

The Impact of the
COVID-19
Pandemic

*On Employment in the
Communications Industry*

Capstone Hill Search

March 2021

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Executive Overview

The COVID-19 pandemic of 2020 has had an impact on businesses around the globe. To protect employees and limit the spread of the coronavirus, businesses were forced to close their offices and restructure their staff to prevent the spread of the disease in the workplace. Rather than ceasing operations altogether, many businesses opted to use technology to enable employees to work-from-home, including communications, marketing, and public relations professionals.

To better understand the lasting impact of the pandemic on communications staffing, Capstone Hill Search conducted a global study to uncover staffing trends and ascertain the confidence organizations have concerning communications staffing going into 2021. What the survey uncovered was that while there has been a decided negative impact on marketing and communications staffing, the news isn't as bad as it could be. The survey also revealed that trends such as work-from-home are here to stay and that employers are planning to hire more personnel in 2021, although employees do not share the same level of optimism as employers when it comes to business recovery and hiring.

Overall, the picture for staffing in corporate communications and public relations is positive, and you can expect to see hiring rebound in 2021.

Methodology

During October and November 2020, Capstone Hill Search surveyed over 200 senior communications and public relations practitioners and employers around the world. Among those surveyed were communications executives at multiple Fortune 500 companies as well as FTSE- and NYSE-listed businesses. The objective was to garner a collective view of the impact of COVID19 on 2020 operations, specifically for communications and PR, and to assess the sentiment towards and forecasts for 2021.

Introduction

Everyone has been impacted by the COVID-19 pandemic of 2021, especially business. The global workforce, in particular, has been impacted by the coronavirus pandemic. Where possible, businesses embraced work-from-home policies to maintain productivity and limit employee risk. In some cases, the workforce was restructured, and headcount reduced to compensate for reduced revenue due to the pandemic.

To ascertain the impact of the COVID-19 pandemic on communications and public relations staffing, Capstone Hill Search conducted a global survey of Human Resources and Communications professionals. What we found is that, although sizable in terms of breadth, the depth of the impact of COVID19 and resulting market restrictions on communications as part of operations, revenue, and profitability is reported as relatively minor when compared with the broader market and complementary industries.

Reports of the impact on headcount tell a similar tale. The majority of businesses report some impact on the communications headcount, but it has had a lesser impact for most businesses. In fact, nearly half of those surveyed indicated plans to increase headcount by up to 20% and one quarter of those surveyed expect headcount to remain the same.

The most pronounced staffing trends reported are expected to continue through 2021 and beyond, particularly concerning the working environment and location. The most notable trend is a dramatic upturn in the acceptance of remote working as a longer-term, sustainable option.

Interestingly there are some noticeable differences of opinion between employers and employees. The biggest differences are in expectations about remuneration, and the timing and scale of return to work. More than two-thirds of employers indicated that they intend to rehire furloughed employees, although at lower numbers, and more than 40% are going to increase the number of freelance workers. At the same time, almost half of those communications workers surveyed said job security was their biggest concern going into 2021, with career advancement ranking second.

Perhaps the most encouraging finding is that industry employers and employees alike have an optimistic view of the commercial outlook for 2021.

Key findings

Revenue



Not surprisingly a significant number of businesses saw the pandemic have a direct impact on revenue. What is surprising is that 25% of businesses in the industry did not report a negative impact on their revenue during 2020. Of the businesses surveyed, 75% indicated they had seen a reduction in revenue during 2020. Of those businesses suffering reduced revenue, almost half (49%) had seen only a minor reduction of revenue with income reducing by just 10% or less. Only 13% of all businesses surveyed suffered a drop in revenue of more than 30% over the previous year.

How has COVID19 impacted your business to date; comparative to 2019

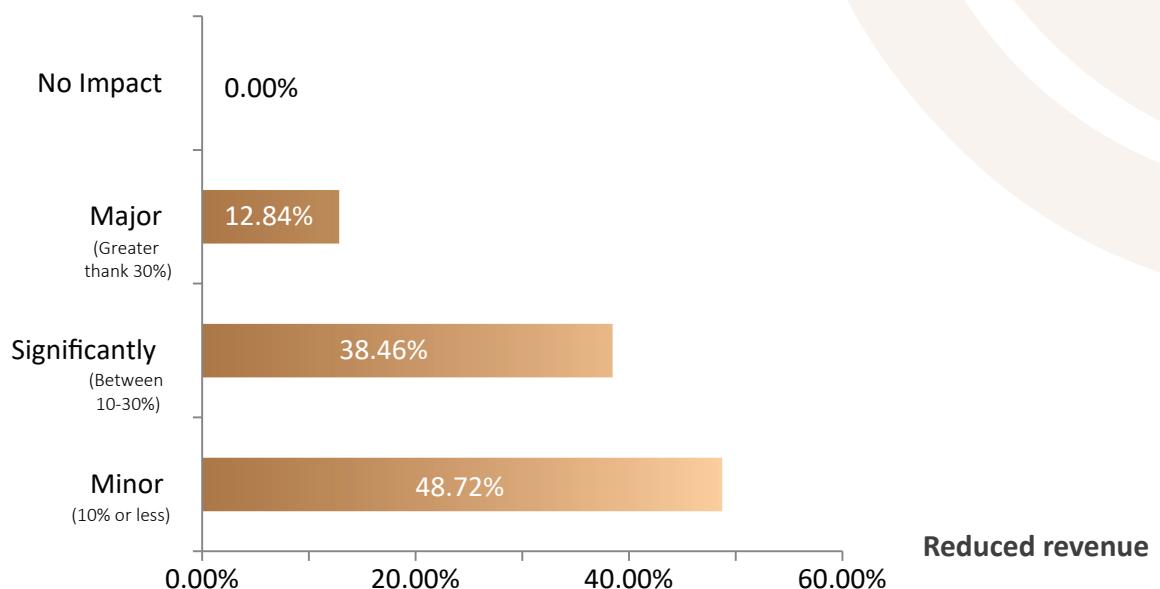
Impact of revenue on all businesses:

