with investment community," (*M* = 5.71) "developing investment community relations guidance and updating periodically," (*M* = 5.64) and "providing individual investors with core information from SEC filings" (*M* = 5.51) were relatively important practices. "Voluntarily providing more information than disclosure regulation required" also received a relatively high mean score (*M* = 5.49), but this practice was more controversial than the others because it had a high standard deviation (*SD* = 1.34).

Further analysis found that professionals from corporations believed that "providing individual investors with core information from SEC filings" ($M = 5.91$, $N = 24$) was more important than did those from agencies ($M = 5.22$, $N = 18$).

Three practices demonstrated the differences in perception between the various age groups. The younger the respondents were, the more importance they attached to "providing individual investors with core information from SEC filings in non-technical language," "voluntarily providing more information than disclosure regulation required" and "interacting with shareholder advocacy groups to improve CSR practices." This indicated that the younger generation of professionals was more willing to seek mutual benefit for investors and their firms, reflecting the emergence of two-way communications methods in investor relations activities.

Number of years of experience as an investor relations professional	More than 10 years ($N = 12$)	5 to 10 years ($N = 19$)	Less than 5 years ($N = 14$)
Providing individual investors with core information from SEC filings in non-technical language	5.08	4.92	4.17
Voluntarily providing more information than disclosure regulation required	5.74	5.63	5.00
Interacting with shareholder advocacy groups to improve CSR practices	5.85	5.62	5.31

Figure 7. Differences among Respondents with Difference Levels of Experience

#3. Assisting the senior management team (*N = 45*)

	Mean	SD
Developing investor relations messages based on operational and managerial changes	5.93	1.03
Providing senior management with investors' perceptions of the company's non-financial dimensions	5.91	1.28
Providing market intelligence for use in strategic decision-making	5.71	1.25
Monitoring and summarizing analysts' reports for senior management	5.67	1.19
Providing Regulation FD training to all spokespersons	5.62	1.27
Providing senior management with investors' perceptions of the company's financial dimensions	5.55	1.07
Providing senior management with the implications of information disclosure regulation and policies	5.53	1.12
Keeping the senior management team apprised of publicly disclosed information	5.47	1.20

Figure 8. Skills and Practices for Assisting the Senior Management Team

Investor relations professionals perceived "developing investor relations messages based on operational and managerial changes" and "providing senior management with investors' perceptions of the company's non-financial dimensions" (*M* = 5.93 and 5.91, respectively) as the most important practices for effectively assisting the senior management team. Practitioners also reported that "providing market intelligence for use in strategic decision-making" (*M* = 5.71), "monitoring and summarizing analysts' reports for senior management" (*M* = 5.67) and "providing Regulation FD training to all spokespersons" (*M* = 5.62) were moderately important.

Despite "providing senior management with investors' perceptions of the company' different opinions on this approach (*SD* = 1.28). Practitioners from corporate financial departments did not perceive this item (*M* = 5.50, *N* = 6) to be as important as did their colleagues from investor relations departments (*M* = 6.24, *N* = 18). Professionals who worked in investor relations departments and agencies believed that "developing investor relations messages based on operational and managerial changes" was a more widely accepted practice (*M* = 6.18, *N* = 18; *M* = 6.06, *N* = 18, respectively) than did professionals with corporate financial affiliations (*M* = 5.67, *N* = 6). Professionals from corporations considered "monitoring and summarizing analysts' reports for senior management (*M* = 5.85, *N* = 24)" more important than did those from agencies (*M* = 5.28, *N* = 18).

Practitioners with corporation financial department affiliations reported that "providing senior management with investors' perception of the company's financial dimensions" (*M* = 6.00, *N* = 6) was the most important practice for assisting senior management. Conversely, practitioners from investor relations departments perceived "providing senior management with investors' perceptions of the company's non-financial dimensions" (*M* = 6.24, *N* = 14) to be most important. This difference revealed variations in approaches between department, despite the fact that all the respondents were corporate investor relations professionals.

Professionals with more than five years of experience rated "providing senior management with investors' perceptions of the company's non-financial dimensions" (*M* = 6.23, *N* = 32) the most important practice, while younger professionals with less than five years of experience reported that "developing investor relations messages based on operational and managerial changes” (M = 5.85, N = 14) was more important than other practices.

