Corporate Reputation:
Ontology and Measurement

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Statement of Original Authorship

The work contained in this thesis, unless otherwise referenced, is the original work of Stephen Lloyd who asserts his ethical right to be recognized as its author. The thesis is not endorsed by AUT University. The author claims full responsibility for the contents of this thesis.

1. The author has made a substantial, direct, intellectual contribution to the work. He is the author of the conception, design, analysis and/or interpretation of data.

2. Those who have made other substantial contributions have been acknowledged; this applies to the review of drafts and to the approval of the final version.

3. The author takes primary responsibility for the implications and outcomes of this research.

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Abstract

The focus of this research is on the development of an ontology and on a more effective way to measure corporate reputation that takes into consideration the orientations of a company's various stakeholders. The focus by researchers and by practitioners on corporate reputation and on its management attests to an expanding interest. Yet there remains disparate knowledge about how corporate reputation should be defined; about what are its key components; about the relationships between those components and about how corporate reputation should be measured. This points to a need for clarification: to develop a methodology based on an ontology of corporate reputation that has relevance for a company's various stakeholder groups.

This research builds on a review of the academic literature and employs text analysis, the nominal group technique and a quantitative survey among stakeholders about the reputation of a high profile company. Theory-driven analysis provides insights into the corporate reputation construct and into a tool for measurement that takes into consideration stakeholder perceptions of a company's reputation.

The results of the study indicate that, in the eyes of its stakeholders, a company's reputation is driven by nine factors: image, identity, management leadership, performance, corporate brand, products and services, financial performance, ethical management and leadership, and corporate leadership. Not all nine components share the same degree of relevance for stakeholders: different stakeholder groups rank the importance of the components of corporate reputation differently; they evaluate the reputation of the same company differently. The drivers of stakeholders' overall evaluations of a company's reputation vary by stakeholder segment. Stakeholder groups are seen to display the characteristics of segments.

1 Introduction

Figure 1-1:

Structure of Chapter One

Section	Topic
1.1	Introduction
1.2	Problem orientation
1.3	Background to the research problem
1.4	Research problem and research justification
1.5	Research methodology: sequence and justification
1.6	Delimitations and key assumptions
1.7	Potential contributions to knowledge
1.8	Outline of the thesis
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1.1 Introduction

This chapter lays a foundation for the thesis by introducing the background to the issues addressed by the research and to the research problem. It outlines a justification for the research problem and provides an explanation of the methodology used. The content of each chapter is then outlined within an overall structure for the thesis. The delimitations of the research are considered, as well as the potential contribution of the research to academics and to practitioners.

1.2 Problem orientation

This thesis focuses on two topics: firstly, the development of an ontology (which in this study is meant as an explicit specification of a conceptualisation rather than the more usual meaning, that is the metaphysical study of the nature of being and existence) and a tool for the measurement of corporate reputation; secondly, the role of a stakeholder perspective in developing a more effective measurement approach. A review of the literature on corporate reputation reflects positive contributions and a growth of interest. Yet despite this there are conflicting views about what reputation is and what its key components are.

The relevance of a focus on corporate reputation is supported by a growing recognition that a significant proportion of a firm's market value lies in intangible, off-balance sheet assets, rather than in tangible book assets (Srivastava, 1998). Corporate reputation is recognized as an important intangible asset (Herbig & Milewicz, 1993, Petrick, Scherer, Brodzinski, Quinn, & Ainina, 1999, Vendelo, 1998).

What corporate reputation is, and how best to measure it, have become central business questions. The marketing literature and practitioner experience attest to the importance of corporate reputation as an intangible asset that contributes to the market value of a company, to the need for more effective definition (which in this research will be addressed through the construction of a corporate reputation ontology) and measurement. To manage reputation effectively it must be defined and measured. Yet there is a lack of agreement on its definition and on its key components; on the role of these key components; and on how to measure them. This points to a need for clarification, definition and understanding of the meaning of reputation. It points also to a need for the development of constructs and for the development of reputation measurement tools for the more effective management of this asset. Until the need for an ontology and better measurement are achieved this asset cannot be managed effectively.

The corporation is not the only form of organization that can rise and fall as a result of its reputation. Governments, political parties, universities, NGOs, religious denominations and international charitable organizations are affected by the value of their respective reputations. The scope of the research outlined here, rooted in the extensive corporate reputation literature, takes a strategic and operational perspective from the point of view of the company and of its stakeholders.

The underlying assumption about the goal of the project is based on a value orientation which assumes that commercial institutions (companies) make a positive normative and functional contribution to society. As social 'actors' companies formulate their actions based on the expectations of other members of society. Companies possess most of the legal rights and obligations of a human being (Micklethwait & Wooldridge, 2003). The Companies Act of 1862 defined a company as more than simply an organization engaged in business: "the limited liability joint-stock company is a distinct legal entity (so distinct, in fact that its shareholders can sue it) endowed by government with certain collective rights and responsibilities" (Micklethwait & Wooldridge, 2003, pp 53-57). It is the company's performance of these collective rights and responsibilities that can so often be the focus of stakeholder interest. Yet as Weber attests, Anglo-Saxon companies have generally been willing to take on social obligations without the prompting of governments (Weber, 1930). The Quakers who founded many British companies did so with a view to justifying their business affairs to their peers (Hannah, 2000). Critics of companies may identify selfish reasons for this; others may identify social reasons.

1.3 Background to the research problem

This section provides an outline of the research problem and justifies the importance of this thesis and examines the context for the research problem. The background to this research problem spans several decades and several areas in the marketing literature: corporate reputation, corporate image, corporate identity, corporate branding and stakeholder relationships and the investment literature that focuses on the contribution of intangible assets to corporate value (Srivastava, Shervani and Fahey, 1998).

There has been a growth of interest in the importance of a company's intangible assets. Insights have been provided into the value of intangible assets such as corporate culture, customer relationships and brand equity (Capraro, 1997). Capraro (1997) has noted how market-to-book ratios for Fortune 500 companies are approximately 3.5, which suggest to the author that more than 70% of the market value of these Fortune 500 companies lies in intangible assets. Yet as Lusch (1994) has observed, the value of intangible assets such as reputation is clearly more than simply a goodwill line on a balance sheet; analysts, however, who monitor and track a firm's performance, traditionally concentrate on tangible, balance sheet assets such as cash, plant and equipment, and inventory. (Lusch, 1994)

Srivastava, Shervani and Fahey (1998) have observed how little had been done in the 1978-1998 period to project more accurately the full asset base of the corporation in the global marketplace. Thus, a failure to understand the contribution of marketing activities to shareholder value continues to diminish the role of marketing thought in corporate strategy.

There has been a growth of interest in the concept of corporate reputation (Fryxell & Wang, 1994, Herbig & Milewicz, 1995, Shapiro, 1982). There has also been a growth of interest in the concepts of corporate identity (Cheney, 1999; Bromley, 2001); corporate image (Gotsi & Wilson, 2001); corporate brand (Balmer, 1995); and corporate legitimation (Ahlstrom & Bruton, 2001, Kostova & Zaheer, 1999, Rao, 1994). A positive reputation predisposes various stakeholder segments to think, feel and to behave more positively towards an organization (Fombrun, 1996). Key stakeholder groups (internal stakeholders such as directors, managers, and employees; external stakeholders such as communities, customers, investors, competitors and suppliers) use cognitive and emotional dimensions when evaluating reputation (Bromley, 2001, Gotsi & Wilson, 2001).

Research into reputation has a high level of relevance to practitioners and to academics alike. In 2005 The Marketing Science Institute designated corporate reputation as a research priority. There is no agreement, however, as to how reputation and its key components should be defined (Deephouse, 2002). Knowledge about how the key components should be measured is inconsistent (Bromley, 2002).

Earlier comprehensive reviews of the corporate reputation literature (Gotsi & Wilson, 2001) have made significant contributions to an understanding of the concept. They have not, however, as Gotsi and Wilson (2000) cautioned, addressed the need for a better understanding of what corporate reputation is. They have not, for example, clarified the interrelationship between corporate reputation and identity, and hence the management implications of the use of those concepts. A similar observation has been made (Abratt,

1989) regarding the concepts of corporate identity and corporate image which Abratt (1989) has noted are often used interchangeably. In summary, numerous inconsistent definitions of reputation have been employed. The contribution of identity, image and brand to building reputation is unclear; the relationship between the concepts is largely ignored. The roles of each concept have evolved; they are dynamic and not static.

The significance and key outcomes of this research will be to:

1. Provide an ontology to better understand the contribution of key components (e.g., image, identity, performance, corporate branding, products and services) to corporate reputation;

2. Develop a tool to measure corporate reputation.

Why is it important to develop an ontology of corporate reputation? In recent years research on ontology has become increasingly widespread in the fields of information science and business. In these fields ontologies provide formal specifications, and methodologically tractable standardised definitions of terms used to represent knowledge in ways that will enhance communicability. The approach taken in this project rests upon a definition of ontology as an explicit specification of a conceptualisation (Gruber, 1993).

In this study on corporate reputation a common ontology is needed to provide a unified communication framework, and an ontological foundation for measurement. The network of dependences which operate within the ontology of corporate reputation will be applied in scale development and in the development of a measurement instrument for corporate reputation.