Revenue
declined

75%

Revenue
improved
or stagnated

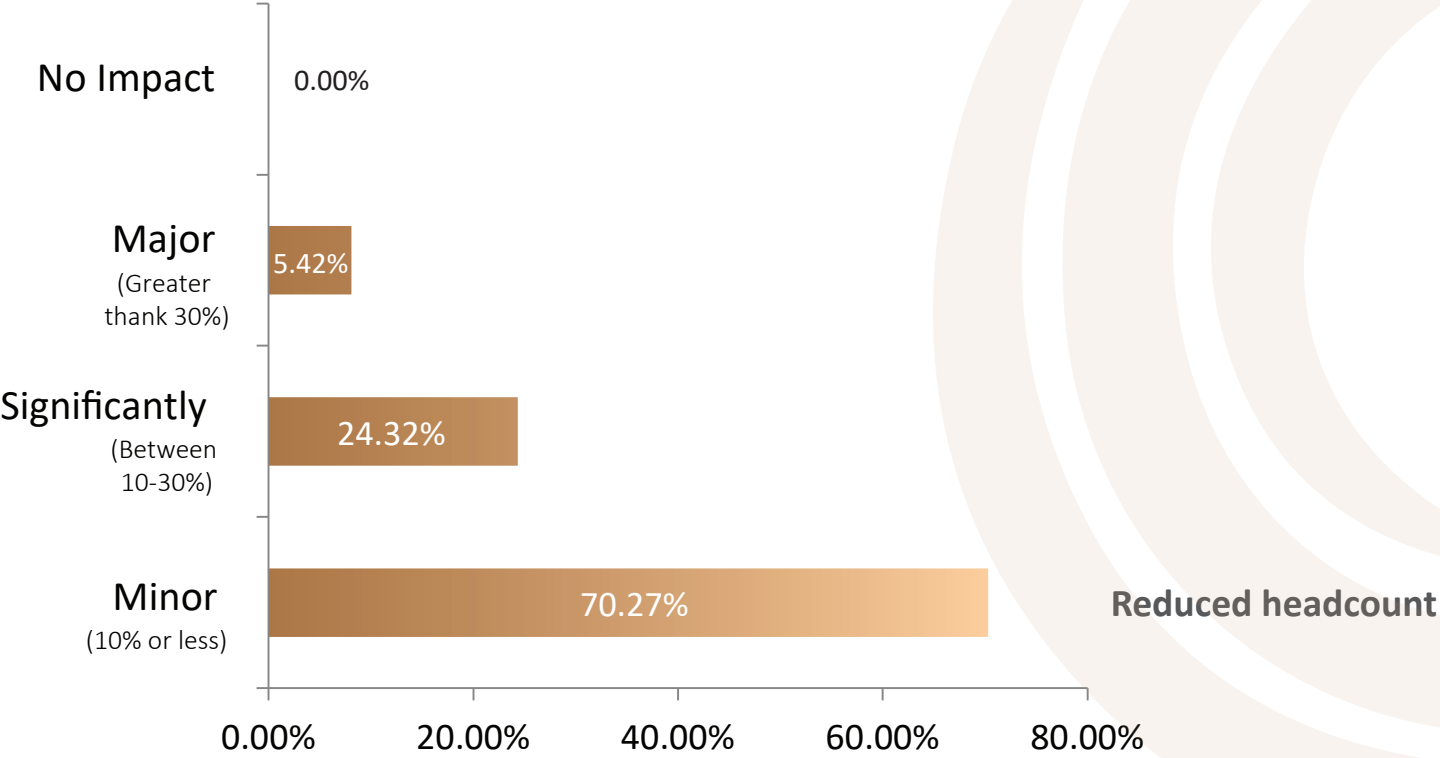
25%



Headcount



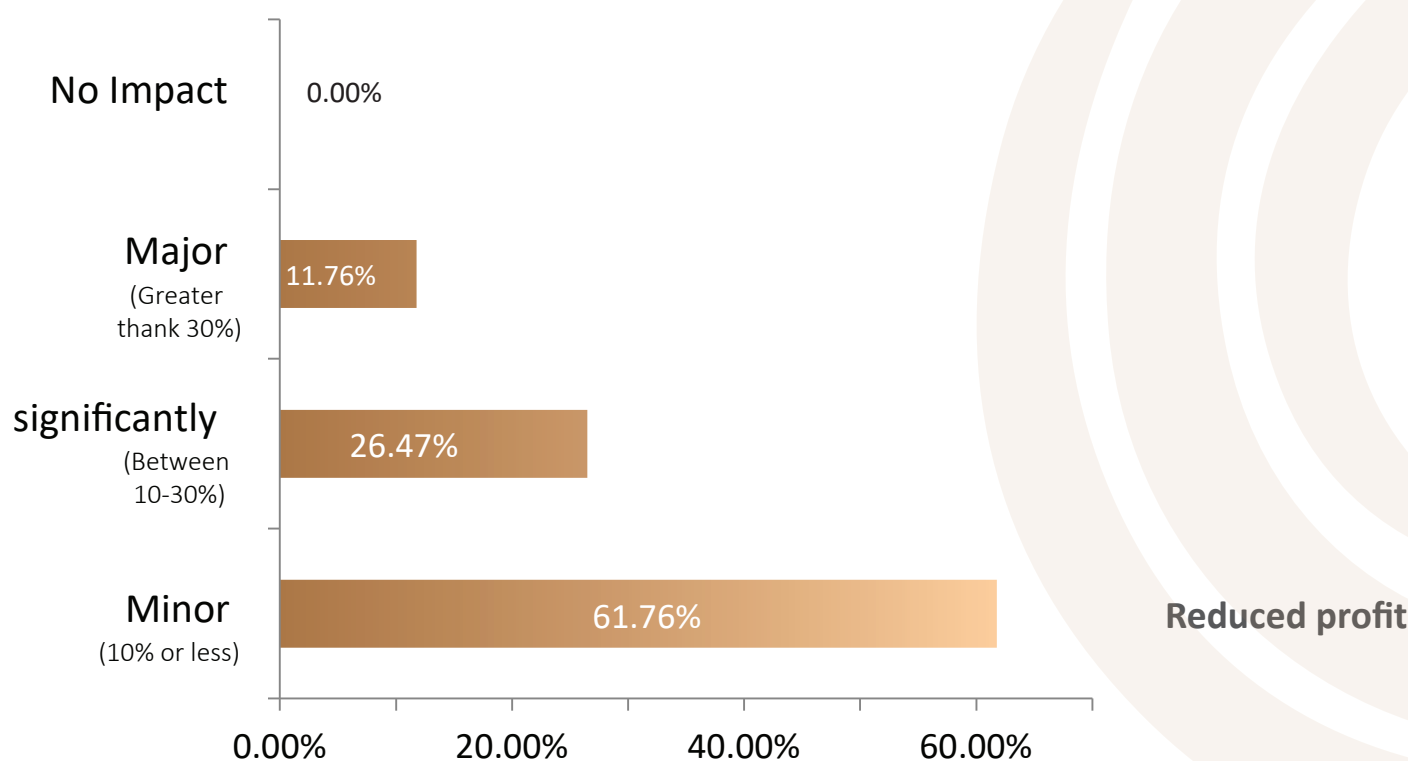
Impact on headcount appears to have been significant also with 71% of all employers confirming some degree of reduced headcount. Again, the depth of the impact was perhaps not as damaging as it could have been; the vast majority (70%), of those that experienced a negative impact on headcount, saw a reduction of 10% or less. Only 5% of all employers surveyed in the industry saw headcount reduce by 30% or more of their entire workforce.



Profits



Similar to revenue, there was a broad impact on profits across the majority of the businesses surveyed, with 65% reporting some reduction in profits during 2020. Our research shows that 62% of businesses saw a reduction in profits at a minimal level of less than 10%, while just 12% saw their profits reduced by greater than 30%. A significant number of businesses (26%) saw profit reduced by between 10% and 30%.



Working remotely



