Commentary: Shared agency and brand image in reputation management

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Abstract

The three primary axes of reputation management – organisational image, organisational identity and organisation reputation (Dowling, 1994, p. 167) – are influenced by factors both internal and external to the business or organisation. Hence reputation management is primarily concerned with the development of an organisation's intangible capital – the way in which its positive attributes can be leveraged to increase its market share and appeal. This research note contends that the main efficacy of reputation management is the shared agency generated by its communication, reception and reciprocated recognition from the source organisation to its intended audiences. In order to elucidate this fundamental driver in organisational efficacy, definitions of reputation management will be examined and contextualising factors in the communication, dynamics and expression of reputation management will be made.

Definitions

A definition provided by Fombrun states that corporate reputation is "a perceptual representation of a company's past actions and future prospects that describe the firm's overall appeal to all its key constituents when compared to other leading rivals" (1996, p. 72). Reputation management is characterised by organisational attributes and the myriad relationships that organisations form with and between staff, clients and stakeholders and their perceived value as both affective and effective competencies. It is both a form of evaluation and also of agency – a measure of an organisation's performance over time (what it is and does and how it behaves) but to staff, consumers and stakeholders it may be a perceptual representation of both past actions and future events – what it is possible for someone to do with an organisation.

However, this possibility is a marketplace affordance which is in part based on a gauge of the organisation's standing (as a component of the ability of those internal to the organisation to bring positive benefit to those external to it) and hence may represent (aside from critical imaging of marketing) the cumulative regard (either positive or negative) of an organisation's constituent group over time. The result is a synthesis of opinions, perceptions and attributes, an evaluation (which may be fleeting or lengthy) of the 'bank' of information about a firm, a socially constructed 'collective memory' as a form of intangible output which describes a its future and past characteristics.

At the level of social interaction reputational concern might be expressed through behaviours of ingratiation, some forms of downward presentation (e.g. apology, modesty, depreciation), which conversely often produce positive attitudes in the receiver and enhance reputation. Flattery too is a form of ingratiation and reputation management (Chevallier, Molesworth & Happe, 2011, p. 1). At the basis of interaction between people is the thought and behaviour that many people find social interchange rewarding and therefore this is a stimulus for reputation (management). Reputation management thus acts as a triggering and moderating topic for inter-organisational relationships and exchange (de-Castro, Sáez, & López, 2004).

Consequently, one of the first tasks any analysts of reputation management might perform is to identify the characteristics of an organisation that contribute to its profile and

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reputation. Osgood, Suci and Tannenbaum (1975) identify three dimensions along which the reputation of an organisation may be valued. These are first an evaluative dimension – which stimulates either positive or negative reactions; second a potency dimension – how strong or weak are the perceptions, emotions and beliefs created by the organisation; and third, an activity dimension – is the company's image a causal factor in the behaviour of others? A fourth dimension, the utilitarian function can also be added – how useful is the organisation to people in achieving their goals and ambitions? However, fifth, sixth and seventh dimensions might also supplement this model: an associative dimension – to what extent is the organisation associated with other organisations, how well are its products and services, understood, is it a market leader, a market definer, or a market computer; sixth, a credibility and congruency dimension – are the organisation's marketing claims for itself credible, how well are they believed, how likely is interacting with the organisation to achieve what the organisation's claims for its clients and service-users; and seventh, a value-expressive function how likely is the organisation to meet the clients' values and motivations. Thus, reputation management can be thought of as a multi-layered social, media, business, and intangible construction that is derived from the myriad associations and potential interactions that staff, clients, stakeholders and potential audiences have with it.

Reputation management interactions

The interactions that clients, staff and stakeholders have with organisations take on a variety of characteristics, forms, experiences, expressions and emotions. These take place on a spectrum between utility and sentimentality – from the customer who may only buy products and watch brand marketing, to employees who receive payment in exchange for services and some forms of property and who fulfil many functions – some utilitarian (based on transactive valued given and received), some deontological (based on activity with a moral purpose), to work experiences that give clients and employees meaning, expression and emotion (intangible capital benefits). However, it is in the differences in associated meanings produced on this spectrum by companies that the intangible capital of reputation management may be perceived, experienced, leveraged and marketed. As Kong and Farrell (2010) suggest, "Organisations are more likely to grow and develop higher performance potential if more resources are added in image and reputation" (p. 246).