There is a need for a way to handle ambiguous terms that are an obstacle to reaching a shared understanding. Furthermore, there is a need for the grouping and the elucidation of the relationships between terms relevant to corporate reputation. An ontology helps to establish and to encourage the use of a shared vocabulary, of a set of definitions and of descriptive relationships (Uschold, King, Moralee, & Zorgios, 1998). It serves as a vehicle for validation.

Finally, a corporate reputation ontology will serve as a basis for constructs which will lead to the development of a tool for reputation measurement.

In this study we are concerned with the structure, interaction and relationships between each of the key components of corporate reputation. What is the corporate reputation construct? What are the similarities, if any, between components such as identity, image, and the corporate brand? How are they different? How can the relationship and these differences be shown? What is the role of various stakeholder segments (i.e., groups with some common characteristics and which are relevant in explaining and predicting their response to a company's activities and communications stimuli) in corporate reputation perception and evaluation? What implications do stakeholder evaluations have for the effective measurement of corporate reputation?

Among the expansive corporate reputation literature, and the 376 academic articles related to its core components that were reviewed and analyzed as part of this study, there was not a single reference to the marketing term "segmentation" related to stakeholders. References to segmentation related to consumer segments relevant to a company's various brands; such references were most likely to be found in the corporate image literature. There is continued interest in segmentation in the marketing literature (Dolnicar & Jordaan, 2007, Neeley & Coffey, 2007) and in the literature that focuses on specific industry applications such as banking (Streeter, 2007). Much of the thinking on segmentation has stood the test of time and references to segmentation research conducted during the period 1970-1990 are still very much in evidence (Van Pham, 2006). Segmentation has been acknowledged as an important element of market planning (Sudharshan & Winter, 1998) and as a means for developing well-reasoned strategic planning in business operations. Very little academic work has been done on industrial segmentation (Bonoma & Shapiro, 1983).

Wind and Cardozo (1974) have defined a market segment as a group of present or potential customers with some common characteristic and which is relevant in explaining and predicting their response to a supplier's marketing stimuli (Wind & Cardozo, 1974). The basic assumption of market segmentation is that segments actually do exist and that markets are not entirely homogeneous (Beane & Ennis, 1987). According to Kotler (1980), useful segments must possess the following characteristics: measurability, accessibility, and substantiality. A segment needs to be the largest possible homogeneous group of influencers to whom it pays to target a communications programme (Kotler, 1986).

Five broad bases for corporate segmentation have been suggested (Bonoma & Shapiro, 1983) and include: Demographics (industry, company size, and location); operating variables (technology, users and nonusers of a product and brand, purchase of related products, and customer capabilities) are used to segment customers within a general industry category; purchasing approach (concerned with the organization and the relationship of the buying center within the organization; situational factors (application, type and size of purchase, environmental situation, and the situational buying risk); personal characteristics (buyer-seller similarity, buyer motivation, individual perceptions, and risk). Kotler has suggested that different market segments must be evaluated according to three factors: segment size and growth, segment structural attractiveness, and company objectives and resources (Kotler, 1986).

When segmenting markets the segments that result are distinguishable, indicating that they would respond differently to varying marketing communications programmes (Kotler, 2000), and cohesive. Beane and Ennis (1987) suggest that there is no one correct way to segment a market. Benefit segmentation, however, may be an approach that is relevant to the analysis of stakeholder segments. Benefit segmentation is an approach to segmentation based on the benefits derived from or desired in a relationship with a product, a brand, or a company. If a benefit segmentation approach is to be feasible for an analysis of stakeholders, then each stakeholder group should be identifiable in terms of the way in which it seeks benefits that are different, in some way, from other stakeholder groups and which can be identified and acted upon (Beane & Ennis, 1987).

The background to this research highlights the high level of relevance that corporate reputation has for practitioners and to academics alike. While, as an intangible asset, corporate reputation is of great value to companies (Herbig & Milewicz, 1993, Petrick, Scherer, Brodzinski, Quinn, & Ainina, 1999, Vendelo, 1998) there is no agreement as to how reputation and its key components should be defined (Deephouse, 2002). Market segmentation (Beane & Ennis, 1987) among stakeholders presents an untried opportunity in the study of corporate reputation and could play an important role in the building of an ontology of corporate reputation and in the development of more effective measurement tools.

1.4 Research problem and research justification

This section provides an outline of, and examines the context for, the research problem: the need for an ontology of corporate reputation and for a measurement tool that reflects the evaluations of various stakeholder groupings. To be measured and managed effectively, corporate reputation must be defined. This study builds on the literature and aims to:

1. Build an ontology of corporate reputation as a basis for developing constructs and in order to clarify the corporate reputation construct and the relationship between corporate reputation and its key components.

   For the purpose of this study, ontology means an explicit specification of a conceptualisation. Research in ontology has become increasingly widespread in the fields of information science and business in recent years. Here ontologies provide formal specifications, and methodologically tractable standardised definitions of terms, used to represent knowledge of specific domains, in ways that will enhance communicability with other domains. The approach taken in this project depends upon the definition of ontology being an explicit specification of a conceptualisation (Gruber, 1993). In this project on corproate reputation, a common ontology is needed to provide a unified communication framework, and an ontological foundation for conceptual modeling. The network of dependences which operate within the ontology of corporate reputation, are at the core of what is to be modeled in the process of using categories and constructs, that will be applied in measurement scale development, and development of a measurement instrument for organizational reputation.

   An ontology will help establish a basis for enabling knowledge sharing and reuse; a basis for a better understanding of organizational reputation. It is not simply a conceptualization (Guarino & Giaretta, 1995), or a taxonomy (i.e., a classification based on similarities of structure or origin (Slomin & Tenji, 1991-2003)).

2. Develop scales for the measurement of corporate reputation;

3. Develop a valid measurement tool that reflects differences in orientation by the various stakeholder groups.

For the proposed study the principal research aim is stated as follows:

> To develop an ontology and a valid measurement tool for corporate reputation and its key components.

To achieve this aim the study will address and explore the two critical needs identified in the research aim (an ontology and a valid measurement tool for corporate reputation and its key components). This will require a triangulation of research methods and incorporates:

1. Exploration and analysis of the corporate reputation literature;

2. Qualitative research among relevant stakeholder segments;

3. A quantitative survey among various relevant stakeholder groups that focuses on the reputation of a company known to them all.

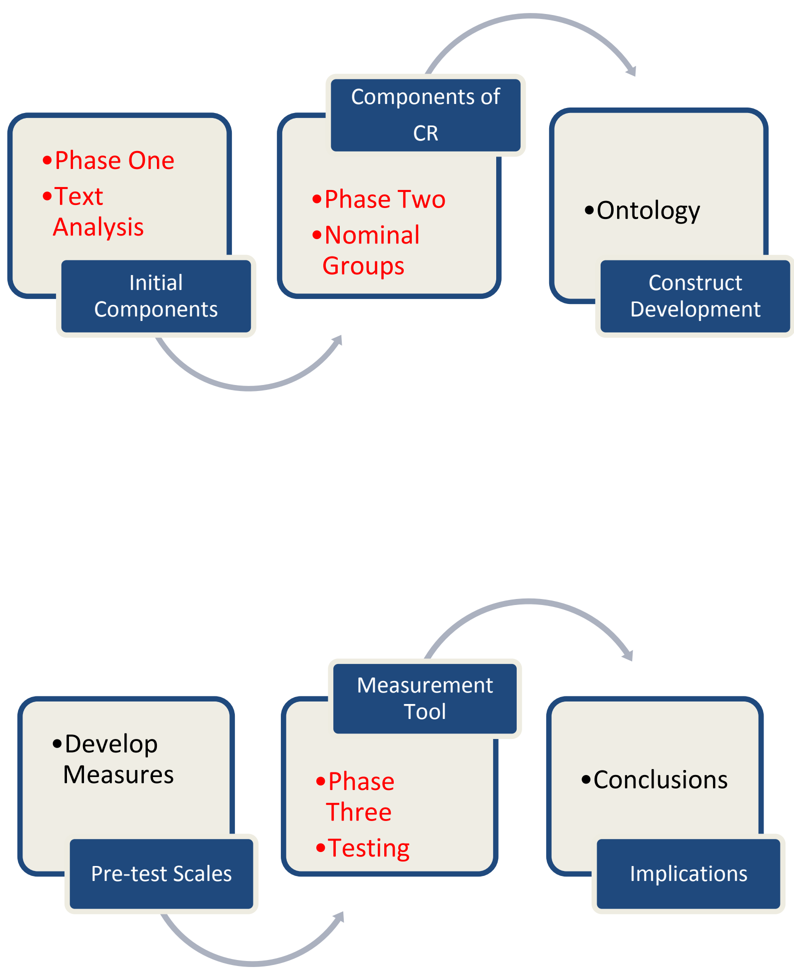
This research will focus on recent academic thinking about corporate reputation and its key components and on qualitative and quantitative studies across a range of stakeholders. As a result, this research has potential application to a wide range of company stakeholder communications needs. The development of new stakeholder-based measurement tools can be applied across industry sectors and can include SMEs and start-ups as well as larger, more mature organizations. This research, while focusing on stakeholder perceptions and evaluations of a commercial organization, will be of relevance to reputation assessment and management among non-commercial organizations. The methodology has the potential also to be applied to companies across various overseas markets.

