

REPUTATION MANAGEMENT, MEASUREMENT AND MONITORING

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Table of Contents

REPUTATION

| | |
|-----------------------------------|----|
| Reputation | 1 |
| The cyclical nature of reputation | 2 |
| Reputation vs. brand | 4 |
| Public attitudes | 5 |
| Policies & procedures | 7 |
| Trust | 8 |
| Consistency | 10 |

REPUTATION MEASUREMENT

| | |
|--------------------------|----|
| Reputation measurement | 11 |
| Media impact | 13 |
| The impact of reputation | 15 |
| Issues management | 17 |
| Benchmarking | 18 |
| Perception gap | 19 |
| Conclusion | 20 |
| Works Cited | |

Appendix A: Proposal & revised proposal

Appendix B: Weekly progress reports

Appendix C: Bibliography

Appendix D: Interview questions

Appendix E: Interview Transcripts

Reputation influences everything an organization does. It shapes and influences the perceptions and relationships of each interested stakeholder, and impacts every interaction as a result. Reputations are intangible, but they have a considerable effect on organizations and publics alike. Utilizing reputation management, public relations practitioners can shape and build positive reputations that are an immense benefit to their organizations. By guiding interactions with stakeholders and understanding the perceptions that surround these interactions, PR practitioners work to foster positive reputations and beneficial relationships for everyone involved.

Reputation

Reputation is one of the most important focuses in public relations. The potential impact of a reputation can cause exponential growth, or total ruin. In order to understand the importance of reputation, and be able to affect it, one must be able to define it. Definitions of reputation can vary among practitioners, but there are similar themes within each idea.

One straightforward definition posits that good performance plus effective communication equals a good reputation. In this framework, the opposite also holds true, poor performance or ineffective communication can lead to a negative reputation. This definition provides a solid foundation for considering reputation, but leans heavily on an organization's performance. Reputation is impacted not only by performance, but by how that performance was achieved. Ethics and

social responsibility must be considered. When adding this factor, reputation is often defined as behaviour plus performance, multiplied by communication. This definition includes everything an organization may do itself, but still lacks any external influence. It is a linear equation, and does not account for the stakeholders that collectively possess the reputation itself. To include this element, reputation can be defined as the intersection of how an organization behaves and stakeholder perception. Presumably, communication would be a part of that intersection, as would any connection between an organization and its stakeholders.

Truly, reputation is a combination of all these things, and more. Reputation is the sum of all conversations about an organization. Reputations are collectively shared. They are only created, held, and affected through interaction between interested stakeholders. Some of these stakeholders may be a part of the organization, some may not. Regardless, these interactions will still contribute to the overall whole. A reputation is a collection of all pervasive thought about an organization. It is amorphous and intangible, but its impact on an organization is substantial. The key to determining and evaluating an organization's reputation is understanding the conversations about it.

The cyclical nature of reputation

At its core, reputation is a dialogue between an organization and its stakeholders. It is a cyclical process where each side of the dialogue has significant impact on

the other. Reputation is more than just an intersection of stakeholder beliefs and an organization's behaviour. It is an ongoing discourse between the two, with influence flowing to and from each side.

An example of this discourse can be seen in an organization's performance. Performance is a key factor that contributes to reputation. A consistently strong fiscal performance will benefit a company's reputation. It will influence stakeholders to believe that the company will continue to be successful. In a linear sense, this reputation of strong performance will attract potential investors, create customer loyalty, and will increase the company's business success beyond what it would be without its reputation assets. However, as mentioned before, reputation is a sum of all conversations, not just those of performance. External factors will also influence a company's reputation, which will then impact performance. For example, let's say this company achieves its strong fiscal performance by mistreating its workers. Its interaction with those stakeholders will create a negative belief about the company. As that belief spreads, it too becomes part of the reputation. That reputation can influence consumers to boycott products, employees to leave the company, and stricter legislation to be enforced. Suddenly, the company's performance decreases dramatically, as a result of a negative reputation.

Reputation is a multi-directional dialogue, permeable from all sides. It is a collection of beliefs, created by interactions. What stakeholders believe about an

organization is of the highest value, because it will influence every interaction shared between the two. From transactions to job postings, legislation to an organization's existence, reputation plays a role in all these things. Therefore, it is imperative for every organization to manage its reputation. As a sum of conversations, reputation is best managed by an organization through its interaction with stakeholders and by understanding the interactions that surround it.

Reputation vs. Brand

Reputation and brand are two terms that have been debated over and compared when attempting to consider stakeholder opinions. The difference between the two is similar to the fundamental difference between public relations and marketing.