#4. Complying with disclosure regulation and policy in the process of information disclosure (N = 45)

	Mean	SD
Acquiring proficiency in Regulation FD and the Sarbanes-Oxley Act	6.07	1.27
Correcting/updating material changes in information effectively	6.02	1.06
Selecting effective dissemination methods for information disclosure	6.02	1.14
Selecting effective dissemination methods to respond to market rumors	5.69	0.95
Developing corporate disclosure policy and updating it periodically	5.60	1.16
Acquiring proficiency in other disclosure regulation and policy	5.44	1.16
Educating employees about necessary disclosure regulation and policy	5.33	1.15
Consulting financial experts about regulation implications effectively	5.31	1.08

Figure 9. Skills and Practices for Complying with Disclosure Regulation in the Process of Information Disclosure

Professionals reported that “acquiring proficiency in Regulation FD and the Sarbanes-Oxley Act” (M = 6.07) was the most important practice for effectively complying with disclosure regulation and policy. “Correcting/updating material changes in information effectively” and “selecting effective dissemination methods for information disclosure” (M = 6.02 and 6.02 respectively) were considered relatively more important than the other practices. Practitioners also regarded “selecting effective dissemination methods to respond to market rumors” and “developing corporate disclosure policy and updating it periodically” (M = 5.69 and 5.69 respectively) as somewhat important approaches.

Professionals from corporations rated “consulting financial experts about regulation professionals from agencies believed that “correcting/updating material changes in information effectively” ($M = 5.56$, $N = 18$) was more important than the other practices. Professionals from corporate investor relations departments attached more importance to “educating employees about necessary disclosure regulation and policy” ($M = 5.18$, $N = 18$) than did those from agencies ($M = 4.56$, $N = 18$).

Professionals with more than ten years of experience rated “acquiring proficiency in Regulation FD and the Sarbanes-Oxley Act” ($M = 5.08$, $N = 13$) as the most important practice. The group with five to ten years of experience believed that “selecting effective dissemination methods for information disclosure” ($M = 5.84$, $N = 18$) was the most important practice, and practitioners with less than five years of experience thought that “correcting/updating material changes in information effectively” ($M = 5.69$, $N = 14$) was more important than the other approaches. Young professionals considered several practices more important than did their elder colleagues, as is shown in the following figure.

Number of years of experience as an investor relations professional	More than 10 years ($N = 12$)	5 to 10 years ($N = 19$)	Less than 5 years ($N = 14$)
Acquiring proficiency in Regulation FD and the Sarbanes-Oxley Act	5.08	5.26	5.31
Selecting effective dissemination methods to respond to market rumors	4.50	5.11	5.46
Developing corporate disclosure policy and updating it periodically	3.58	4.63	4.77
Selecting effective dissemination methods for information disclosure	4.25	4.74	4.85
Correcting/updating material changes in information effectively	4.92	5.68	5.69

Figure 10. Differences between Respondents with Difference Levels of Experience

Professionals with less than five years of experience were usually non-management employees or first-line managers whose major responsibilities were performing assignments given to them by their superiors. Although investor relations was regarded as a strategic management function, their responsibilities were relatively more technical and fundamental, and required them to have a good knowledge of disclosure regulations and communication methods. “Having a corporate disclosure policy, and following it, can bring structure and discipline to the disclosure process” (NIRI, 2003). Depending on its completeness, disclosure policy can reduce investor relations practitioners’ risk against SEC regulations and the company’s interest.

#5. Managing crisis communication from an investor relations perspective (*N = 45*)

	Mean	SD
Using effective technologies to conduct environment scanning and to identify problems	6.07	1.05
Previewing any information that will go public during crises to ensure that it conforms with disclosure regulation	5.73	1.03
Employing a negative news/crisis response system to inform investors	5.56	1.12
Preparing to be involved as a prioritized or substitute member of a crisis communication team	5.51	1.08
Evaluating the effectiveness of investor relations efforts after crises	5.40	1.07
Identifying key publics in different crisis scenarios and implanting key messages for different stakeholder groups	5.33	0.98
Implementing investor relations action sessions as part of entire crisis communication plans and updating them periodically	5.33	0.93
Developing effective investor relations issue management programs to reduce the risk of crises	5.18	1.21

Figure 11. Skills and Practices for Managing Crisis Communication from an Investor Relations Perspective

Professionals generally perceived "using effective technologies to conduct environment scanning and to identify problems" ($M = 6.07$) as the most important practice for managing crisis communications from an investor relations perspective. Practitioners perceived the following practices to be somewhat important: "reviewing any information that will go public during crises to make ensure that it conforms with disclosure regulation," "employing a negative news/crisis response system to inform investors" and "preparing to be involved as a prioritized or substitute member of a crisis communication team" (M = 5.73, 5.56 and 5.51, respectively).

to conduct environment scanning and to identify problems” was the most important approach ($M = 6.09$, $N = 24$ and $M = 6.00$, $N = 18$, respectively). Practitioners from corporations rated “preparing to be involved as a prioritized or substitute member of a crisis communication team” ($M = 5.78$, $N = 24$)” as much more important than did practitioners from agencies ($M = 5.11$, $N = 18$).