1.5 Research methodology: sequence and justification

A multi-method, or triangulated, research design will be implemented to explore the corporate reputation construct and its key components; to explore stakeholder perceptions of these key components and to identify a measurement approach that is sensitive to any differences that may occur across stakeholder groups. Figure 1-2 shows the key research steps to be taken.

Figure 1-2

Key Research Steps to be Taken



The first phase of research consists of text analysis of the academic literature on corporate reputation within a content analysis methodology; the second phase consists of qualitative research for further exploration of the corporate reputation ontology and for the development of items for the third phase, a quantitative survey among stakeholder segments. Within the first phase analysis of a large body of relevant academic literature on corporate reputation and its key components will include the use of text analysis, social network and visualization software.

The objective of this phase is to gain a better understanding of the structure of relationships between corporate reputation and other key concepts. Four questions guide this first phase of the investigation: What is the relationship between corporate reputation and other key concepts? What are the relationships between these concepts? To what extent are they either synonymous or distinct concepts? What contribution can text analysis make towards definition of corporate reputation and related concepts, and towards the building of a corporate reputation ontology? After completing text analysis of the corporate reputation literature, there is an acknowledged need to identify the components of corporate reputation for each stakeholder segment; to explore the estimation of value; to explore the meaning of the corporate reputation construct and of its components; to provide insights into what predisposes a relevant stakeholder segment to think, feel and to behave positively towards the company.

In the second phase, qualitative research using the Nominal Group Technique is employed. Eight nominal group discussions will be conducted in Auckland, New Zealand, each among a different stakeholder group. Use of the Nominal Group Technique (NGT) will help to identify, from the various stakeholder perspectives, the components or ingredients of corporate reputation. This will contribute towards clarification of the key components of corporate reputation, and towards the building of the corporate reputation ontology; it will contribute towards the development of items for use in a further, third, quantitative research phase. The NGT has been seen to provide insights into the perceptions and constructs individuals use to understand and manage their world (Hussey & Hussey, 1997). While there is no evidence in the corporate reputation literature of the use of the NGT methodology, the methodology was judged to be appropriate for construct definition and item development with regard to corporate reputation.

In the third, quantitative phase, the focus will be on evaluation of the reputation of a well-known company and of the importance of the various key components of corporate reputation to reputation assessment. Six groups of stakeholders (employees, customers, CEOs, media, finance and investment specialists, and communications specialists) from all over New Zealand were contacted. Various analytic tools were used to establish the key drivers of overall assessments of the company's corporate reputation, for each stakeholder group. Significant differences as well as similarities will be explored and discussed.

The following eight research questions, whose origins will be discussed as this thesis progresses, are discussed and tested in this study:

RQ_1: Are corporate reputation and corporate identity synonymous? Or are they distinct yet related concepts?

RQ_2: Is corporate identity internal and not perceived or understood outside the organization?

RQ_3: Are corporate reputation and corporate image synonymous? Or are they distinct yet related concepts?

RQ_4: Are corporate image and corporate identity synonymous? Or are they distinct yet related concepts and components of corporate reputation?

RQ_5: Is legitimation a key component of corporate reputation?

RQ_6: Do different stakeholder groups rank the importance of the components of corporate reputation differently?

RQ_7: Do different stakeholder groups evaluate the reputation of the same company differently?

RQ$_8$: Do the drivers of stakeholders' overall evaluations of a company's reputation vary by stakeholder segment?

These research questions are discussed and tested by the various research methodologies used in this study: by qualitative research using text analysis and the nominal group technique among stakeholders and quantitatively by the survey of six stakeholder groups.

Recent research on corporate reputation (Dowling, 2004) supports a belief that various groups of stakeholder evaluate the attributes of a company differently. This suggests that the corporate reputation construct needs to be seen, and possibly defined, from a stakeholder perspective. A construct has been defined as 'a conceptual term used to describe a phenomenon of theoretical interest' (Edwards & Bagozzi, 2000, pp. 156–157).

1.6 Delimitations and key assumptions

The value orientation of this research is pluralistic in the sense that it assumes that social life cannot be directed to one end, and that no historicist or one-dimensional factor theory provides explanation for socio-economic activity (Popper, 1957). The value orientation of this research assumes that commercial institutions contribute to the functioning of society.

The orientation of this research has been influenced by the *verstehen* sociology of Max Weber which seeks significance at the level of meaning as well as of explanation (Weber, 1947). The underlying methodology used in this study, as discussed earlier, needs to be appropriate to the nature of the defined reality relative to the project: the need to construct an ontology of corporate reputation and to build an effective measurement tool. It needs to be rigorous and to be sensitive to meanings concepts have for various stakeholders.

This research focuses, in the literature review and text analysis, on perceptions and evaluations of corporate reputation, globally, by academics. In the qualitative, NGT phase the research focus is on perceptions and evaluations of corporate reputation generally, that is with no one specific company in mind, by members of stakeholder groupings in New Zealand. In the quantitative stakeholder survey phase the research focus is on perceptions and evaluations of the corporate reputation of one specific company, the ASB Bank Limited, by members of relevant stakeholder groupings. (See Pp. 135-138 below in which the criteria for selection of a company are discussed in full.)

This study focuses, therefore, in the qualitative NGT phase, on what stakeholders judge to be the most important components or ingredients of corporate reputation. In the quantitative survey phase, the focus is on the stakeholders' stakeholder-specific perceptions and evaluations of the reputation of a single, high-profile service-provider company. This approach ensures the study's relevance by providing an external as well as an internal perspective. Internal stakeholders such as CEOs, employees and corporate communications directors are included among the internal stakeholder samples. Additionally, external stakeholders including the media, investment and finance specialists and customers have been included. A focus on a single service provider provides a depth and intensity to the focus of stakeholder perceptions and evaluations that may not have been possible if a second or third company had been included.

1.7 Potential contributions to knowledge

It is hoped that this thesis will make a number of theoretical, empirical and managerial contributions as well as adding to existing academic knowledge of corporate reputation. The theoretical contributions include an ontology of corporate reputation which includes specifications, operational definitions and a formal vocabulary for corporate reputation and the concepts associated with it. An ontology helps to establish and encourage the use of a shared vocabulary, of a set of definitions and of descriptive relationships (Uschold, King, Moralee, & Zorgios, 1998). Next there is a contribution to a better understanding of the corporate reputation construct. A further contribution will be made through the applications of marketing segmentation theory to the study of corporate reputation.

The empirical contributions include the use of a multi-method, triangulated, research design that incorporates these methodologies (text analysis, the nominal group technique and a quantitative survey) and is as yet untried in the study of corporate reputation. A further empirical contribution is the use of an ontology of corporate reputation to serve as a basis for constructs of corporate reputation, which will lead to the development of various sets of stakeholder-specific scales for corporate reputation modeling and measurement. A contribution to management, overall, and to corporate reputation management in particular, is provided through a better understanding of how certain perceptions and evaluations can be unique to any given group of stakeholders; tools will be developed to help managers measure and manage corporations more effectively across relevant stakeholder groupings.

The study contributes to the literature by developing solutions to the most widely expressed problems in the corporate reputation canon: definition; the relationship between corporate reputation (as a dependent variable) and its key components; a combined theory based and empirical method for identifying key components and for developing items; and a measurement technique that has relevance for a company's various stakeholder groups. Aspects of this research have already contributed to several conferences: to the Australia and New Zealand Marketing Academy Conference (Lloyd & Mortimer, 2005, Lloyd & Mortimer, 2006) and to the European Marketing Academy Conference (Lloyd & Mortimer, 2006).

1.8 Outline of the thesis

The section that follows outlines briefly the chapters in the thesis:

Chapter 1 (this chapter) introduces the research project, provides a background to the research problem and a justification of the research in the context of the literature. An outline of the multi-method research approach is provided next. Then important definitions are clarified and the limitations of the research stated. Finally the contribution to knowledge of this research is considered.

Chapter 2 reviews the corporate reputation literature and includes the literature relating to concepts associated with corporate reputation, and to its measurement. Within the corporate reputation literature, the topics of corporate identity, corporate image, corporate brand, legitimation and management are important; the definitions of these components and their relationships with corporate reputation are explored. The literature on the measurement of corporate reputation and on its main currents of thought is then addressed.

Chapter 3 presents the triangulation of research approaches adopted for this research. Each research approach is considered (text analysis, the nominal group technique and the stakeholder survey) and a justification is provided for each research approach. In this chapter data collection and coding procedures are reviewed. Results from the text analysis are analyzed and their relevance for what is to be covered in Chapter 4 is considered.

In Chapter 4 the Nominal Group Technique (NGT) is explained and its value, its usefulness and its application are outlined. The relevance of the NGT to text analysis conducted within a content analysis framework and working within the C-OAR-SE method (Rossiter, 2005) is justified. The importance of talking to stakeholders about the components of corporate reputation, for refining the ontology and for the purpose of developing items for scale development, is explained. Results of the NGT sessions are analyzed and their contribution to the next research step is reviewed. The ontology of corporate reputation is presented and its contribution discussed.

In Chapter 5 the deductive approach towards the quantitative method used to provide confirmation of theoretical assumptions is explained. Aspects of questionnaire design, sample selection, pretesting and a rationale for the quantitative research tools used are provided. The profile of respondents and the survey response rates are analyzed.