A brand, as a concept, shares a number of elements with reputation. Elements like trust, quality, and consumer confidence are often parts of both good brands and good reputations. The difference between the two lies in the core of each concept. The essence of a brand is a name that influences buyers (Kapferer, 2004). Brands are based on transactions. They are a creation of consumer preference from interactions between a company and its customers. Marketing itself is based on the same principles. It is fundamentally concerned with transactions, sales and revenue.

Transactions are just one type of conversation that will help create a reputation. Reputations encompass transactions as well as interactions that do not involve money changing hands. For this reason, reputation is chiefly the concern of the public relations practitioner rather than the marketer.

The Canadian Public Relations Society defines public relations as the management function which evaluates public attitudes, identifies the policies and procedures of an organization or individual with the public interest, and plans and executes a program of action to earn public understanding, acceptance and support. From this definition, it is apparent that the interaction between stakeholders and an organization is the primary interest of the PR practitioner. These interactions are the only source of influence an organization will have on its reputation. Interactions are far more diverse than merely transactions, and each interaction will have an impact on reputation. By managing interactions and understanding the interactions around them, PR practitioners can add immense value to an organization's reputation. The following sections will demonstrate the different ways a PR practitioner and its organization should treat these interactions to benefit the organization's reputation.

Public attitudes

The first component mentioned in the CPRS definition of public relations is evaluation of public attitudes. Companies and organizations do not exist in a vacuum, and they cannot simply execute their plans without consideration to the

environment around them. Each organization is situated in a mire of public opinions and interests. The surrounding public can impede, allow or aid the organization in meeting its goals, depending on the stakeholders' attitudes towards the organization. For the PR practitioner, evaluating public attitudes means understanding stakeholder expectations. The stakeholders of an organization expect a certain type of behaviour and intention from each organization. Understanding and adhering to these expectations is essential for an organization's survival.

What stakeholders expect is essentially ethical, responsible behaviour. Many companies lately have been trying to enhance their connection with stakeholder expectations through corporate social responsibility. CSR mostly equates to initiatives from companies to attempt to become more ethical and more responsible in their actions. In reality, CSR is often a reaction to stakeholder attitudes that differ from current corporate behaviour. Whether reactive or proactive, it is a method of risk management, a "manifestation of corporations under fire." (Griffin, 2008, p. 137) This type of response that so often characterizes CSR is not an effective way for practitioners to react to public attitudes. Instead, PR practitioners and their organizations need to uphold a standard of corporate citizenship. Practitioners must understand what stakeholders expect of them, and how they expect a good citizen or neighbour would behave. The organization should be helpful, respectful and think about society's wider needs as well as their own. (Griffin, 2008, p. 154) CSR initiatives

can be counter-productive; positive behaviour is not meant to be a business initiative or patch that a company can throw on to make up for irresponsible actions. Corporate citizenship is an attitude that permeates the organization, and should be reflected in all interactions that organization has with its stakeholders. In order to be a good corporate citizen, the PR practitioner must understand stakeholder expectations and public attitudes, and influence the organization's interactions to adhere. Through this behaviour, a foundation for a strong reputation can begin.

Policies & procedures

The next component of the definition of public relations is the identification of the policies and procedures of an organization. Evaluating public attitudes and understanding stakeholder expectations would not be very useful unless the practitioner can identify the policies of the organization. The practitioner can then work to align the two, creating a strong reputation and mutually beneficial relationships.

The most important aspects of an organization's policies and procedures are its core values and leadership. The core values of an organization help define that organization, give it direction and set a standard for how its behaviour should be conducted. Effective leadership should do the same. A strong leader will also give direction to an organization, while setting an example of the core values the organization is meant to embody. Both core values and leadership have an

immense impact on reputation, internally and externally. Internally, core values guide the actions and interactions of employees and set a precedent for behaviour, while strong leadership keeps employees engaged. Externally, both core values and leadership reflect the ideals that the organization upholds and the direction the organization is headed. If the actions correspond to the values, these policies and procedures will have a positive influence on reputation.

The importance of core values and effective leadership underscores the necessity of public relations as a management function, rather than merely a support function. The values of an organization must correspond with public attitudes and expectations. The interactions of that organization with its stakeholders must correspond with those values, and the leadership should promote and exemplify them. The only way a PR practitioner can influence values and leadership in an effective manner is to have a management or leadership role within the organization. The practitioner can best guide the organization in a way that will enhance and grow the organization's reputation. Otherwise, the policies and procedures may not match public attitudes, causing harm to reputation and operational goals alike.