The survey suggests that the most pronounced impact of the pandemic to date has been the disruption to the standard working environment and the adoption of more work flexibility within the industry. Largely by necessity, 98% of all businesses surveyed have either implemented remote working practices or expanded their existing work-from-home arrangements. Looking forward, just 4% intend to discontinue remote working entirely while 78% of businesses intend to either maintain current arrangement or indeed expand their remote working programs.

During COVID19						
	IMPLEMENTED		EXPANDED		NOT SOMETHING WE OFFER	
Remote working	67.31%		30.77%		1.92%	
Flexible hours	49.02%		33.33%		17.65%	
Job sharing	24.00%		0.00%		76.00%	
Post COVID19						
	WILL CONTINUE	WILL EXPAND	WILL REDUCE	WILL INTRODUCE	WON'T INTRODUCE	WILL DISCONTINUE
Remote working	63.46%	13.46%	19.23%	0.00%	0.00%	3.85%
Flexible hours	77.55%	10.20%	4.08%	2.04%	6.12%	0.00%
Job sharing	30.95%	2.38%	4.76%	2.38%	59.52%	0.00%

Return to the office



Similarly, a full and rapid return to the traditional office environment does not seem likely. The survey shows that 13% of businesses have or expected to return to their offices during the final quarter of 2020. However, the majority have planned a return for Q1 2021, with as many as 15% of businesses surveyed expecting to never fully return.