In Chapter 6, the stakeholder survey, the analysis and the results of the quantitative research are provided. The relative importance to stakeholder segments of the components of corporate reputation is explored to address the question of significant differences between stakeholder perceptions. Stakeholder evaluations of the reputation of a company (ASB Bank Limited) are analyzed to ascertain differences between stakeholder groups and what the nature of those differences are. The identification of the specific items that act as drivers of corporate reputation for each stakeholder group will be examined by using an overall evaluation of corporate reputation as the dependent variable and a number of contributing variables as independent variables. Conclusions from the analysis will be provided.

In Chapter 7 the survey results and their implications in the light of an analysis of the literature and of the corporate reputation ontology will be discussed. An overview of the study is provided, followed by an assessment of its significance and of its contribution to knowledge. This final chapter concludes with a discussion of the managerial implications, of the limitations of the research and of its implications for further research.

1.9 Conclusions

This chapter has laid the foundations for the thesis by introducing the background to the research and to the research problem. It has outlined a justification for the research problem and has provided an explanation of the methodology used. The content of each chapter was then outlined within an overall structure for the thesis. Key definitions within the context of the literature and of methodology were then addressed. Delimitations, overall, of the research were considered, in addition to the potential contribution of the research to marketing knowledge, to academics and to practitioners.

The next chapter examines the corporate reputation literature and the academic literature related to other key concepts that are of relevance to this research.

2 Literature Review

Figure 2-1:

Structure of Chapter Two

Section	Topic
2.1	Introduction
2.2	The definition of corporate reputation
2.3	Key components of corporate reputation
2.4	Identifying the key components
2.5	Measuring corporate reputation
2.6	Development of research questions
2.7	Conclusions

2.1 Introduction

Two categories of literature are reviewed in this chapter. Firstly, there is the literature which has as its focus the definition of corporate reputation, of other key concepts, and the relationships between corporate reputation and these key concepts. The significant contributions of earlier comprehensive reviews of the corporate reputation literature to an understanding of the corporate reputation concept (Gotsi & Wilson, 2001) is acknowledged. Ambiguity exists, however, because different definitions of the concept have been used (Bick, Jacobson, & Abratt, 2003, Chun, 2005).

Secondly, there is the review of the literature which has as its focus the measurement of corporate reputation. This review concludes with an overall assessment of the contributions made to-date and with a statement of the challenge that remains: to provide an operational definition of corporate reputation (Bromley, 2001) that goes beyond 'a collective assessment of a company's ability to provide valued outcomes to a representative group of stakeholders' (Fombrun & Rindova, 2000): to provide a firmer basis for the development and sharing of a definition by the construction of an ontology of corporate reputation, and to the development a more effective measurement tool. The second part of the review, therefore, will focus on the literature that deals principally with the measurement of corporate reputation.

There is growing interest in corporate reputation among researchers into strategy, communications, organizational theory and organization cognition (Fombrun and Rindova, 2000). If managed well reputations are a valuable asset and make companies more resilient to the negative effects of discontinuities.

The literature emphasizes the contribution and value that a positive corporate reputation can make to the enhancement of a company’s economic value; to customer and consumer purchase intent; to the reinforcement of a positive perception of product and/or service quality; to the strengthening of customer and employee loyalty; and to the reinforcement of perceptions of an organization’s unique value and authenticity. While a review of the literature tends to reflect these positive contributions and the growth of interest in corporate reputation (e.g., Shapiro, 1982; Fombrun and Shanley, 1990; Fryxell and Wang, 1994; Rao, 1994; Herbig and Milewicz, 1995; Fombrun and Rindova, 1996; Fombrun and Van Riel, 1997; Caruana, 1997; Greyser, 1999; Bickerton, 2000; Bromley, 2001 and 2002; Gotsi and Wilson, 2001; Deephouse, 2002; Gardberg and Fombrun, 2002; Thevissen, 2002) such a review provides evidence of continued disparity in definitions of the concept and of its key components.

A review of the literature points to a disparate knowledge and a need for clarification and definition. There is evidence that contradictory definitions have been adopted (Fombrun and Van Riel, 1997), and that there is a need to bring together in one place this disparate knowledge. Critical discussion and clarification are needed.

2.2 The definition of corporate reputation

An important first step in the construction of an ontology of corporate reputation is to review the contribution of earlier research towards an understanding of corporate reputation and its key components. Earlier comprehensive reviews of the corporate reputation literature have made significant contributions to an understanding of the concept (Gotsi & Wilson, 2001). They have not, however, solved the problem of ambiguity, the result of having adopted, over the years, different definitions of the concept. Corporate reputation has been defined variously as shown in Table 2-1 below.

The Oxford English Dictionary defines reputation as:

'Account or estimation of a thing … the common or general estimate of a person with respect to character or other qualities; the relative estimation or esteem in which a person or thing is held.'

The problem of ambiguity in defining the concept of corporate reputation may also derive from the range of cross-disciplinary perspectives that have been taken. These include: economics, accountancy, sociology, marketing, organisational behaviour and strategy (Fombrun and Rindova, 1996). This range of perspectives has led to confusion and to a belief that corporate reputation is a process that focuses solely on what a company does and how it behaves (Balmer, 1998), rather than on what it communicates through it actions and behaviour; on its values and achievements and how these are perceived by its various stakeholder segments.

The summary of definitions of corporate reputation shown in Table 2-1 below reflect a range of attributes. Corporate reputation has been seen as one dimension of corporate image (Barich and Kotler, 1991); it has been seen alternatively as being synonymous with image (Greyser, 1999). Dowling (1993) has seen it also to be synonymous with image but has qualified this assessment by suggesting that it represents the total impression of a company, a perspective shared by Dutton, et al. (1994) who see it as representing outsiders' perceptions of corporate image.

Table 2-1:

Definitions of Corporate Reputation

Definition	**Reference**
Image related	
One dimension of corporate image.	(Barich & Kotler, 1991)
Synonymous with image - represents a total impression of a company.	(Dowling, 1993)
Collective images in a stakeholder or interest group.	(Bromley, 2001)
Synonymous with image and credibility - the central link between company behaviour and public confidence.	(Greyser, 1999)
Assessment related	
Results from the assessment made of incomplete information received about a firm by a public over time.	(Caruana, 1997)
A collective assessment of a company's ability to provide valued outcomes to a representative group of stakeholders.	(Fombrun, Gardberg, & Sever, 2000)
An assessment by specific stakeholder groups.	(Carter and Deephouse, 1999; Bromley, 2001; Gotsi and Wilson, 2001).
A stakeholder's overall assessment of the organization's ability to meet predefined criteria such as integrity.	(Bick, Jacobson, & Abratt, 2003)
Construct related	
A dynamic construct based on an evaluation of a company over time.	(Gotsi and Wilson,2001)
Strategic construct to be managed and monitored.	(Schultz, Hatch and Holten Larsen, 2000; Gotsi and Wilson, 2001).

The idea of corporate reputation being linked to an evaluation of a company's performance has been expressed by Fombrun and Shanley (1990) who see it as an output measure of corporate performance, and later by Caruana (1997). Schultz, Hatch and Holten Larsen (2000), have suggested that definitions of corporate reputation have changed from an output measure of corporate performance to a strategic construct. Gotsi and Wilson (2001) later incorporated the idea of corporate reputation as a strategic construct that requires monitoring and management over time. Some have qualified such a definition by reference to an assessment of specific stakeholder groups (Carter and Deephouse, 1999; Bromley, 2001), an assessment that may extend over time and may not be limited to a snapshot at any one given moment in time (Gotsi and Wilson, 2001).

Some researchers opt for avoiding definition altogether. They assume an understanding of the concept as a given and, from the literature, link together several attributes of corporate reputation to help provide a broad understanding of a conceptual framework. Thus Dukerich and Carter (2000) suggest that corporate reputations are based on perceptions, and that it is those perceptions that drive reputation assessments, regardless of the reality of the situation. Furthermore, that reputations are assessed by stakeholders through both a company's activities and through informational signals (Fombrun and Shanley, 1990); and each of these stakeholders may have diverse concerns, interests, and goals, leading to multiple reputation assessments (Bromley, 1993; Carter and Deephouse, 1999).

A further source of ambiguity may be the result of having adopted, over the years, different perspectives on the relationship between corporate reputation and its key components, such as corporate image. An 'analogous' and a 'differentiated' school of thought, for example, have been identified. For the analogous school corporate reputation is seen as being synonymous with corporate image. For the differentiated school corporate reputation and image are different, yet interrelated (e.g., reputation influences image). The thinking and definitions of Barich and Kotler (1991), Greyser (1999) and Dutton, et al. (1994) discussed earlier in this section and which tended to see reputation and image as synonymous, are examples of the analogous approach. Although certain differences still exist, various authors have tried to provide an integrative definition of recent conceptualisations. Gotsi and Wilson (2001), in a cross-disciplinary literature evaluation of definitions, concluded with a definition of corporate reputation as "a stakeholder's overall evaluation of a company over time. This evaluation is based on the stakeholder's direct experiences with the company, any other form of communication and symbolism that provides information about the firm's actions and/or a comparison with the actions of other leading rivals". If integrative is to be taken to mean combining and coordinating diverse elements into a whole, then Gotsi and Wilson's (2001) integration may have been at the expense of conceptual clarity. The need for an integrative approach to corporate identity was voiced earlier (Baker & Balmer, 1997) and a hierarchy of schools of thought in strategic corporate identity developed.