Professionals with different levels of experience shared the same view that “using effective technologies to conduct environment scanning and to identify problems” was the most effective practice. Younger professionals with less than five years of experience rated “employing a negative news/crisis response system to inform investors” as more important ($M = 6.00$, $N = 14$) than did professionals with five to ten years experience ($M = 5.58$, $N = 18$) and professionals with more than ten years experience ($M = 5.17$, $N = 12$), indicating that the younger generation tended to underscore new communication technologies in their works.

#6. Improving public relations and communications skills and knowledge (*N = 45*)

	Mean	SD
Improving written and verbal communications skills	6.24	0.96
Improving skills and knowledge of traditional media as communication channels	5.91	1.04
Improving public relations research skills and knowledge	5.58	0.99
Improving skills and knowledge of social media as communication channels	5.58	0.97
Improving public relations campaign planning and execution skills and knowledge	5.53	1.01
Improving understanding of the professional ethics of public relations	5.33	1.30
Improving graphic design skills and knowledge	5.13	1.04
Improving knowledge of the theory of public relations	5.02	1.25

Figure 12. Skills and Practices for Improving Public Relations and Communications Skills and Knowledge

Professionals reported that "improving written and verbal communications skills" (M = 6.24) as significantly more important than the other practices for improving communications skills and knowledge. Investor relations professionals perceived the following practices to be relatively more important than the others: "improving skills and knowledge of traditional media as communication channels," "improving public relations research skills and knowledge" and "improving skills and knowledge of social media as communication channels" (M = 5.91, 5.58 and 5.58 respectively). "Improving public relations campaign planning and execution skills and knowledge" (M = 5.53) and "improving understanding of the professional ethics of public relations" (M = 5.33) were perceived as somewhat important practices.

Investor relations professionals from agencies rated “improving writing and verbal communication skills” as more important (M = 6.54) than did the other respondents. Professionals from corporations believed that “improving skills and knowledge of traditional media as communication channel” was more important (M = 6.13, N = 24) than did professionals from agencies (M = 5.67, N = 18).

Professionals with more than ten years of experience and those with five to ten years of experience perceived “improving skills and knowledge of traditional media as communication channels” to be more important (M = 6.08, N = 13; M = 6.00, N = 18) than did those with less than five years of experience (M = 5.67, N = 14). Professionals with more than five years of experience believed that “improving knowledge of the theory of public relations” (M = 5.1, N = 31) was more important than did the younger generation with less than five years of experience (M = 4.56, N = 14).

#7. Improving finance and accounting skills and knowledge (*N = 45*)

	Mean	SD
Improving knowledge of equity markets	6.16	0.98
Improving skills and knowledge of financial communication tools and methods (road shows, conference calls, investor meetings, forward-looking statements, etc.)	6.14	0.98
Improving knowledge of business management	6.00	0.89
Improving understanding of finance and accounting professional ethics	5.77	1.14
Improving knowledge of the investment community	5.73	0.98
Improving skills and knowledge of SEC fillings	5.67	1.22
Improving knowledge of financial institutions	5.60	1.07
Improving knowledge of accounting	5.44	0.87

Figure 13. Skills and Practices for Improving Finance and Accounting Skills and Knowledge.

Investor relations professionals perceived the following three practices to be the most important: "improving knowledge of equity markets", "improving skills and knowledge of financial communication tools and methods" and "improving knowledge of business management" (*M* = 6.16, 6.14 and 6.00 respectively). The following practices were considered somewhat important by practitioners: "improving understanding of finance and accounting professional ethics," "improving knowledge of investment community," "improving skills and knowledge of SEC fillings" and "improving knowledge of financial institutions" (*M* = 5.77, 5.73, 5.67 and 5.60 respectively).

Professionals from corporations reported that "improving skills and knowledge of financial communication tools and methods" (*M* = 6.32, *N* = 24) was the most important practice, while professionals from agencies believed that "improving knowledge of equity markets"

($M = 6.28$, $N = 18$) was the most important practice. Their perceptions of the other six practices were very similar.

Professionals with more than ten years of experience and those with less than five years of experience reported that “improving skills and knowledge of financial communication tools and methods” ($M = 6.25$, $N = 12$; $M = 6.20$, $N = 14$, respectively) was the most important practice, while professionals with five to ten years of experience perceived “improving knowledge of equity markets” ($M = 6.37$, $N = 18$) to be the most important.

5. Conclusions and Discussion

5.1 Relationship Building Is the Main Theme of Nowadays Investor Relations

The first research question aims to investigate professionals' perceptions of key objectives in investor relations activities. The results reveal that professionals believe relationship building with the investment community, media and senior management are the three most important objectives. After nearly 70 years of development, the modern profession of investor relations remains it's functions from "the communication era" and the "the financial era," whose integration entrusts the profession prestige to be involved in business development as a strategic management function.