Just 10% of businesses expect that return to include 100% of staff while 34% of businesses expect a return to the office to include less than 50% of their staff. Of the businesses surveyed, 28% expect a “full office” of the future to include between 50% and 75% of their staff, and 27% expect more than 75% of their workforce to return to the office.

Although the intent of those businesses surveyed signals a significant and ongoing change to the traditional office working environment, the findings from managers surveyed remain somewhat at odds to the extent of changes preferred by the workforce. Less than 1% of industry workers surveyed indicated that they would like to return to an office environment full time. Of workers surveyed, 48% said they would prefer a 50/50 split of their work time between home and office. Another 39% would prefer a balance that would be more work-from-home based, spending 3/4 of their time at home and 1/4 of the week in the office. Just 10% of workers would prefer to spend the balance of their week in the office - 3/4 of their time in the office and 1/4 at home.

Employers

When do you expect a full return to office working

ANSWER CHOICE	RESPONSES
We have already returned	3.85%
Q4 2020	9.62%
Q1 2021	46.15%
Q2 2021	15.38%
Later than Q2 2021	9.62%
Never	15.38%
TOTAL	24.00%

Employees

Working from home has been a necessity for many this year. Looking ahead, what percentage of your time would you prefer to work from home during 2021 and beyond

ANSWER CHOICE	RESPONSES
100%	2.33%
75%	38.76%
50%	48.08%
25%	10.08%
0% i'd prefer to return to office full time.	0.78%
TOTAL	

Hiring & Growth



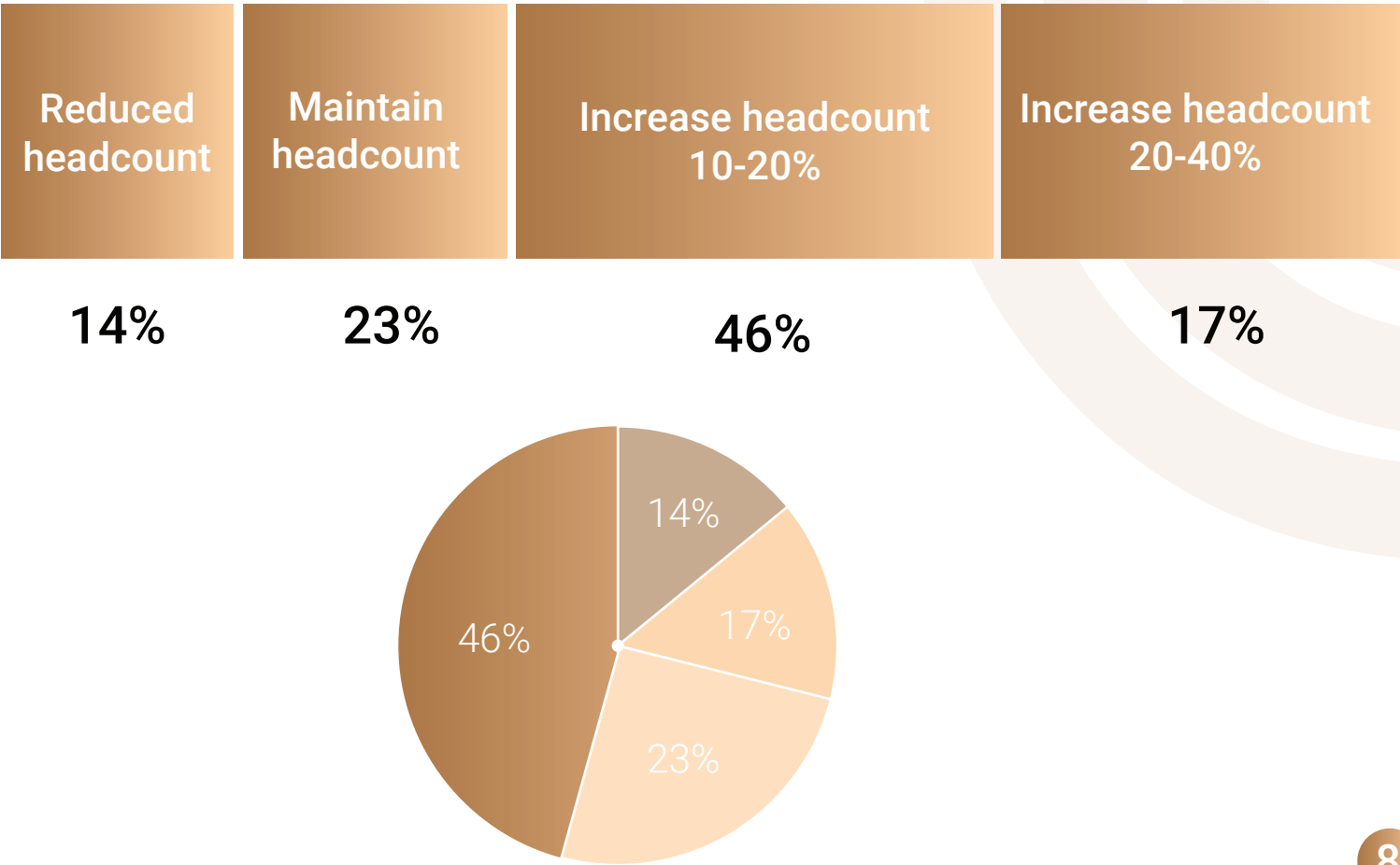
It is encouraging that 58% of businesses surveyed either did not stop hiring or are now hiring staff once again. Of those companies surveyed, 28% said they intend to begin hiring again before the end of the first quarter of 2021, another 6% will start hiring in Q2 2021, and the remainder sometime later in 2021