Caruana (1997) sees the lack of clear differentiation of image and reputation as a major source of this ambiguity. References in the literature to the importance of stakeholders (Carter and Deephouse, 1999; Bromley, 2001; Gotsi and Wilson, 2001) suggest the need for a stakeholder based approach. What is lacking in this literature is an introduction of the concept of stakeholder segmentation.

More recently a valuable contribution has been made in evaluating the use of league tables, quotients, benchmarks and case studies in comparing corporate reputations (Bromley 2002). Bromley's contribution will be discussed further in Section 2.4.1. What has been omitted in such an evaluation, however, is an operational definition of corporate reputation. Fombrun (1995) has suggested that a definition needs to go beyond 'a collective assessment of a firm's past behavior and outcomes that depicts the firm's ability to render valued results to multiple stakeholders', and offers the consideration that, while the concept still lacks an agreed theoretical basis, finding valid and practicable methods of assessment and comparison should help to provide clarification (Fombrun, 1995).

Deephouse (2002) on corporate reputation management, while offering no definition of the concept of corporate reputation, notes how some practitioners, seeking to differentiate their reputation management services, adopt descriptors such as perception management. He attests to the increased interest in corporate reputation and the need for a global trade association to evaluate trends among professional service firms offering corporate reputation management (Deephouse, 2002).

Based on this review and on the need for an operational definition with relevance at the level of meaning as well as of explanation, the following working definition (which assumes that it is a positive reputation rather than a negative or weak reputation that is of value to a company) is proposed for further empirical evaluation:

> Corporate reputation is that estimation of value, which, in its meaningful content, predisposes a relevant stakeholder segment to think, feel and to behave more positively towards the organization.

Why an estimation? In the search for a measurable, operationalizable concept the consideration of reputation as a process can be questioned. A reputation development or management can make a contribution to the shaping of inputs and to key components of reputation. Reputation itself, however, is an estimation of value at a given time. This view is shared by Balmer (1998); Bromley (2001); Fombrun (1996) and Jones (1997).

Why value? To paraphrase Hunt (2000), reputation is a resource with perceived, relative value.

Why meaningful content? Here meaning is referred to in the sense discussed by Weber (1947) where meaning strives for clarity and verifiable accuracy of insight and comprehension (*evidenz*).' And later: 'In the sphere of action things are rationally evident chiefly when we attain a completely clear intellectual grasp of action-elements in their intended context of meaning.' (Weber, 1947.)

Why a relevant stakeholder segment? Some, including Bromley (1993) and Carter and Deephouse (1999) have seen stakeholders as possibly displaying diverse concerns, interests, and goals, and thereby making multiple reputation assessments. Bromley (2001) has modified this view and has introduced the notion of the stakeholder or interest group. Thus his perspective has shifted to commonalities; to those attributes that members of stakeholder groups share. What each group shares, especially where it is a set of stakeholder attributes, and what differentiates it from other groups, it will be argued in the current research, are the characteristics of a stakeholder segment. Hence, *a posteori*, the perception of a reputation is a shared perception within a targeted segment and may differ from the perception of other segments. This notion is further supported by Dukerich and Carter (2000) who suggest that, because not all stakeholder groups are of equal importance to an organization, it should look at particular stakeholder groups when making decisions regarding to whom they should pay attention, that is to say, target their message.

Why to think, feel and to behave more positively towards the organization? For Weber (1947) meaningful action has traditional, affectual and rational or legal dimensions. It is a response based on the subjectively meaningful content of other's actions (which includes communications) and has overt and inward expression. Positive thinking, feeling and behaviour towards a company as a result of its reputation management activities reinforce its perceived value. It is perceived value that is seen by Hunt (2000) to drive consumer preferences and choices in the marketplace. Hunt's (2000) work places reputation management firmly in the strategic position of strengthening a company's competitive position in terms of the value of its market offering as perceived by a market segment. It is, in Hunt's (2000) view, a segment's perceptions about a company that drive marketplace behaviour.

A tacit assumption made for this working definition of corporate reputation is that reputation has relevance as much for stakeholder groups inside as well as for those outside an organization. Hatch and Schultz (1997) have suggested that internal/external barriers are breaking down.

Beyond this rationale, the consideration of how stakeholders think and feel about, and behave towards a company incorporates the three principle approaches to the measurement of corporate reputation to be discussed in detail later in section 2.5.2 of this chapter: the first is the social expectations that people have regarding companies; the second is the different corporate personality traits that people attribute to companies; and the third is the level of trust or distrust people have for a company (Berens and van Riel, 2004).

2.3 Key components of corporate reputation

Corporate reputation is not a *sui generis*. If we accept a working definition of corporate reputation as an estimation of value, which, in its meaningful content, predisposes a relevant stakeholder segment to think, feel and to behave more positively towards the organization, then what components have contributed to its construction?

Fortune magazine compiles an annual survey America's "Most Admired Companies" via a poll among industry analysts and managers. The *Fortune* magazine annual survey provides an index based on an assessment of companies with regard to: financial soundness, degree of innovativeness, product quality, ability to develop and keep key people, management quality, asset use, community and environmental friendliness, and investment value. Dowling (2004) has observed that various scholars have proposed that an individual's reactions to an organization are contingent on the amount of congruence they perceive between the organization's character and their prescriptive beliefs (or values) about appropriate corporate behavior.

"Thus, beliefs about the organization are mediated by the individual's values to form their reputation of the organization. The process by which this happens can be thought of as one of "identification," which occurs when the individual thinks that there is a good fit between their values and their beliefs about the organization, in classical attitude theory, these values are sources of evaluative or importance weights for the corporate image beliefs — e.g., the importance of the organization being the market leader or not having a detrimental impact on the environment; quality of management; quality of products and services; innovativeness; long-term investment value; financial soundness; ability to attract, develop and keep talented people; responsibility to the community; and environment and wise use of corporate assets" (Dowling, 2004, p 22).

It has been observed that four of the eight variables in the *Fortune* magazine (the financial orientation of whose editorial content is much in evidence) annual survey refer to performance while a single item measures corporate social responsibility and management quality. Fryxell & Wang (1994) have expressed concerns that all but one of the items (i.e., community and environment responsibility) appear to be directly influenced by the raters' perceptions of the financial potential of the firm. The *Fortune* magazine index focuses on an organization's equity (financial and social) rather than on any other key components of corporate reputation (Fryxell & Wang, 1994).

There are indications that various informational signals emanate from companies – information about a company's structural positions within organizational fields, specifically using market and accounting signals indicating performance; institutional signals indicating conformity to social norms; strategy signals indicating strategic postures (Fombrun and Shanley, 1990). What are these forms of communications and symbolism (Gotsi and Wilson, 2001) that provide information about the firm's actions and/or a comparison with the actions of leading rivals? Most agree that they are either corporate identity or corporate image.

It is clear from the literature (Gotsi and Wilson, 2001) that both the analogous school of thought (corporate reputation as synonymous with corporate image) and the differentiated school of thought (corporate reputation and image are interrelated) see corporate reputation and image as either causally linked or as concomitant variables. They share a relationship.

Corporate identity has also been considered as a key component and a corporate identity/corporate reputation focus has been taken (Bromley, 2001). Such a focus sees identity as a set of attributes that distinguishes one organisation from another. The same researcher goes on to suggest that identity is a more useful component than image ('the state of mind that underpins an overt expression, through language or other behaviour'), which, 'raises difficulties because mental images are covert and cannot be known directly' (Bromley, 2001). This discomfort about image is not common across the literature. For Herbig and Milewicz (1995) identity and image are seen both to be important to the building of corporate reputation. The implicit assumption made by Herbig and Milewicz (1995) that corporate reputation is an aggregate opens up an opportunity, which has yet to be addressed, to explore corporate reputation in terms of its relevance to specific stakeholder segments.

Fombrun (1996) has identified six inputs to building corporate reputation: (1) Information from the organization; (2) audit data; (3) investment analysis; (4) journalistic insights; (5) hearsay/rumour; (6) brand activities (customer image, community image, investor image, employee image). Corporate identity inputs are not clearly identified and can be included in internal (information from the organization) or external communications (journalistic insights, hearsay/rumour, and as elements or properties in brand communications). Image inputs are clearly identified as customer, community, investor and employee targeted activities. Performance inputs are identified as information from the company, audit data, investment analysis and journalistic insights. Information from the organization can be included in internal or external communications as a result of journalistic insights, hearsay/rumour and brand communications.

Fombun (1996) also has identified those at whom information is directed: employees, customers, investors, the community, the public, the government and competitors. All but government relations can be said to have been covered by identity, image and equity components. While government relations can be said to be maintained by a range of communications (e.g., relating to governance and social responsibility) according to Thevissen (2002) it is principally through the medium of the law that the community/government would evaluate a company's performance in the area of legal compliance. Legal compliance may, therefore, need to be considered as a possible component of corporate reputation. The recent disastrous downturns in the fortunes and reputations of some previously highly valued and highly regarded business organizations is evidence of the vital significance of legal compliance (Thevissen, 2002).

