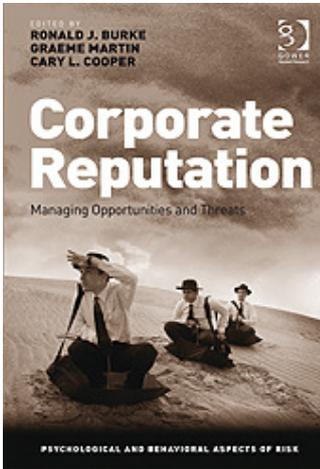




Corporate Reputation: Managing Opportunities and Threats



Burke, R., J., Martin, G., and Cooper, C., L. (2011). *Corporate Reputation: Managing Opportunities and Threats*. Gower, Farnham, England: <http://www.gowerpublishing.com/isbn/9780566092053>

This edited book contains many gems for those seeking to understand the connection between organisational reputation, stakeholders and organisational success: other chapters provide useful information for organisations needing to improve their reputations, to recover reputation if damaged. It is divided into four sections: Importance of Corporate Reputation; Developing a Corporate Reputation; Managing a Corporate Reputation; and Reputation Recovery.

One of the most important statements about corporate reputation is on the very first page: *“According to Ernst and Young, the investment firm 30% of a company’s value is intangible, based mostly on corporate reputation.”* This is the ‘ah ha!’ moment for me as I struggle to find new ways to persuade organisation executives of the importance of stakeholder engagement – it helps me make that important connection between organisation success and the value of improved focus on stakeholder engagement.

Definitions offered range from ‘corporate reputation’ being a *“function of the perceptions and attitudes toward it held by individual members of a particular stakeholder group”* to definitions describing multidimensional aspects of the firm’s activities and various stakeholder groups; definitions based on trust and confidence.

A number of different ways of measuring corporate reputation are offered in the first section that includes elements such as: likeability, competence, quality (of products and services), performance, responsibility and attractiveness: these can prove useful to organisations seeking to benchmark or improve their corporate reputation.

Corporate social responsibility (CSR) translates at a minimum into compliance: behaving in line with current law, accepted business principles and codes of conduct. But companies can choose to comply not only with the letter but also with the spirit of regulations; and to exceed the law in product safety, environmental protection, or employee relations. Beyond compliance philanthropy is an important part of the business-society equation. In Chapter 4 there is an interesting report of global ratings of citizenship, governance, and workplace dimensions by country from the Reputation Institute’s extensive survey from 2008 . The report and collection of data is too complicated to discuss in this short paper: it compares different countries according to specific dimensions – countries have reputations too! There is an interesting discussion on how to use CSR to drive improvements in reputations.

Once again the importance of understanding stakeholders is emphasised: what are their concerns; minimal requirements; what does any stakeholder group consider acceptable; how can attributes be communicated? Expectation management and keeping promises get a whole chapter! This book has



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additional value because it includes employees as important stakeholders! Where reputation is also about being a great place to work –the exchange is inducements from the organisation in the form of training, salary, satisfying and fulfilling work assignments; and from employees - loyalty, commitment to organisation's success. Communication is key to this exchange working effectively.

A really interesting section on reputation recovery also includes discussions of the Enron and WorldCom collapses and the second Wall St crash in 2008. Perhaps we will all learn from this! Other useful and interesting chapters deal with principles for corporate rebranding, repairing damage to reputations and crisis management.

I found this edited book very useful for my own purposes of expanding my own approach to enticing organisations to focus more on ALL stakeholders not just shareholders. But I imagine that any CEO or executive would find the information included in this book invaluable to improve or rebuild their own corporate reputation – should they find themselves in the situation where they need to do so.

Corporate Reputation: reviewed by: Dr. Lynda Bourne FAIM: 10th April 2012

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