Investor relations practitioners no longer merely represent the corporations and agencies they work in, but also devote time and effort to building effective two-way communication between a company and its financial community. Besides providing both financial and non-financial information and generating publicity, investor relations practitioners are becoming more important as a liaison between the company and it's outside audiences. By establishing and maintaining a stable and mutually beneficial relationship with the financial community, investor relations professionals are reliable and transparent sources of all kinds of company information.

The study also shows that investor relations professionals tend to perceive practices that embodies Grunig's excellent theory more important than other listed practices in the survey. The value of investor relations comes from the relationship that corporations develop and investor relations than from the messages that professionals disseminate. Excellent investor relations practices that build and maintain relationships with media and the investment community effectively improve corporations' financial reputations. Corporations with favorable financial reputations are more likely to have good prospects for long-term financial performance (Dolphin, 2004).

5.2 Empowerment of the Investor Relations Function

Laskin (2014) found that the investor relations was still predominately overseen by the CFOs, despite that the importance of investor relations was recognized at organizations and was structured as a standalone department. Hoffman & Fieseler (2011) elucidated that "investor relations is the core access point of the financial community to the organization" and "management should not limit their investor relations departments to mere financial reporting." The results of this study show that investor relations professionals provide technical support to senior management by providing knowledge and implications about information disclosure process, monitoring analyst reports and developing investor relations messages. More importantly, investor relations professionals believe that they should be responsible for reporting non-financial dimensions of market intelligence to senior management for long-term strategic decision-making.

The results are also congruent with Grunig's theoretical propositions of the empowerment of public relations function in excellent communication theory. Grunig (2006) suggested that public relations functions must be empowered as a distinctive and strategic managerial function by involving the senior public relations executive in the strategic management process of the organization. Therefore, the author suggests that the function of investor relations should be empowered in corporations by senior management to give full play to investor relations professionals' expertise. The future research may explore the ways of improving corporate structures to enable investor relations to be empowered and more effective.

5.3 The Landscape of Corporate Information Disclosure Is Dynamic

Corporate information disclosure is a heavily researched area of investor relations by both communications researchers and accounting researchers. In this study, participants perceived that managing relationships with media and the investment community and assisting the senior management were somewhat more important than disclosing information. This doesn't mean that financial disclosure is no longer important among their activities. The author believes that all other responsibilities of investor relations are derived from its function of corporate information disclosure.

The study finds that professionals must acquire proficiency in Regulation FD and Sarbanes-Oxley Act and report information in a timely and accurate manner. Corporate information disclosure is greatly associated with a company's stock prices and market capitalization, and professionals must delicately organize information, especially material information, and selective effective dissemination methods for information disclosure. Professionals also reported that they are highly responsible for correcting and updating material changes in information and respond to market rumors.

Information disclosure is no longer simply a technical activity to disseminate information, but it is considered to be part of the integrated corporation communication and conducted in a more strategic way. Corporations no longer play the dominant roles in the process of information disclosure, and their strategies of disclosing information must be developed based on market participants’ needs for information and behaviors of assimilating information.

5.4 Professionalism in Investor Relations

As a interdisciplinary profession, investor relations requires a sophisticated understanding of equity markets, communication, accounting practices, corporate governance and law compliance. The development of professionalism is closely related to the state of education. Laskin (2014) elucidated that there were no majors or minors in investor relations for undergraduate students in the United States. A few schools provide required or selective investor relations, finance, accounting, and business management courses to senior and graduate public relations students. However, these courses are not able to fully prepare public relations students as qualified investor relations practitioners, even for entry-level positions. Anther factor that restricts the development of the professionalism in investor relations is that there lacks standards for profession qualifications, which makes it difficult for non-professionals understanding it’s roles and responsibilities.

in both communications and finance areas. The results reveal that knowledge and skills of writing and verbal communication, traditional media channels, public relations research, and social media channels and public relations campaign are the perceived fundamental communications abilities in investor relations. In the meantime, knowledge and skills of equity markets, financial communication tools, business management, accounting and the investment community are perceived to be highly necessary in investor relations activities. Additionally, familiarity with information disclosure regulation and understanding of regulatory bodies are what investor relations practitioners must equip with.

The results bring implications to investor relations professionals, prospective professionals, and scholars by providing a rudimentary matrix of professional qualifications. However, the results are limited by the small and non-random sample the author used. Future research can be focused on establishing an education framework for investor relations and adopt qualitative research methodology to fully explore this topic.