2.4 Identifying the key components

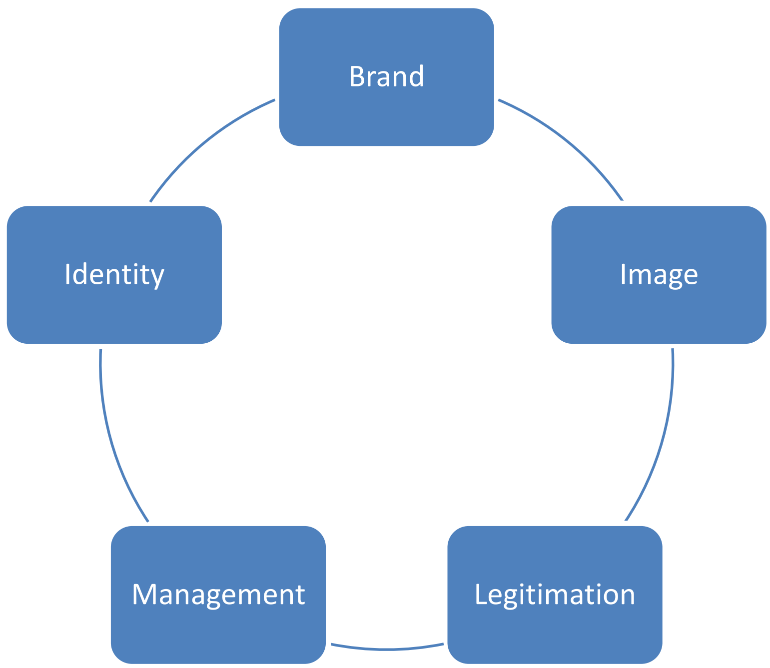
This part of the chapter identifies, on the basis of an analysis of the academic literature, the key components of corporate reputation. While the topic of corporate reputation construct has experienced a growth in interest due to the recognition of its importance, the contributions of identity, image and the corporate brand to the building of reputation remains unclear.

An initial review of the literature consisting of journal articles and relevant corporate reputation monographs has indicated that research on corporate reputation extends across a broad range of disciplines and publications (Bromley, 1993, Fombrun, 1996, Schultz, Hatch, & Larsen, 2000, Schultz, Hatch, & Larsen, 2000). It was decided for this study, therefore, to provide as comprehensive coverage as possible of the range of article types while at the same time ensuring relevance to the primary research focus: corporate reputation.

Identity, image, brand, legitimation and management are concepts that have emerged, initially, from the literature as having some relevance for a fuller understanding of corporate reputation (See Figure 2-2 below). Not all researchers, however, agree (for example Chun, 2005, p 91) who identifies only identity and image as 'allied constructs' of corporate reputation). There is evidence (as will be discussed in this section) that the definition of these concepts and their relationship to corporate reputation requires clarification. Ambiguity about corporate reputation and corporate image has not clarified the interrelationships between the concepts. A similar ambiguity has been observed about the concepts of corporate identity and corporate image which are often used interchangeably (Abratt, 1989). Evidence of the adoption of contradictory definitions of image and reputation (Fombrun & Van Riel, 1997) and of image and identity (Ind, 1990) points to a need to bring together in one place this disparate knowledge and to provide critical discussion and clarification.

Figure 2-2:

Concepts Important to a Fuller Understanding of Corporate Reputation



2.4.1 Corporate identity and reputation

While corporate identity has been defined as one of the attributes of a company that addresses the questions, 'What are we?' and 'Who are we?' (Balmer & Greyser, 2003), there remains a lack of clarity about its definition and about its relationship with the other key components of corporate reputation. Table 2-2 shows some of the various definitions of corporate identity that are prominent in the literature.

Table 2-2:

Definitions of Corporate Identity

Definition	**Reference**
Those elements which make an organization distinct.	(Olins, 1978)
Corporate identity should capture and serve as a vehicle to express the corporate philosophy.	Bernstein (1984, in Abratt, 1989, p. 69)
That which is central, enduring, and distinctive about an organization's character.	(Albert & Whetton, 1985)
The corporate identity mix is the element by which a business is known and consists of personality, behaviour, communication and symbolism.	(Birkigt & Stadler, 1995)
An assembly of visual clues - physical and behavioural - by which an audience can recognise a company and distinguish it from others and which can be used to represent or symbolise the company.	(Abratt, 1989)
The construed external image of the firm. What a member believes outsiders think about the organization.	(Dutton, Dukerich, & Harquail, 1994)
The articulation of what an organization is, what it stands for, what it does and how it goes about its business (especially the way it relates to its stakeholders and the environment).	(British Standards Institute, 1995)
The planned self-presentation of an organisation, consisting of the cues an organisation gives via its behaviour, communication and symbolism.	(van Riel, 1995)
The set of values and principles employees and managers associate with a company.	(Fombrun, 1996)
What an employee believes is distinctive, central, and enduring about the organization.	(Drumwright, 1996)
What members perceive, feel and think about their organizations: a collective, commonly-shared understanding of the organization's distinctive values and characteristics.	(Hatch & Schultz, 1997)
The meaning a company has based on a cultural attribute, or a set of cultural attributes, that have priority over other sources of meaning.	(Castells, 1997)
An expression of corporate personality, based on corporate strategy.	(Stuart, 1998)
An organization's identity encompasses a bundle of values that are derived from a federation of subcultures, which are found within and	(Balmer & Wilson, 1998)

outside the organization: they continually evolve and are amorphous.	
What the organisation is or stands for.	(Cheney & Christensen, 1999)
A set of attributes that distinguishes one organisation from another, especially organisations of the same sort.	(Bromley, 2001)
What employees feel and think about their organization. It focuses on questions relating to organizational culture. It gives a business its distinctiveness.	(Balmer, 2001)
A strategic manifestation of corporate-level vision and mission, underpinned by the strategies which a corporation employs in its operation or production.	(Melewar & Wooldridge, 2001)
The distinct attributes of an organization that address the questions 'what are we?' and 'who are we?' It encompasses issues such as business scope, culture and others.	(Balmer & Greyser, 2003)
The embodiment of the organization … the communication of the core values, philosophy and strategy of the organization through the delivery of its products and/or services.	(Bick, Jacobson, & Abratt, 2003)
Mental associations about the organization held by organizational members (and) that organizational leaders want important audiences to hold.	(Brown, Dacin, Pratt, & Whetton, 2006)

Corporate identity has been seen to be a key component of corporate reputation and a corporate identity/ corporate reputation focus has been taken by some researchers (Bromley, 2001). It has been acknowledged that corporate identity may, at some point in time, be the antecedent of corporate image (Hatch & Schultz, 1997). Corporate identity has become an important issue for companies because it cuts across and unifies many different goals and concerns (Cheney & Christensen, 1999). There are problems, Bromley (2001) suggests, in defining corporate identity in terms of what an organisation is or stands for. An organisation's identity, its distinctiveness, should be defined by the way its attributes differ from those of other organizations (Bromley, 2001).

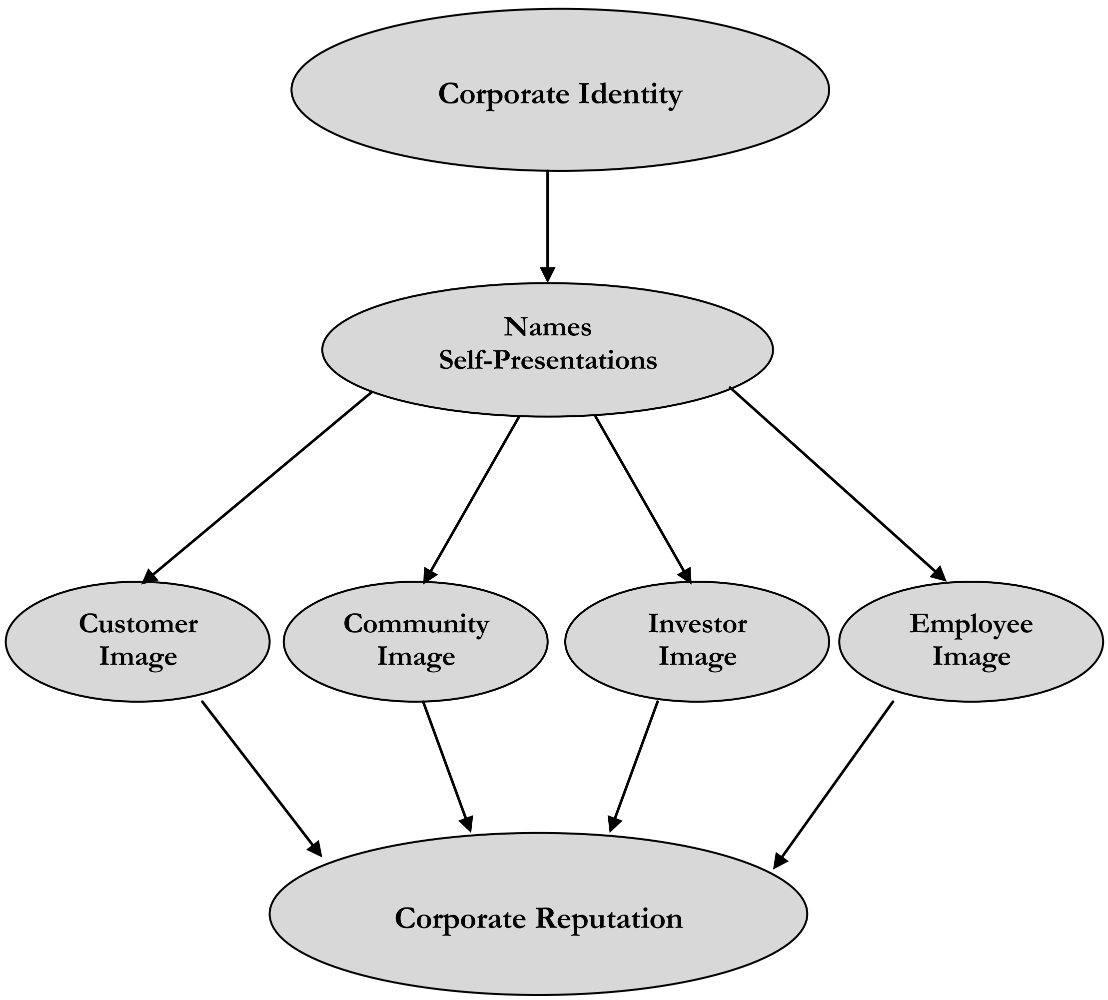
A company's identity may incorporate values that comprise a mix of sub cultures - professional, national as well as corporate - which are to be found inside and outside the company (Balmer & Wilson, 1998). These values continually evolve and, according to Balmer and Wilson (1998), are amorphous. This mix of values gives, to a considerable degree, distinctiveness to an organization. Citing Albert and Whetton (1985), Fombrun (1996) suggests that corporate identity 'describes the features of the company that appear to be central and enduring to employees. On a day-to-day basis, corporate identity appears among those managerial practices managers employ in their dealings internally with employees and externally with other constituents' (Fombrun, 1996 p 36-37).