Trust

The final aspect of the CPRS definition of public relations, and commonly the goal of many communication campaigns, is earning public understanding, acceptance and support. Reputation plays a substantial role in each of these

factors. It will influence how receptive the public is to attempts to earn understanding, acceptance or support and it will influence how freely the public gives them. Understanding, acceptance and support from stakeholders are really just parts of one overall sentiment: trust.

Trust is the primary characteristic of a strong reputation, and should likewise be the primary goal of every public relations practitioner. Every good relationship, whether business or personal, is based on a foundation of trust. (Fombrun, 1996, p. 112) Earning trust from stakeholders will build a strong reputation for an organization, which Fombrun calls the “Trust Principle.” He states that “the more trustworthy a company appears to its key constituents, the better regarded the company will be.” (Fombrun, 1996, p. 68) This idea was echoed in an interview with Martin Waxman, co-founder and president of Palette PR, who cited trust as a key factor of a positive reputation.

Developing trust internally will contribute to creating a positive reputation. Trust among employees will increase engagement and productivity. It also creates loyalty, so long as the reciprocal nature of trust continues. The trustworthiness exhibited by an organization to its employees also reflects outward to other stakeholders. Employees are an organization’s strongest reputation ambassadors, and how they perceive their organization will reflect to other stakeholders as well.

Externally, trust can be earned through transparency, credibility and consistency. (M. Waxman, personal communication, March 25, 2009.) These three factors can be a very positive influence on an organization's reputation. Transparency is a focal point that PR practitioners hope to make a priority among their organizations. Open communication is a clear way that organizations can build trust as well as understanding, acceptance and support, all of which lead to a positive reputation. A lack of transparency can be disastrous to an organization. Employees will feel disconnected to their own workplace, causing a lack of trust or interest in overall goals. Other stakeholders will naturally question the motives and intentions of an organization (Fombrun, 1996, p. 112), and without transparency this distrust will only increase.

The successful public relations practitioner will always seek to build trust between an organization and its stakeholders, and use it as a guiding principle for all interactions between the two. Through these efforts, an organization's reputation will improve, greatly aiding its success.

Consistency

Once is an aberration, twice is a reputation. If an organization or public relations practitioner wishes to build and maintain a positive reputation, consistency is essential. Building and managing a reputation is a long term process. As mentioned before, reputation is the sum of all conversations about an organization. If the collection of those conversations is inconsistent, it is hard to

identify a strong reputation. In order to be successful in building a strong reputation, an organization must establish consistent behaviour both internally and externally (Fombrun, 1996, p. 165). Establishing consistent behaviour across a large organization can be tricky, but implementing effective core values, policies and procedures will help promote consistency in positive behaviour. An organization that is effectively managing and maintaining a good reputation will ensure that all interactions between the organization and its stakeholders are consistent and mutually reinforcing (Doorley & Garcia, 2007, p. 227).

Consistency can also help shield an organization's reputation from potentially harming missteps. Even among individual opinions, reputation is a collection of experiences. If the organization has done nine positive things and one negative, the overall reputation will still be quite positive, so long as there is established trust and understanding. For the PR practitioner, consistent communication is the key. Maintaining consistent positive interactions between the organization and the stakeholders will influence the pervasive opinions about the organization and foster a strong, positive reputation.

Reputation measurement

Reputation is best managed by an organization through interaction with stakeholders and understanding the interactions that surround it. The previous sections have demonstrated how an organization should interact with its stakeholders to foster a positive reputation, and how the public relations

practitioner plays a role. Effective interactions are one half of managing a positive reputation; the other half is understanding the interaction of that reputation with the organization and its stakeholders. The only way to gain understanding of these interactions is through measurement.

Measurement is critically important to public relations. It adds credibility to the profession and demonstrates how effective public relations can be. If PR is to be considered a management function, it has to earn its right to it. The principal way it can do that is through measurement, by demonstrating its direct contribution to an organization's goals and by using verifiable evidence to base its decisions upon. Measurement is equally important to reputation management. It can demonstrate the importance and impact of an organization's interactions with its stakeholders, while examining the effect that reputation has on the organization itself. Furthermore, measurement is essential to understanding the interactions that surround an organization and monitoring the influence they have on the organization's reputation.

Through measuring the impact of reputation on the organization and monitoring reputation among stakeholders, public relations practitioners can effectively understand the interactions that surround their organization and use this knowledge to manage reputation.