Growth



The survey shows that 46% of businesses intend to increase headcount by 10% - 20% in the next 12 months. Another 17% intend to increase headcount by between 20 - 40% in the next 12 months. Of businesses surveyed, 23% intend to maintain their current headcount numbers while 14% expect to see overall headcount reduce.

What is your hiring intent in the ext 12 months



Furlough



Our survey also revealed that 38% of businesses have chosen to furlough employees during the pandemic. Of those companies that furloughed workers, 35% expect to only rehire 20% or less of furloughed staff; 35% intend to rehire 60% or more of those furloughed, and 20% do not expect to rehire within 12 months.

Freelancers



The pandemic has proven a boon to contract workers and freelancers. The survey shows that 41% of businesses intend to expand freelance or contractor support, 54% intend to maintain freelance support, and just 6% have no intention of using freelancers.

The findings among workers were more optimistic. Of those surveyed, 50% of employees expect demand for freelancers to increase in 2021 while 8% felt demand would not increase and 8% felt demand would remain constant. Another 34% were unsure.

Employers

How will freelancers & contractors factors into your workforce in the next 12 months

ANSWER CHOICE	RESPONSES
We have used in the past and expect to increase	38.46%
We have never/rarely used but expect to hire	1.92%
We have used previously but do not expect to increase	53.85%
We have never used and do not expect to	5.77%
TOTAL	

Workers

Do you expect greater demand for freelance or contract roles

ANSWER CHOICE	RESPONSES
▼ Yes	50.39%
▼ No	7.75%
▼ Unchanged	7.75%
▼ Not sure	34.11%
TOTAL	

Salaries



Perhaps not surprisingly, expectations of the impact of the pandemic on salaries differ between employers and employees. What is surprising is that employees seem to have a more pessimistic expectation of the impact of the pandemic than employers, with most businesses signaling that they expect greater upward pressure on salaries at all levels.

Employees were noticeably more pessimistic than their employers at the mid-level, with 35% of businesses expecting at least a small increase in salaries compared to just 6% of workers. The majority of businesses (47%) expect mid-level salaries to remain as they are while the majority of employees (45%) are expecting a reduction in salaries.

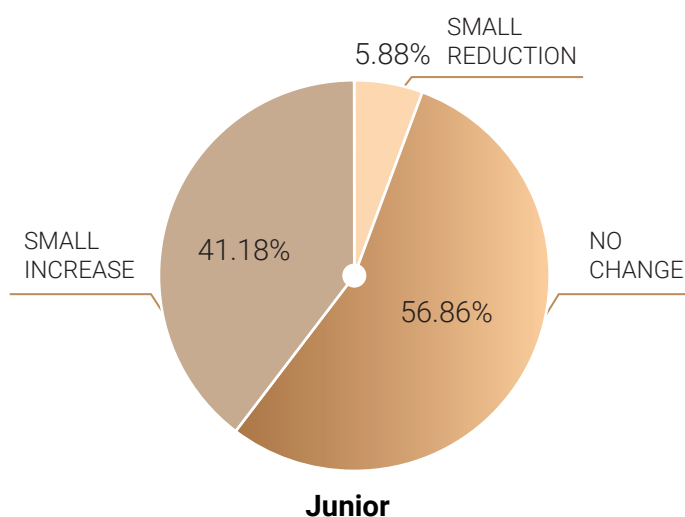
Similarly, there was a very significant difference of opinion at the senior level, with 64% of employees expecting either a small or significant decrease versus just 19% of employers.

Business Expectation on Salaries

Junior level

At the junior level, 55% of businesses expect salaries to remain stagnant in 2021 while 6% believe they will reduce slightly and 39% expect a small increase.