In his 'From Identity to Reputation' model, Fombrun (1996, p. 37) suggests that identity may be extended through names and self-presentations, and be projected through customer, community and employee images, into corporate reputation. For Fombrun, identity serves as a means of differentiation on the basis of culture, history, and operations (including management): who we are and what we stand for (Balmer & Greyser, 2003, British Standards Institute, 1995, Castells, 1997, Cheney & Christensen, 1999). While acknowledging that 'most companies today are beginning to recognize the difference between image and reputation', Fombrun (1996, p 60) sees corporate image as sometimes accurately reflecting the company's identity. Hence, corporate reputation begins to emerge as an outcome of image, plus relationships, plus corporate performance. More often than not, however, according to Fombrun (1996, p 37) the image is distorted (a) as the company tries to manipulate its public through advertising and other forms of self-presentation, or (b) as rumors develop from unofficial statements of employees to peers, analysts, and reporters. In due course, different images form, some consistent, some less so. If the fit is right, suggests Fombrun (1996), between image and the underpinning corporate identity, it will have enduring value. Problems begin to emerge with Fombrun's theoretical construct (see Figure 2-3 below) when the process of corporate identity communication is described.

Corporate image and corporate identity have been loosely defined and used either interchangeably or imprecisely (Abratt, 1989). This is evident in research on identity that has taken an employee self-identity perspective (Dutton, Dukerich, & Harquail, 1994). These researchers see the process of corporate identification as being affected by two types of perceptions of a person's work organization that shape the strength of corporate identification: (1) corporate identity, (what an employee believes is distinctive, central, and enduring about the organization) and (2) construed external image (what an employee believes outsiders think about the organization). Corporate identification is stronger when employees perceive that both the organizational identity and construed external image are attractive, distinctive, consistent with the attributes they use to define themselves, and helpful toward enhancing their own self esteem. Dutton et al's (1994) internal/external dichotomy may have been transcended by Balmer and Greyser's (2003) and Balmer and Stuart's (2004) application of Balmer's AC2ID Model which takes into account initially five and later the six identities of an organization and which is discussed in greater detail below.

Figure 2-3:

Fombrun's 'From Identity to Reputation' Construct



According to Fombrun (1996) confusion about corporate identity is due to the many corporate identity programme practitioners who use the words identity and image interchangeably. Stakeholders require that identity programs influence the coherence of the images that the company projects. A company's 'inner reality and constituents' and 'perceptions of that reality' need to be closely matched (Fombrun, 1996). This matching is discussed further below in relation to Balmer and Greyser's (2003) and Balmer and Stuart's (2004) concept of identity alignment.

The concepts of corporate identity and corporate image have been differentiated (Abratt, 1989) through the intercession of the concept of the corporate identity/corporate image interface. For Abratt (1989) the identity/image interface is the crucial point of contact between the organization and its various stakeholders. Balmer (1997) used the concept in his work, referring to Stuart's (1994) statement that the corporate identity/corporate image interface represents the 'moment of truth for an organization' (Stuart, 1994). It can be viewed as the point at which corporate identity is externalized. For Fombrun (1996) that point is marked by the development, from a company's experience since its founding; its cumulative record of successes and failures; of a form of corporate self-consciousness: mediated by names and self-presentations (Fombrun, 1996, p 37). Such a point is seen to serve as a conduit between internal and external communication. Corporate identity is seen therefore as internal and not perceived or understood outside the organization.

Bromley (2001), looking at the words identity, personality, image and reputation, suggests that corporate identity is that set of attributes that distinguishes one organisation from another, and is distinct from corporate personality is "what the organisation really is". Use of the word "image" raises difficulties for Bromley (2001) because mental images, which he defines as the state of mind that underpins an overt expression are covert and cannot be known directly are covert and cannot be known directly. Bromley (2001) suggests that identity is a more useful component of corporate reputation than is image (Bromley, 2002 Pp 316-317). A company's image can be seen therefore as a collective state of mind that underlies its corporate communications (Smith, 1993; Balmer, 1998). Based on this definition of corporate image, Balmer (2001) has defined corporate reputation in terms of a collection of opinions (the overt expressions of a collective image) about a company. Brown, et al., (2006, Pp 100-101) have extended somewhat Balmer's (2001) focus on "viewpoints" or "mental association" of an organization and suggest that "Not all aspects of an organization are alike. By 'all aspects' we mean the totality of all mental associations about the organization ..." Brown et al. (2006) differentiate between collective identity ("Who we are as an organization") and corporate identity ("What does the organization want other s to think about the organization?") A clearer, more coherent definition of corporate identity needs to be agreed upon, particularly if identity is to be considered rationally by internal stakeholders such as employees and externally by stakeholder such as the investment and finance community. A definition is needed that is relevant at the level of meaning as well as of explanation (Weber, 1947).

Note that some images are "collective" in the sense of being shared by several members of a group. In this sense, reputations are collective images. Note that this definition differs from the usual dictionary definition of reputation as "What is generally said or believed about a person or thing's character". The question of definitions is dealt with in more detail in Bromley (1993).

The literature, so far, offers inadequate explanation about how corporate identity is communicated to stakeholders, about its contribution to corporate reputation and about its relationship to corporate image. A significant contribution to this challenge has been made by Balmer's AC2ID Model. A recent version of the model (Balmer & Stuart, 2004), introduces the corporate brand as a distinct identity type (the covenanted identity). In their study of the various changes of corporate identity and corporate branding strategies of British Airways (Balmer & Stuart, 2004), the researchers assess those changes using the AC2ID Model. In the model Balmer assumes that there are six identities that can be assumed by an organization:

1. The actual identity (the current attributes of the corporation such as internal values, organisational behaviour, activities, market scope, performance and positioning and shaped by corporate ownership, leadership style of management, organizational structure, business activities and markets covered, the range and quality of products and services delivered and overall business performance);

2. The communicated identity (the various organisational messages conveyed via primary, secondary and tertiary communications and revealed through channels of corporate communication such as advertising, sponsorship and corporate public relations);

3. The conceived identity (the images/representations, reputational profile held of the organisation by stakeholder groups and networks and including past, present and future perceptions held of the organization by internal and external stakeholder groups and networks);

4. The ideal identity (the optimum positioning for the organisation in a given time frame and articulated in terms of an organization's strategic plan and usually expressed only after careful analysis of organizational competencies, assets, etc., along with predictions as to the changing industry, political, economic, ethical, social and technological environment);

5. The desired identity (the vision as articulated by corporate founder and/or the chief executive and management board which lives in the hearts and minds of the corporate leaders; it is their vision for the organization within a given time frame); and,

6. The covenanted identity (the promise that relates to the corporate brand and deriving from identity attributes) and which may not always be the same as the ideal identity.

Ideally, the six identity types should be in close alignment. If they are not in alignment then some form of identity change will be required (Balmer, 1995). According to Balmer and Stuart (2004), identity misalignments can occur when these multiple identities are not fully considered. The results, the researchers go on to cite, are that 'In light of the growing numbers of organisations that are undergoing changes in their corporate branding, and hence their identities, the British Airways case study is a salutary tale' (Balmer & Stuart, 2004). Balmer and Stuart (2004), tacitly assume that the concept of visual identity has no place in their analysis having been superseded by corporate branding which contributes to corporate identity. No mention is made to image in the study, beyond reference to the former British

Airways Chairman, Lord King's, comment that: 'We started to change the image and self-image of the company' and to global images that were integrated into graphic design elements.

Balmer's model and its six variants of identity attempts to pre-empt discussion of image and brand by renaming them (communicated identity and covenanted identity respectively) and recasting them as members of an expanded identity model.