Distinction needs to be drawn between objectives measuring and monitoring. Measurement is frequently done by practitioners when it is related to a specific communication goal. This is certainly a constructive time to use measurement, and measurement is always easier when there are specific goals and targets in mind. Tailoring measurement specifically to objectives and particular stakeholders that are targeted in a communication plan is useful to determine the outcomes of that plan (Grunig & Hon, 1999, p. 25). It is essential to evaluate public relations efforts to show its effects, validate its importance and demonstrate its return on investment. However, reputation management requires a different type of measurement. It requires an ongoing commitment to measuring stakeholder opinions and expectations. Monitoring is an ongoing necessity to successfully manage reputation.

Reputation and its effects are cyclical in nature. Influence flows to and from an organization perpetually. A practitioner can certainly influence the interactions coming from the organization. Monitoring is a practitioner's tool to understand the ongoing and latent issues that will direct influence towards the organization, which will have an effect on reputation.

Media impact

When considering potential influences on reputation, special consideration has to be made for the media. Public relations practitioners have frequently been characterized as only media relations officers, limited to producing press

releases. Certainly PR practitioners are much more than that, but one can't overlook the importance of the media in favour of broader perspectives. The potential impact of the media on stakeholders is huge (M. Waxman, personal communication, March 25, 2009.) The influence and audiences that the media can have make it an important stakeholder to consider when monitoring reputation. It can illuminate or even create issues for an organization, and it has the loudest voice of any stakeholder right now.

Through effective monitoring and direct interaction with stakeholders, the reactionary model of media monitoring can be reversed. By monitoring public opinion directly, one can understand stakeholders' perceptions and use this to begin communicating and interacting directly. By understanding and creating conversations and building interactions, the media can then have a tactical role in validating what has already been said (Budd, 1994, p.13). In doing so, the media reinforces those attitudes, strengthening the organization's reputation. Budd (1994, p.13) advocates communicating to and through community leaders and everyday citizens. Never has this been easier than today. Social media makes monitoring and direct communication with stakeholders more accessible and more immediate than ever before. Practitioners can engage stakeholders with ease, and potentially validate those conversations through the media. The multi-directional dialogue that collectively combines to form a reputation extends into many different forms of media, both online and off, none of which should be overlooked when monitoring reputation.

The impact of reputation

In order to understand the interactions that surround an organization, it is fundamentally important to understand the impact that reputation has on an organization, and how it can be measured. Reputation has a direct influence on an organization in many ways, both internally and externally. This influence will be prevalent whether the public relations practitioner is managing the reputation or not. Remaining cognizant of its impact will emphasize the importance of reputation while providing tangible targets for monitoring and measurement.

The internal effects of reputation are considerable. The reputation of an organization is essentially who that organization is, perception is reality (M. Waxman, personal communication, March 25, 2009). Employees will not work for something they do not believe in, the goals of the organization must be shared by each of its members. Employee engagement is a factor that is often overlooked by organizations, but it can have a massive impact on how successful that organization will be. Reputation and engagement can affect productivity, employee retention and turnover rates, attracting new hires or clients, even workplace safety. Furthermore, the employees of an organization are its reputation ambassadors to nearly all other stakeholders. How they perceive the organization will impact all interactions with stakeholders, thus influencing external reputation as well.

Luckily, internal reputation and its effects can be easier to measure. Employee surveys and one-on-one meetings are direct ways to gauge engagement and perception (M. Waxman, personal communication, March 25, 2009). Retention and turnover rates are easily quantifiable, and also provide a way to measure actions and perceptions directly, rather than rely upon how employees may respond when asked directly. As mentioned earlier, core values and strong leadership can be effective tools to improve internal reputation.

External reputation can also have a massive impact on an organization's ability to function. Among stakeholders, a poor reputation gives cause for "doubts about quality and commitment to end users and future viability." (J. Fricker, personal communication, March 12, 2009) A positive reputation can build trust and confidence among external audiences, which can cause stakeholders to recommend and refer others to the organization. In this way, a good reputation can grow exponentially, with external stakeholders propagating the reputation through interactions. A negative reputation can have the opposite effect in many ways (J. Fricker, personal communication, March 12, 2009). It can propagate itself the same way a positive reputation can have, but it will have damaging effects on the organization.

Measuring reputation externally can be done in a number of ways, but the most common are opinion surveys, top of mind surveys, focus groups, or other ways to collect and measure public and stakeholder opinion (Paine, Draper & Jeffrey,

2008, p. 13). Paine et al. recommend using these tactics to measure the six factors considered by Grunig (1999), which are control mutuality, satisfaction, trust, commitment, exchange relationship and communal relationship. By focusing on these six elements when phrasing the questions of the opinion surveys or focus groups, the PR practitioner can evaluate and understand the types of interactions surrounding the organization and how strong the organization's reputation is among stakeholders.