Reputation management analysts are compelled to search for the 'essence' which makes an organisation successful; this is often hard to discover. Some organisations have great products but a low-profile leadership, some have good services but little identifiable market profile, others have an ability to blend in to the cultural consciousness of the time and deliver products and services which have a seamless integration in the social fabric of business communities – such organisations may also have relatively longer corporate lives. Often the common dominator of successful companies is to produce a 'social effect' – either to deliver an identity-relation within the organisation among employees or to deliver it outside the organisation in terms of goods and services. However, corporate reputation often involves another factor – the degree of esteem that the organisation is held in (that may be attributable to a variety of factors) which is the result of a complex confluence of internal organisational and external communication factors; these coalesce into what is known as 'brand reputation' – the degree of 'identifiability' and commodity desirability an organisation may be known by. Trust and dependability are also important factors in brand reputation but corporate reputation is not just a series of linear relationships between product and services, managers, employees and clients but also predicated on corporate values and the integrity of business relationships. Thus, it could be argued that the organisation produces an overall 'consciousness' (Fombrun, 1996, p. 67) in which reputation is in a constant state of creation, flux, and wane, related to both social responsibility and the desire for meaning. A 'values-centred' organisation, for example, will be identifiable as a seller 'of goodness' across the range of employees and to the client market. While reputation management is essential to any functional organisation there is a lingering uncertainty among some businesses (usually successful businesses) that to need to actively market a business is tantamount to admitting deficiency in some regard. After all, if the client base is regular, why bother? Similarly, many businesses spend thousands of dollars on marketing to recruit new clients while some might be better spent on retaining existing customers.

Corporate reputation

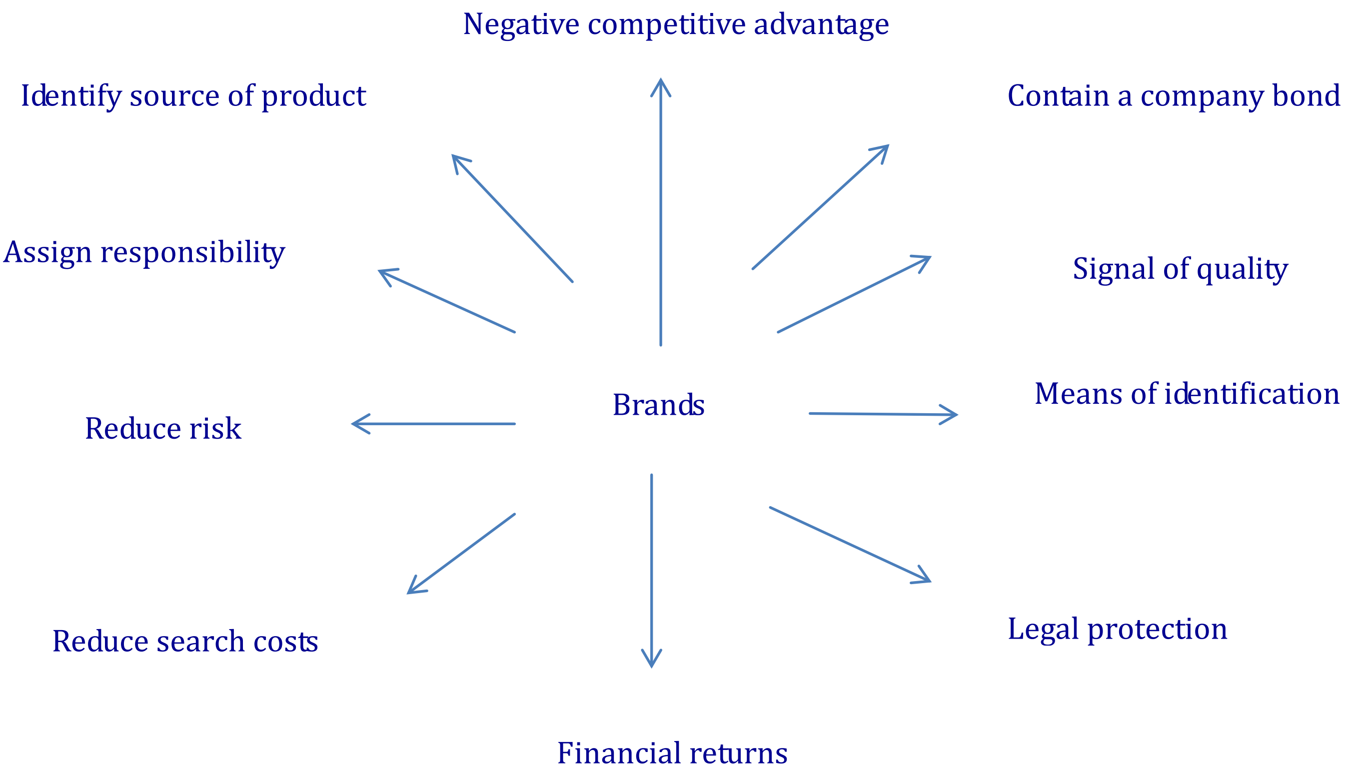
As Sherofsky (1997, p. 3) points out, one of the fundamental contributing factors to corporate performance and reputation is human nature itself and the reputation of organisations is comprised of hierarchies of address between clients/customers, staff/workers, and managers, which produce socially constructed negotiated meanings which may impact on local, national or international myths. This negotiated meaning has been characterised as a 'capture desire or struggle' that takes place around 'public and private energy fields' as the different agents and actors associated with an organisation interact in its business (Fox & Miller, 1995, p. 10). However, it would be too simplistic to regard reputation management is a matter of 'setting organisational course' and continuing 'plain sailing' as often meanings in organisations may arise out of 'agonistic tension' (Burnier, 2005, p. 499). Brand awareness and brand reputation arise out of the construction of meaning which emerges through social construction. As Burnier states, "[f]or interactionists, the on-going social (or political) dynamics of persistence and change, and of stability and emergence suggest a social (or political) order that is 'negotiated'" (2005, p. 502).