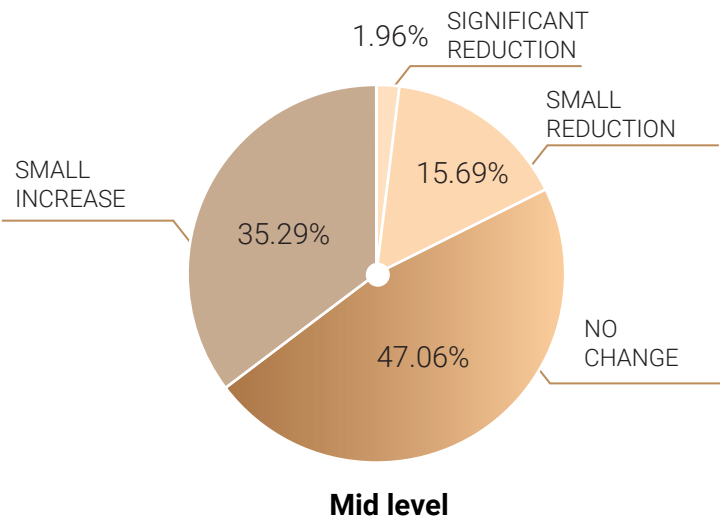
	SIGNIFICANT REDUCTION	SMALL REDUCTION	NO CHANGE	SMALL INCREASE	SIGNIFICANTLY INCREASE
Junior	0.00%	5.88%	56.86%	41.18%	0.00%



Mid-level

At the mid-level, 47% of businesses expect salaries to remain stagnant in 2021, 16% expect a small reduction, 35% expect a small increase, and 2% expect a significant reduction.

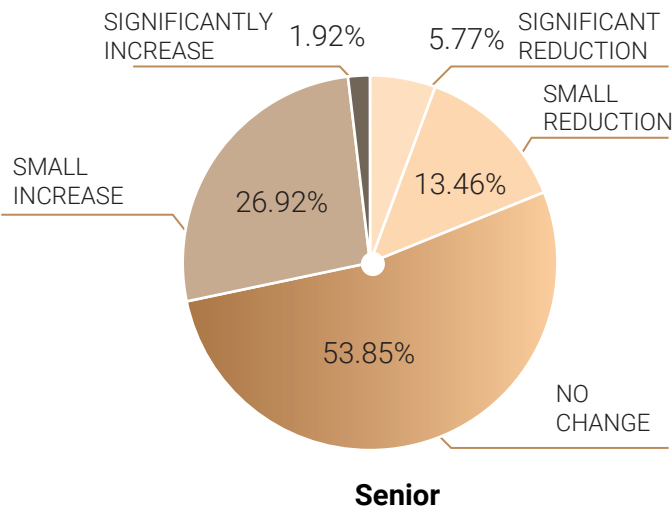
	SIGNIFICANT REDUCTION	SMALL REDUCTION	NO CHANGE	SMALL INCREASE	SIGNIFICANTLY INCREASE
Mid level	1.96%	15.69%	47.06%	35.29%	0.00%



Senior level

At the senior level, 53% of businesses expect salaries to remain stagnant in 2021, 27% expect a small increase, 13% expect a small decrease, 6% expect a significant decrease, and 1% expects a significant increase.

Senior	5.77%	13.46%	53.85%	26.92%	1.92%
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Employee Expectation on Salaries:

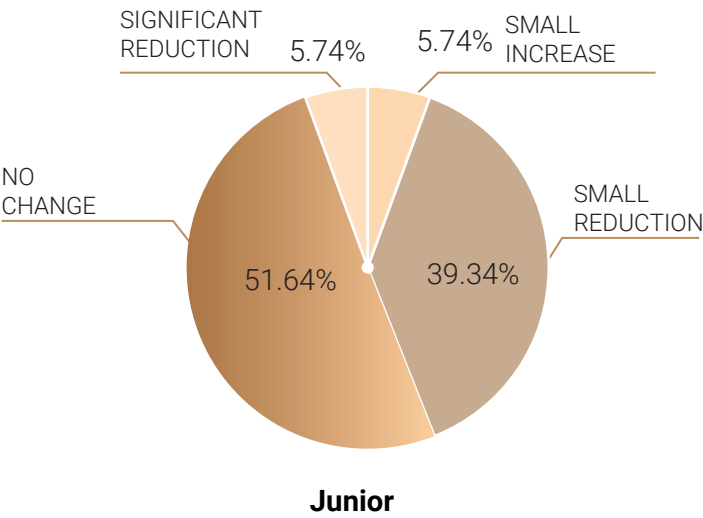
Junior level

Among those employees interviewed, 52% expect junior-level salaries to remain stagnant in 2021 while 39% believe they will be reduced slightly, 6% expect a small increase, 6% expect a significant reduction.