Issues management

In addition to understanding and evaluating the impact of reputation, monitoring enables an organization to employ effective issues management. Issues management should be taken seriously by every organization. Though not as palpable as crisis management, the consequences of improper issues management can be just as dire. Issues management is crucial to handling and protecting against the perpetual fluctuations of the reputation of an organization. Without monitoring ongoing stakeholder opinions and concerns, issues management is simply not possible.

Monitoring allows issues management to become effective as what Griffin (2008) calls "agenda control." Monitoring first enables the practitioner to discover and understand the interactions that are surrounding an organization, even if these interactions are not related to the organization directly. Through understanding and identifying potential issues, the practitioner can influence interactions and

communications to control the issue and the agenda. Proactive communications will define and shape the issue to terms that are beneficial to both the organization and its stakeholders. Ineffective issues management will leave the prevalent discourse to be dictated by whichever stakeholder group yells the loudest. A small minority of discontent stakeholders can cause global problems for an organization if they are the only voice on the issue (Griffin, 2008). Through effective monitoring, organizations can ensure that all issues are addressed in terms that enhance a positive reputation, rather than drag it through the mud.

Benchmarking

Ongoing monitoring also allows for benchmarking, which is perhaps the most important tool in measurement. In order to truly understand the nature of an organization's reputation and the interactions that are affecting it, practitioners need to know how the reputation is changing over time and how it compares to other organizations. Benchmarking provides context, which is essential to understand how reputation is changing, and why.

Benchmarking provides a historical context to any measurement. Before making decisions on the future, a practitioner needs to understand the present and the past. Through effective benchmarking over time, using the same guidelines for measurement, the organization will have a clear view of where its reputation was, and most importantly, where it is now. Monitoring allows practitioners to measure reputation and stakeholder opinions; benchmarking allows practitioners to

measure how they change. This is crucial for any type of planning or long term strategy, which is necessary for reputation management.

Furthermore, benchmarking provides context for the organization among its competitors. No organization exists in solitude; there are always competing or similar organizations that co-exist alongside it. A complete understanding of an organization's reputation can only be gained by including comparisons to its competitors. This addition puts the reputation into context, and allows for understanding in a more objective way (Leinemann & Baikaltseva. 2004, p.82). Reputations of individual organizations can be affected by the industry or sector as a whole. Through contextualizing and comparative benchmarking, a public relations practitioner can fully understand where its organization stands, and where action needs to be taken.

Perception gap

Monitoring enables the public relations practitioner to determine and understand stakeholder expectations. As mentioned in the discussion of public attitudes, the expectations of an organization's stakeholders are of the utmost importance. The synthesis of stakeholder expectations and the organization's direction or interests is crucial to the success and survival of that organization. The difference between the two clearly identifies where the practitioner's work needs to be done.

Prevalent perceptions among stakeholders based on conversations and interactions are what comprise a reputation. The relationship between the

stakeholder in question and the organization can be perceived in different ways. The difference in these perceptions is called the perception gap.

Building and maintaining reputation is dependent on how stakeholders perceive the relationship between themselves and the organization. Measuring how the relationship is perceived by stakeholders, and comparing that with how the organization may perceive it, is crucial to understanding the relationships being built (Grunig & Hon, 1999, p. 25). The perception gap is where strong reputations can crumble away. Through effective monitoring, using opinion polls or word-of-mouth analysis, etc., this gap can be identified and addressed through direct interaction. The gap can be closed through effective dialogue and communication, but only after understanding each of the two positions on either side of the gap.

Conclusion

Through monitoring, PR practitioners can seek to understand the interactions and conversations that surround an organization. Through ongoing measurement, practitioners can effectively shape and manage a reputation. Effective monitoring always leads to direct interaction. Through the knowledge gained, practitioners can plan effective strategies to form beneficial relationships and guide an organization's interactions to build strong, positive reputations. Reputations are a sum of all pervasive opinions about a reputation, formed through interactions both with and around the organization. Through guiding direct interactions and

understanding indirect interactions, the public relations practitioner can improve and increase an organization's reputation. By doing so, the practitioner can increase share value and sales, improve employee engagement and satisfaction while helping to align the organization with public expectations. Reputation management will make an organization more profitable, more ethical, more acceptable and understandable to its stakeholders and more effective overall. A positive reputation is an immense asset to any organization. As guides and guardians of reputation, public relations practitioners are a vital member to any organization.

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