5.5 Investor Relations in Corporations and Agencies

The research also found there are some differences of perceptions between investor relations professionals from corporations and agencies. Investor relations professionals who work in corporations perceive managing relationships with the members of the investment community as the most important objective. One possible reason for this is that the financial community is the most valuable group for corporate investor relations practitioners because they can bring equity capital and generate positive analyst research reports for the corporation.

Investor relations professionals from agencies believed that managing relationships with media as the most important objective. Agency practitioners serve different corporations and organizations, which have different investment communities. Investment media are their most valuable resources, which can be used no matter which organization the agency is working for.

The results also revealed that investor relations professionals from corporations think internal communications and crisis communications are relatively more important than professionals from agencies think. In-house investor relations departments are more familiar with their organizations' structure and business environment, therefore their responsibility of assisting the senior management with communications aimed at employees and employee shareholders, as well as managing crisis communication would be more effective than outside agencies. In the final analysis, they are more willing to consult professional experts to conduct effective investor relations.

5.6 One Goal, but Different Objectives

Nowadays, the goal of investor relations is to help corporations achieve fair valuation of its securities. The study finds that professionals with different years of experience have different objectives to achieve that goal. Participants were divided into three groups categorized by years of experience: more than ten years, from five to ten years and less than five years.

Professionals with more than ten years of experience, who were usually heads of corporate most important investor relations objective. The results reveal that those professionals are involved in corporate management and strategic decision-making process, which indicates the increased recognition of investor relations in corporations.

Investor relations objective	Mean (N = 12)
Assisting the senior management team	6.25
Managing relationships with media	6.17
Managing relationships with the investment community	6.00
Complying with regulations and policy in process of information disclosure	5.58
Improving the professionals image of investor relations	5.42

Figure 14. Top 5 Objectives for professionals with more than ten years of experience

Perceptions of professionals with five to ten years of experience, who are mostly mid-level managers in corporations or agencies, are stable and moderate[6]. They will change the landscape of investor relations within the next five to ten years, so their perceptions are very important to the research and understanding of the investor relations profession. The results show that they primarily focus on relationship management with media and the investment community as well as information disclosure process. They don't involve as much as their elder colleagues in senior management activities. They value the measurement of investor relations effectiveness, which may contribute to the improvement of measurement standards within a few years.

Investor relations objective	Mean (N = 20)

Managing relationships with the investment community	6.26
Managing relationships with media	6.26
Complying with regulations and policy in process of information disclosure	6.00
Assisting the senior management team	5.89
Improving the measurement of communication effectiveness	5.68

Figure 15. Top 5 Objectives for professionals with five to ten years of experience

Professionals with less than five years of experience are generally entry-level practitioners or first-line managers in corporations and agencies. Their opinions are greatly influenced by professionals with five to ten years of experience, who supervise them as team leaders. They are in the process of absorbing knowledge and improving understanding of the investor relations profession, so they believe it is still important for them to learn more specific and fundamental skills and knowledge in both communications and finance area.

Investor relations objective	Mean ($N = 13$)
Managing relationships with the investment community	6.08
Managing relationships with media	5.92
Improving public relations/communication skills and knowledge	5.92
Improving finance/accounting skills and knowledge	5.77
Complying with regulation and policy in process of information disclosure	5.62

Figure 16. Top 5 Objectives for professionals with less than five years of experience

The research reveals differences among professionals with different years of experience, but research may explore this question by in-depth interviews and focus groups.

6. Limitations and Future Research

This research study has several limitations. First, the author used the PRSA Financial Communications Sections' members as a convenience sample, which was small and nonrandom. Although the participants from professional associations were highly representative, the sampling methods may limit this research's generality, and the reader must be careful when applying the results of this study to the statistical population, since the external validity of the results was restricted.

Another limitation was the technical difficulties that the author faced when applying for IRB approval to launch this survey online. It usually takes a few weeks for applicants to receive their approvals, but the author waited almost eight weeks to receive the research approval. If this process had not been delayed, the author would have had more time to conduct the survey and possibly to improve the response rate.

More academic research is still needed in the field of investor relations. This study provides descriptive results of investor relations professionals' perceptions of important skills and knowledge in this area. Researchers could conduct additional qualitative research, such as in-depth interviews, case studies and focus groups, to uncover more insights and advance the understanding of this profession. This study covered many objectives and practices but could not come to detailed conclusions about each objective and practice. Future research could focus on a few of them to improve the understanding of specific issues that are important in this field. As described above, one of this research's limitations was its convenience and nonrandom sample. This research could be duplicated with a more general probability sample in the United States and in other countries.

