

JOB MARKET 2010

— SIMULTANEOUS CONTRACTION AND EXPANSION

BY JUDITH CUSHMAN

Investor relations professionals (like communications and public affairs practitioners) are experiencing the ground shifting under their feet as market opportunities and new tools bring about change in both the direction and the nature of the work they do. There are challenges and opportunities that require careful planning and navigating that can only be tackled by focusing attention on career decisions. Relying on instinct and what “feels” right — “*I’ll know it when I see it*” — is simply inadequate. It will take far more analysis, time and attention to avoid making mistakes.

Market shifts where there are both contractions and expansions at the same time result in segments where IR jobs vanish — e.g., large Pharma companies merge, while “green industries” supported by federal government incentives begin major expansions, such as in clean energy.

The influence of social media as a new tool for communications for internal purposes and for “key” influencer outreach has been discussed to the point of fatigue — and the line between inside and outside has blurred. Yet the conversation must continue. No one seems to have a clear picture of the impact on an organization when information can be disseminated peer-to-peer in minutes, while leadership is thinking top-down over time spans of hours or even days.

For the IR professional, who operates in an environment that is highly regulated, it is impossible to contain information that moves through and around barriers. The rules governing business practices are lagging behind real-world conditions.

What will IR jobs (and the same questions can be asked of internal/external communications and public affairs) look like over the next several years? And, what skills and talents will be necessary?

For public companies, the need for talented, capable, tactical manager- to director-level professionals will continue to be a priority. We simply operate in a complex business environment where main-

taining good business practices is a full-time position — requiring a thorough understanding of the regulatory environment. During these “lean” times, which I expect will continue through 2010, staffing, as a general guideline, will be held to a two-person department. Determining how to use social media while not taking the risk of being in the forefront of legal/policy setting practices, will be (if it is not already) a key new challenge.

Convergence — IR and Communications Functions

For IR practitioners with the skills and experience to work in the “clean energy” sector, for example, there is an opportunity, which has also marked the life sciences field, to take on a new challenge.

Telling a financial story about the future of an industry or about products that will take years to develop is about vision and intangibles. Why buy stock in a company that will be “operational” (e.g., windmill technology) or will bring a life-saving drug to market in 10 years? The ability to create excitement and to maintain loyalty among shareholders for the long term will be highly desirable. Yet there will be few IR professionals with that special mix of discipline and creativity to take on these dual responsibilities.

The leadership positions in IR will be most affected by the convergence of the various IR and communications functions. This

will come as a result of the impact of transparency and immediacy of information sharing via social media tools and the strategic needs of organizations.

The role of VP/IR — more than the director’s role — is strategic and influential at the CEO/board level. The VP is expected to have experience with, and offer guidance about, how the organization can use these tools to meet bottom-line goals. In some companies, the head of IR is part of a council where a consensus is reached about IR/communications/public affairs recommendations and programs. Or, a



vice president may take on several functions, if she or he has sufficient background.

As issues shift to presenting a company story about intangibles — vision and long-term growth vs. quarterly bottom-line performance — organizations may look to new functional areas for the talent to head the IR function, with a director capable of the “hands on” aspects of the function. So, there may be a corporate vice president of corporate public affairs who has IR, corporate communications and media relations responsibilities.

Career options in the midst of a recession are far more limited, and the competition is fierce for the jobs that are available. Interestingly, the salaries are still attractive, and ranges for director- and vice-president-level posts have remained stable.

Critical Task: Evaluate Your Goals

It is critical in the next few years for mid-level IR practitioners to evaluate their goals in light of the changing nature of the work. For those who enjoy the challenges of a classic IR role, you might

find a company that is in a mature industry with a well-defined IR program and learn about the trends in communication that can be applied to the organization over time. This is the classic role that can lead to a top position in a company that is mature and wishes to follow an established path.


For those who see the needs of organizations and who embrace change, the great challenge is how to prepare for these roles. While there are few companies that are leading-edge, once the trend is clear that a new breed of IR/communications professional is needed, the rush to hire will begin. It will be extremely valuable to a director on the VP track to gain exposure to the collaborative and team approach to forming communications policy and strategy. An understanding of the use of social media, gained from work on a task force or from volunteer work or education, will also be useful.

Be Prepared for Transitions

Another caveat: in a time of transition, change within your organization is to be expected. Within two to four years of joining a company, there will be major shifts in the organization with the possibility of new leadership and a change of control. If, in that case, you are associated closely with the former leadership, plan on being offered a package to leave. If your department is being reorganized and a new leader is hired, you should expect your job will be redefined. What will you do?

It is essential to develop an exit strategy in the case of a takeover or major reorganization. Expect the unexpected. It is better to be ready for a move than to be surprised. Monitor industry news. Watch job postings and see how jobs are being defined.

Spend time thinking through your talents and set realistic goals. If you intend to rise to a director level, you have many options beyond your current position — executing a senior, albeit, tactical role.

If you would like to join an organization that is writing the book on new IR/communications practices in a growing segment — such as environmental, genomics, energy, healthcare — your challenge is significant. Find opportunities to broaden your experience functionally: cross pollinate — learn and apply your knowledge of social media in your current work situation and stay as current as possible regarding new ways these tools are being used. Consider a lateral move to gain the experience you need. Or, if you have corporate experience and are offered a consulting post with the right learning opportunities, consider the value of that job as a stepping stone. 

Judith Cushman is president, *Judith Cushman & Associates*, Bellevue, WA (www.jc-a.com). E-mail: jcushman@jc-a.com

KEY QUESTIONS

These are the questions to ask yourself as IR practices change and you are evaluating career options:

- What do I enjoy most about IR? (If it is the actual preparation of material, handling the many essential tasks, then consider those jobs with long-term prospects leading to director-level positions.)
- How can I compete for the VP/IR position I will want in five years? Do I have the time to commit to the work it will take, particularly if I will need to change jobs to get the experience I need?
- What do I know about where I do my best work? What does that say about the culture and organizations that fit me best?
- Where can I work? What does my family think about a move? (Make no assumptions that they are all on board.)

Here are tips:

Avoid crisis decision making and surprises.

Do expect your organization to significantly change in two to four years, and plan to explore your options outside the company. Hopefully, you will not have to implement the plan, but if you do, you'll be ready.

Expect reorganizations and know that if corporate leadership or goals shift, your years of service are no guarantee that you are a “keeper.” Negotiate an excellent package and begin a job search expecting that it will last many months.

Ask yourself: How do I feel about the convergence of the various IR/communications/public affairs functions? Do I want to become an integrative leader? Proactively chose your assignments in-house to give you the experience you need. There is a window to learn and it is now. In a year or so, you will be expected to have answers.