Employees

How do you think COVID19 market condition will impact on salaries over the next 12 months

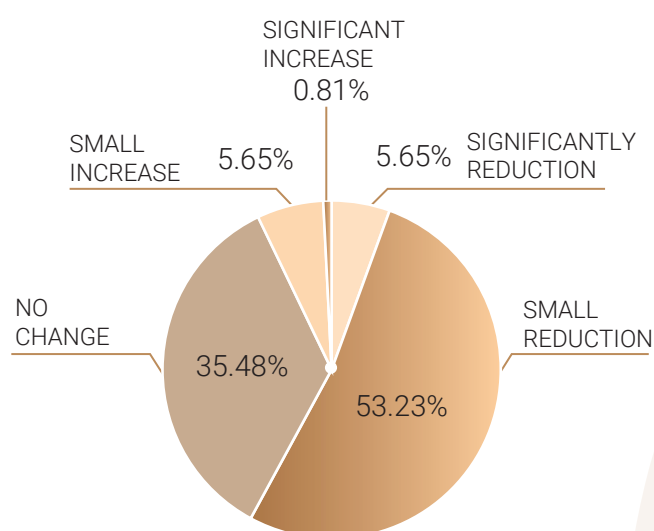
	SIGNIFICANT REDUCTION	SMALL REDUCTION	NO CHANGE	SMALL INCREASE	SIGNIFICANTLY INCREASE
Junior	5.74%	39.34%	51.64%	5.74%	0.00%



Mid-level

For mid-level workers, 35% of employees expect salaries to remain stagnant in 2021, 53% expect a small reduction, 6% expect a small increase, 6% expect a significant reduction, and 1% expect a significant increase.

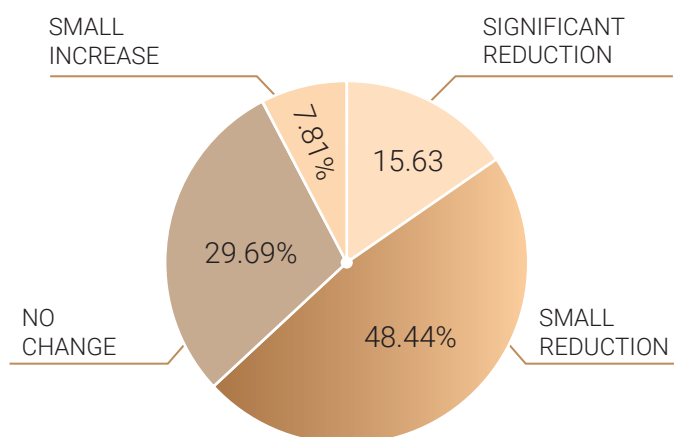
	SIGNIFICANT REDUCTION	SMALL REDUCTION	NO CHANGE	SMALL INCREASE	SIGNIFICANTLY INCREASE	TOTAL RESPONDENTS
Junior	5.65%	53.23%	35.48%	6.45%	0.81%	124



Mid level

Senior-Level

	SIGNIFICANT REDUCTION	SMALL REDUCTION	NO CHANGE	SMALL INCREASE	SIGNIFICANTLY INCREASE	TOTAL RESPONDENTS
Senior	15.63	48.44%	29.69%	7.81%	0.00%	128



senior

Confidence

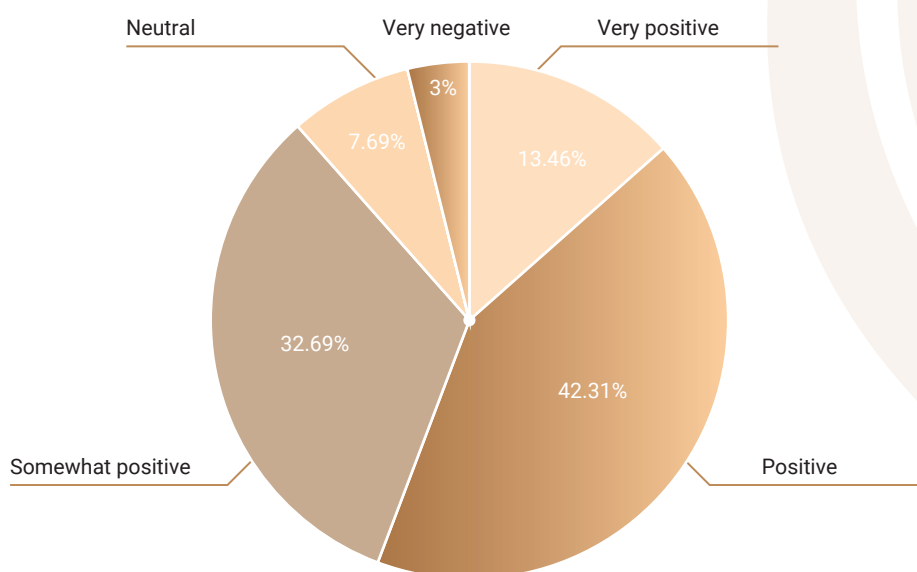


Employers' confidence

Just 4% of employers feel negative about their business outlook for 2021 and 8% were neutral. The majority of employers, 74%, are feeling positive and 14% feel very positive.