Appendices

Appendix A Consent Form

Syracuse University IRB Approved

AUG 7 - 2015 AUG 6 - 2016

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Project Title:
Investor Relations: A Study of Perceived Fundamental Skills and Practices in Corporations and Agencies

Consent Form

Department of Public Relations
S. I. Newhouse School of Public Communications
Syracuse University
215 University Pl, Syracuse, NY 13244

Dear Investor Relations Professionals:

My name is Shuyi Li, a public relations graduate candidate from S.I. Newhouse School of Communication, Syracuse University. With supervision of the Principal Investigator, Professor William Jasso, APR, fellow Public Relations Society of America, we are conducting a research on the professional skills and practices in the field of investor relations. This research aims to explore the characteristics of perceived fundamental skills and knowledge in investor relations, which will contribute to the existing literature about investor relations and provide practitioners and scholars with the updated knowledge about this profession.

We invite you to participate in this research study. Involvement in this study is voluntary, and you may choose not to participate in it. It will take approximately ten minutes to fill out the questionnaire attached, which is accessible through a separate link hosed by *Qualtrics* towards the end of this letter. All information will be kept confidential. Data and results will be restored as digital files in Student Researcher Shuyi Li's encrypted personal laptop. Only the Principle Investigator and Student Researcher will have access to the data.

You will not be asked to provide any personal identifying information as part of the survey. It is your option if you wish to receive a copy of the report of the research findings to provide your email address at the end of the survey. However, this is not mandatory. The research findings will provide the society with an updating benchmark of investor relations practices. The email address will not be linked to any individual responses, and the survey data and email addresses will be stored separately.

Syracuse University IRB Approved

AUG 7 - 2015 AUG 6 - 2016

Department of Public Relations
S. I. Newhouse School of Public Communications
215 University Place
Syracuse, NY 13244
(Phone) 315-396-1035

Project Title:
Investor Relations: A Study of Perceived Fundamental Skills and Practices in Corporations and Agencies

Consent Form

Department of Public Relations
S. I. Newhouse School of Public Communications
Syracuse University
215 University Pl, Syracuse, NY 13244

Dear Investor Relations Professionals:

My name is Shuyi Li, a public relations graduate candidate from S.I. Newhouse School of Communication, Syracuse University. With supervision of the Principal Investigator, Professor William Jasso, APR, fellow Public Relations Society of America, we are conducting a research on the professional skills and practices in the field of investor relations. This research aims to explore the characteristics of perceived fundamental skills and knowledge in investor relations, which will contribute to the existing literature about investor relations and provide practitioners and scholars with the updated knowledge about this profession.

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You will not be asked to provide any personal identifying information as part of the survey. It is your option if you wish to receive a copy of the report of the research findings to provide your email address at the end of the survey. However, this is not mandatory. The research findings will provide the society with an updating benchmark of investor relations practices. The email address will not be linked to any individual responses, and the survey data and email addresses will be stored separately.

Appendix B Online Survey Questionnaire

Survey of Perceived Best Practices in Investor Relations

I. Introduction

This survey is designed to research the perceived fundamental professional skills and practices in the field of investor relations by involving professionals from corporations and agencies. The purpose of this study is to provide practitioners, prospective practitioners and educational instructors with insight into the demographics of the skill sets that are important for excellent investor relations.

The researcher, Shuyi Li, is currently a graduate student majoring in public relations from S.I. Newhouse School of Communication, Syracuse University. The study results will serve as major contribution to her master's thesis.

The survey takes approximately 10 minutes to complete. By beginning the survey, you are giving the researcher your informed consent to participate. The risks associated with this study are minimal.

II. Confidentiality

Your answers will be kept strictly confidential. Results will only be reported in aggregate after being combined with other respondents' answers. No information that specifically identifies you or your organization will be released without your written consent.

If you have any questions, concerns, complaints about the research including data security or confidentiality, please contact: Shuyi Li at 315 396 1035 or sli94@syr.edu.

If you have any questions about your rights as a research participant or you have questions, concerns or complaints that you wish to address to someone other than the investigator and you cannot reach the investigator, contact the Syracuse University Institutional Review Board at 315 443 3013.

III. Consent Protocol

Dear Investor Relations Professional:

My name is Shuyi Li, a public relations graduate candidate from S.I. Newhouse School of Communication, Syracuse University. Under the supervision of the principal investigator, Professor Bill Jasso, APR, we are conducting research on the perceived fundamental professional skills and practices in the field of investor relations. This study is part of my master's thesis that aims to provide entry-level practitioners and educational instructors with insight into the demographics of skill sets that are important to excellent investor relations.

We sincerely invite you to participate in this research study. Involvement in this study is to fill out the questionnaire attached, which is accessible through a separate link hosed by Qualtrics toward the end of this letter. All information will be kept confidential. Data and results will be stored as digital files in student researcher Shuyi Li's encrypted personal laptop. Only the principal investigator and the student researcher will have access to the data.