Another way of conceptualising brand reputation is provided by Zabala et al. (2005), who regard the 'intangible asset' of brand reputation as the relational difference between the market price of a company and its book value (p. 59). Corporate reputation is thus in part determined by stakeholder recognition of a company, through the representation of its staff and functions, products and services and the credibility and management of the intangible assets of the company – goodwill, staff morale, consumer satisfaction, for example. Zabala et al. (2005), emphasise the importance of the congruency or continuity between internal and external company behaviours and shared values between staff and consumers.

If an organisation has basic high levels of trust – internally with staff and externally with stakeholders, it less easy for reputational crises to cause lasting damage. However, when they do occur, Gonxalez-Herroro and Pratt (1996) suggest that there is a four-step model to implement, which consists of: issues management, planning prevention, crisis strategy, and post-crisis activities. It is a characteristic of media 'storms' involving company reputations to change over either short or longer durations, hence a key feature of any strategy is to develop a system of intervention to bring about proactive (positive) change (Lauzen, 1997). Honesty followed by remediation is a straightforward step in encouraging positive reputation management. Maintaining positive media relations and also providing contexts for identified issues are two further steps that may be taken to ameliorate reputation crises. According to Coombs (1999), there are seven possible communication steps to maintain brand reputation: attack the accuser, denial, excuse, justification, ingratiation, corrective action, and full apology. Which of these methods are deployed is situation-dependent.

In conclusion, Scott and Walsham (2005) argue that reputation "has been a key resource, shaping commercial choices throughout history" (p. 308). They also identify three main components to reputation management: creditworthiness (honouring contracts), aesthetic components (identity, image, and brand); social responsibility and business ethics (p. 308). Hence, corporate reputation is regarded as being a ‘strategic construct’ (p. 309). On the one hand brand reputation can be a valuable asset and contribute to the longevity of a company; on the other hand it can also be fragile and easily damaged. However, arguably the single most tangible feature within the ‘intangible asset’ of corporate reputation and brand management is the shared agency between the agents and actors who interact within the ambit of the organisation in the market place. **Figure 1** below depicts the various impact factors that brand management has on marketplace behaviours.

Figure 1: Benefits from brands.



Benefits from brands (after Keller (2008), and Kelly & Jurgenheimer (2008))

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