What is your sentiment about your business in the next 12 months

ANSWER CHOICE	RESPONSES
Very positive	13.46%
Positive	42.31%
Somewhat positive	32.69%
Neutral	7.69%
Somewhat negative	0.00%
Negative	0.00%
Very negative	3.85%
TOTAL	

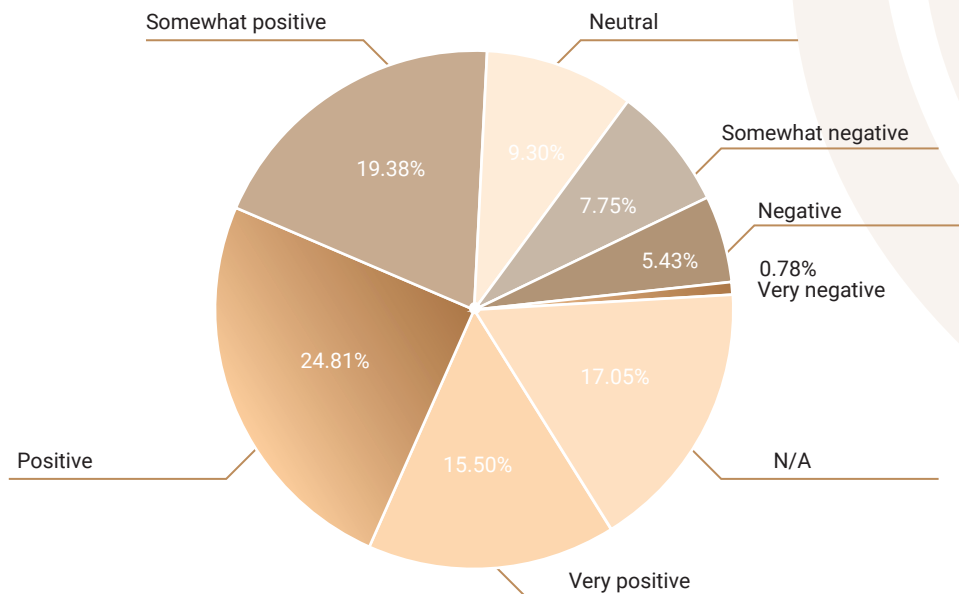


Employee Confidence

Overall, 14% of employees felt some negativity about their employer's outlook in 2021, only 1% that were very negative. Another 9% were neutral while 44% felt positive and 16% feel very positive.

Based on year to date and looking ahead across the next 12 months, what is your sentiment about your current employer

ANSWER CHOICE	RESPONSES
Very positive	15.50%
Positive	24.81%
Somewhat positive	19.38%
Neutral	9.30%
Somewhat negative	7.75%
Negative	5.43%
Very negative	0.78%
N/A	17.05%
TOTAL	



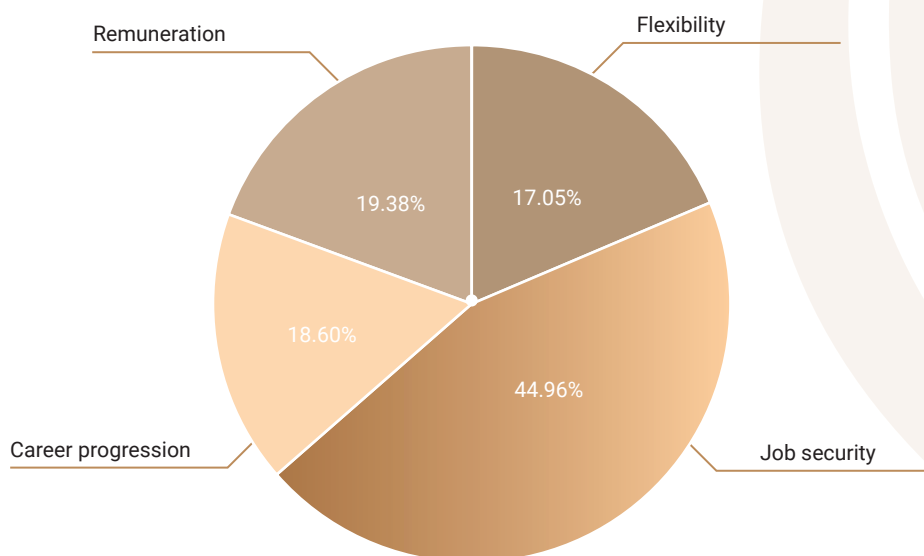
Motivation



Of those surveyed, 45% of communications employees cited job security as the most important factor for them in their employment in 2021. Career progression, flexibility and remuneration each ranked similarly in terms of importance, but some distance behind, job security.

In terms of your career, what is most important to you in 2020

ANSWER CHOICE	RESPONSES
Career progression	18.60%
Job security	44.96%
Flexibility	17.05%
Remuneration	19.38%
TOTAL	



About Capstone Hill Search

With offices in New York, Chicago, London, and Melbourne, Capstone Hill Search is a global recruiting and staffing consultancy specializing in marketing, communications, and public relations. Capstone Hill combines extensive industry experience with proven recruitment expertise, applying leading-edge recruiting practices and resources to align capability, personality, and cultural fit to match outstanding professionals with market-leading employers.

Capstone Hill Search is the first endorsed international recruitment partner of the PR Council, PRCA (Public Relations and Communications Association), and ICCO (International Communications Consultancy Association). The firm is heavily engaged in providing industry counsel, not only to its clients and candidates, but to numerous industry groups around the world including IABC, PRSA, PRIA and Communications Council, among many others.

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