The risks to you of participating in this study are that the survey will ask you private questions about your email address: ________________________. The answer to this question is not mandatory. Those who answer all the questions and leave an email address will receive the report of the final results as a mark of appreciation.

Contact Information:

If you have any questions, concerns or complaints about the study, contact Bill Jasso at wgjasso@syr.edu or Shuyi Li at sli94@syr.edu. If you have any questions about your rights as a research participant, contact Syracuse Institutional Review Board at 3154433013. You must be 18 years or older to participate in this study and have at least six months' experience as an investor relations professional. Your participation is completely voluntary, and you may skip any question or discontinue the survey at any time without effect.

We greatly appreciate your participation.

Sincerely,
Bill Jasso, APR
Principal Investigator

Shuyi Li
Student Researcher

All my questions have been answered, I am 18 years of age or older, and I wish to participate in this research study. I have received a copy of this consent form via email. (Please print the electronic consent emailed with this questionnaire for your record.)
☐ Yes, I give my informed consent to participate in this study.
☐ No, I do not wish to participate in this study.

IV. Background Information

1. Which best describes the organization/department you work in?
☐ Corporate investor relations department
☐ Corporate financial department
☐ Investor relations agency
☐ Public relations agencies' investor relations sectors
☐ Investor relations freelancer

2. Which best describes your years of experience as investor relations professionals?
☐ More than 20 years
☐ 15 – 20 years
☐ 10 – 15 years
☐ 5 – 10 years
☐ 0 – 5 years

3. Which best describes your education background?
☐ Business
☐ Communication
☐ Both business and communication
☐ Other, please specify: ___________________

V. Key Objectives

Please indicate each objective's importance to achieving excellent investor relations according to your experience as an investor relations professional.

	Not at all important	Very unimporta nt	Somewhat unimportant	Neither important nor unimportant	Somewhat important	Very important	Extremely important
Assisting the senior management team							
Communicating with employees and employee shareholders							
Complying with regulation and policy in the process of information disclosure							
Improving public relations and communications skills and knowledge							
Improving finance and accounting skills and knowledge							
Improving the measurement of communications							

Improving the professional image of investor relations							
Managing crisis communications from an investor relations perspective							
Managing relationships with media							
Managing relationships with the investment community							

VI. Fundamental Practices

1. Please indicate each item's importance for effectively assisting the senior management team.

	Not at all important	Very unimportant	Somewhat unimportant	Neither important nor unimportant	Somewhat important	Very important	Extremely important
Keeping senior management apprised of publicly disclosed information							
Providing Regulation Fair Disclosure training to all spokespersons							
Providing market intelligence for use in strategic decision making							
Providing senior management with investors' perceptions of the company's financial dimensions (e.g. financial performance, repurchase program, dividend change, etc.)							
Providing senior							

investors' perceptions of the company's in non-financial dimensions (e.g. management strategy, corporate reputation, credibility, etc.)							
Monitoring and summarizing analysts' reports for senior management							
Providing senior management with the implications of information disclosure regulations and policies							
Developing investor relations messages based on operational and managerial changes							

2. Please indicate each item's importance for effectively communicating with employees and employee shareholders

	Not at all important	Very unimporta nt	Somewhat unimportant	Neither important nor unimportant	Somewhat important	Very important	Extremely important
Educating employee shareholders about regulations against insider trading							
Reminding employees that they are insiders when provided with material information and that they must not trade on the information							
Providing exclusive consultation to employees who want to invest in the company							

disclosure regulation							
Providing employee shareholders with the same information as nonemployee shareholders							
Providing employee shareholders with special editions of material information about the company that is fully public							
Monitoring and summarizing analysts' reports for senior management							
Providing employee shareholders with exclusive nonmaterial information about the company							
Utilizing employee shareholder resources by collecting and analyzing their opinions as company investors							

3. Please indicate each item's importance for effectively complying with disclosure regulation and policy in the process of information disclosure

	Not at all important	Very unimporta nt	Somewhat unimportant	Neither important nor unimportant	Somewhat important	Very important	Extremely important
Acquiring proficiency in Regulation FD and the Sarbanes-Oxley Act							
Acquiring proficiency in other disclosure regulation and policy (Dodd-Frank Act, state regulation,							

organization regulation, etc.)							
Consulting financial experts about regulation implications effectively							
Developing corporate disclosure policy and updating it periodically							
Providing employee shareholders with special editions of material information about the company that is fully public							
Educating employees about necessary disclosure regulation and policy							
Selecting effective dissemination methods for information disclosure							
Correcting/updating material changes in information effectively							

4. Please indicate each item's importance for effectively improving public relations and communications skills and knowledge

	Not at all important	Very unimporta nt	Somewhat unimportant	Neither important nor unimportant	Somewhat important	Very important	Extremely important
Improving written and verbal communication skills							
Improving graphic design skills and knowledge							
Improving public relations research skills and knowledge							

relations campaign planning and execution skills and knowledge							
Improving skills and knowledge of social media as communication channels							
Improving skills and knowledge of traditional media as communication channels							
Improving knowledge of the theory of public relations							
Improving understanding of the professional ethics of public relations							

5. Please indicate each item's importance for effectively improving finance and accounting skills and knowledge

	Not at all important	Very unimportant	Somewhat unimportant	Neither important nor unimportant	Somewhat important	Very important	Extremely important
Improving knowledge of equity markets							
Improving knowledge of the investment community							
Improving knowledge of financial institutions							
Improving knowledge of accounting							
Improving skills and knowledge of SEC fillings							
Improving skills and knowledge of business management							

knowledge of financial communication tools and methods (road shows, conference calls, investor meetings, forward-looking statement etc.)							
Improving understanding of finance and accounting professional ethics							

6. Please indicate each item's importance for effectively improving the measurement of communication effectiveness

	Not at all important	Very unimportant	Somewhat unimportant	Neither important nor unimportant	Somewhat important	Very important	Extremely important
Monitoring and analyzing media coverage of the company and its competitors							
Monitoring and analyzing analysts' coverage of the company and its competitors							
Developing measurement metrics in alignment with corporate strategic goals and objectives and updating them periodically							
Hiring communication experts to develop measurement metrics							
Focusing more on nonfinancial performance indicators than financial ones							
Using professional analytics tools to measure effectiveness							
Adopting recommended measurement standards from industry associations (PRSA, NIRI, NMEC, etc.)							
Using measurement to track progress and improve future							

7. Please indicate each item's importance for effectively improving the professional image of investor relations

	Not at all important	Very unimporta nt	Somewhat unimportant	Neither important nor unimportant	Somewhat important	Very important	Extremely important
Complying with the standards recommended by the National Investor Relations Institute (NIRI)							
Modeling appropriate behaviors as investor relations professionals							
Participating in professional ethics trainings							
Improving the professional image within the corporation you work in/for							
Improving the professional image within the financial industry you work in/for							
Improving the professional image within the public relations industry							
Supporting higher education programs							
Improving awareness of profession among your family and friends							

8. Please indicate each item's importance for effectively managing crisis communication in investor relations perspective

	Not at all important	Very unimportant	Somewhat unimportant	Neither important nor unimportant	Somewhat important	Very important	Extremely important
Implementing investor relations action sessions as part of entire crisis communication plans and updating them periodically							
Developing effective investor relations issues management programs to reduce the risk of crises							
Employing a negative news/crisis response system to inform investors							
Preparing to be involved as a prioritized or substitute member of a crisis communication team							
Improving the professional image within the financial industry you work in/for							
Identifying key publics in different crisis scenarios and implanting key messages for different stakeholder groups							
Previewing any information that will go public during crises to ensure that it conforms with disclosure regulation							
Evaluating the effectiveness of investor							

crises							

9. Please indicate each item’s importance for effectively managing relationships with media

	Not at all important	Very unimportant	Somewhat unimportant	Neither important nor unimportant	Somewhat important	Very important	Extremely important
Developing media relations guidance and updating it periodically							
Creating and maintaining a media contact database							
Familiarity with media professionals’ duties							
Maintaining consistency when working with the media							
Using media relations management software							
Responding to media inquiries in a timely and accurate manner							
Inviting media to major events and workshops							
Improving understanding of media professional ethics							

10. Please indicate each item’s importance for effectively managing relationships with the investment community

	Not at all important	Very unimportant	Somewhat unimportant	Neither important nor unimportant	Somewhat important	Very important	Extremely important
Developing investment community relations guidance and updating it periodically							
Responding to requests from shareholders							

stockbrokers in a timely and accurate manner							
Using traditional channels to communicate with the investment community (email, phone, etc.)							
Using social media channels to communicate with the investment community							
Interacting with shareholder advocacy groups to improve CSR practices							
Voluntarily providing more information than disclosure regulation required							
Providing individual investors with core information from SEC filings in non-technical language							
Running campaigns to achieve investor relations goals and objectives							

VII. Reference

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Your participation in this research is highly appreciated. The researcher will be glad to share the results with you by the end of August. Please enter your email (optional), and your information will be kept confidential as required.

Email: ____________________________

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Vita

Shuyi Li was born in Inner Mongolia, China. After completing high school in her hometown, she entered Beijing International Studies University in Beijing, China. She received a Bachelor’s of Science with a major in economics from Beijing International Studies University in June 2014. In the same month, she entered the S.I. Newhouse School of Public Communications, Syracuse University as a master’s candidate majoring in public relations.