A review of the literature on corporate identity supports the value of exploring the following research questions:

RQ_1: Are corporate reputation and corporate identity synonymous? Or are they distinct yet related concepts?

RQ_2: Is corporate identity internal and not perceived or understood outside the organization?

RQ_2 is of particular relevance to this study in view of the theory (Hatch & Schultz, 1997) that internal/external barriers are breaking down.

2.4.2 Corporate image and reputation

Bromley (2001) touches upon an issue that needs to be resolved before consensus can be reached on a definition of corporate image: those attributes and elements that form the corporate image construct need to be identified and agreed.

A recent definition of corporate image focuses on the 'outside world's overall impression of the company including the views of customers, shareholders, the media, the general public' (Hatch & Schultz, 2003). Further definitions of corporate image are shown in Table 2-3 below. It has been suggested (Fombrun & Shanley, 1990) that various informational signals emanate from organizations: information about firms' structural positions within organizational fields, specifically using market and accounting signals indicating performance, institutional signals indicating conformity to social norms: strategy signals indicating strategic postures. What are those forms of communications and symbolism (Gotsi & Wilson, 2001)

Table 2-3

Definitions of Corporate Image

Definition	**Reference**
A composite of knowledge, feelings, ideals and beliefs associated with a company as a result of the totality of its activities.	(Gunther, 1959)
A person's perception of a firm.	(Carlson, 1963, Enis, 1967)
The mental construct developed by the consumer on the basis of a few selected impressions (which are) elaborated, embellished and ordered.	(Reynolds & Gutman, 1984)
Image (i.e., reputation) is one of several criteria for measuring the social performance of firms.	(Miles, 1987)
Image is the sum of experiences that someone has with an institution.	Ford (1987)
A holistic and vivid impression held by a particular group towards a corporation, partly as a result of information processing (sense-making) carried out by the group's members and partly by the aggregated communication of the corporation in questions concerning its nature, i.e., the fabricated and projected picture of itself.	(Alvesson, 1990)
Evaluations, feelings, and attitudes toward a company by multiple audiences.	(Barich & Kotler, 1991).
An impression created at a particular time at a particular level of abstraction.	(Cheney, 1992, Grunig, 1993)
The way customers view the company's overall marketing offer, marketing mix, the company as an employer and as a citizen in terms of community involvement, concern for the environment, and patronage of the arts, and the like.	(Barich & Srinivasan, 1993)
The image associated with the name of a corporation.	(Gatewood, Gowan, & Lautenschlager, 1993)
The sum of impressions and expectations of an organisation built up in the minds of its stakeholders and public.	(British Standards Institute, 1995)
The state of mind that underpins an overt expression, through language or other behaviour.	(Bromley, 2001)

The internal collective state of mind that underlies its corporate communications efforts (successful or not) to present itself to others. Some images are 'collective' in the sense of being shared by several members of a group. In this sense, reputations are collective images.	(Balmer, 2001)
Views of the organization developed by its stakeholders; the outside world's overall impression of the company.	(Hatch & Schultz, 2003)
The immediate impression of an organization.	(Bick, Jacobson, & Abratt, 2003)
Mental associations that organization members believe others outside the organization hold about the organization.	(Brown, Dacin, Pratt, & Whetton, 2006)

that provide information about the firm's actions and/or a comparison with the actions of leading rivals? Many researchers have suggested that they constitute corporate image.

While a vital role in the corporate reputation construct is played by the concept of corporate image (Barich & Kotler, 1991), there is no agreement on its meaning for stakeholders or on how the concept should be defined. If evaluations, feelings and attitudes toward a company are incorporated into a conceptualization of company image, are these evaluations, feelings and attitudes experienced among internal stakeholders as well as external stakeholders? If they are experienced internally, what is their relationship to corporate identity? Furthermore, confusion is increased by consideration of the relationship between reputation and image, and whether these are experienced inside or outside an organization. It has been suggested that reputation and image are experienced within an organization and are responses by members of organisations to outside perceptions (Whetton, 1997).

There is a lack of agreement about the relationship of corporate image to corporate identity and to corporate reputation. In a special Corporate Identity issue of *Corporate Communications* published in 1999, Stuart (1999) suggests that what Abratt called his model of the corporate image management process, which shows corporate image progressing from corporate identitiy, which in turn progresses from corporate personality, is actually a corporate identity management process, since corporate images cannot be managed as such (Stuart, 1999). Rather, companies manage their corporate identity so that what is perceived of the company by its various stakeholders is a consistently positive image.

Stuart's suggestion demonstrates a tendency to view image as something that is perceived by various stakeholders (bottom up) and not something that is shaped by companies themselves (top down) and projected in a strategic way. Yet companies and their communications partners are often active participants in the development and communication of the corporate image. Balmer and Stuart (2004) would see this as the development of a corporate (later 'communicated') identity which is perceived by stakeholders as an image. Devlin (2001) suggests that discussion of the meaning of corporate image should be conducted in the context of the other key concepts with which it is associated: concepts such as corporate reputation and corporate brand. According to Bullmore (1984) image research focuses primarily on structural entities in the marketplace (stores, brands, corporations); advertisements are considered the main vehicle for imparting or transferring images from these entities to pictures in the consumer's mind (Bullmore, 1984). The stimulus is the primary object of study and images are assumed to be inherent in the entity or advertisement. Neither the message nor the consumer's construction of a mental image is of main interest. Stuart (1999) on the other hand appears to be more interested in the stakeholder's construction of a mental image. Interest in how images are perceived and explored has been extended to the corporate reputation literature (Herbig & Milewicz, 1995). Greater focus on the corporate image development process would add significantly to Fombrun's (1996) 'From identity to reputation' model discussed earlier.

It has been suggested (Bick, Jacobson, & Abratt, 2003) that corporate image is a short-term, or momentary, perspective of an organization at a particular point in time, and that staff can play an important part in its creation. The authors see corporate reputation as more of a 'general view of the company … there must be a distinction between corporate image and corporate reputation … because the purpose of achieving an enviable reputation is to ensure business survival.' (Bick, Jacobson & Abratt, 2003, p 853) More recently (Brown, Dacin, Pratt, & Whetton, 2006) have attempted to see image as "Mental associations that organization members believe others outside the organization hold about the organization" and corporate reputation as "Mental associations about the organization actually held by others outside the organization", yet may not have differentiated sufficiently enough corporate reputation from corporate image.

A review of the literature on corporate image supports the value of exploring the following research questions:

RQ$_3$: Are corporate reputation and corporate image synonymous? Or are they distinct yet related concepts?

RQ$_4$: Are corporate image and corporate identity synonymous? Or are they distinct yet related concepts and components of corporate reputation?

2.4.3 Corporate brand and reputation

Corporate branding is seen to have emerged as a key concept in the late 1990s (Burt & Sparks, 2002). It has been seen to have clear links also with corporate image and corporate identity (Balmer & Dinnie, 1999); with corporate reputation and responsibility (Bickerton, 2000). There is evidence of increased interest in the corporate brand (de Chernatony, 1999). The *European Journal of Marketing* (EJM) during 2003 devoted an entire issue to corporate branding. The corporate brand was defined in one EJM article as 'The visual, verbal and behavioural expression of an organization's unique business model' (Knox & Bickerton, 2003). The literature, as shown in Table 2-4, provides a broad range of diverse definitions. A focus on the importance of the corporate brand may represent a shift away from Fombrun's (1996) identity/image/reputation model. Corporate branding, internally, is seen to signal messages about a desired culture and externally to facilitate customers' (note the reference here to customers rather than to stakeholders) desires to look deeper into the corporation and, through building respect and trust with the corporation's offerings, to encourage consumers to accept the corporation's promises about other offerings (Balmer, 2001, de Chernatony, 1999). The relationship management paradigm may have achieved further relevance through the development of the concept of the corporate brand covenant which is considered to be viewed as a distinct identity type (Balmer & Greyser, 2002).

Table 2-4:

Definitions of Corporate Brand

Definition	**Reference**
The meaning and identity of a company initially designed or expressed by marketers, that resides in stakeholders' minds.	(King, 1991)
A means for differentiation by a company that requires positioning the whole corporation; the values and emotions symbolised by the organisation become key elements of differentiation strategies.	(Aaker & Keller, 1990, Keller, 1993, Park, S., & Lawson, 1991)
Parent name that represents a large, successful firm with a particular set of values, culture, people, programs, and assets/skills (that) creates relationships with stakeholders by virtue of the things it comes to mean and not to mean.	(Aaker, 1996)
The sum of values that represent the organization and communicated to a variety of target audiences. The corporate brand is based as much on substance as it is on image. This substance is the continuing activity and experiences of those who interact with the firm. Activities and experiences reinforce perceptions of brand values, as do the company's communications.	(Ind, 1997)
Corporate identity or corporate image.	(Ellwood, 2000, Mottram, 1998)
A strategic resource, which can be used to guide the business processes that generate brand value for customers.	(Macrae, 1999)
The values that are inherent in, or associated with, the corporation and its products and services … seen as a guarantee of quality, as an insurance against risk of poor performance or financial risk.	(Urde, 1999)
A valuable asset intrinsically linked to internal factors such as corporate strategy and culture and externally to reputation and competitive positioning.	(Bickerton, 2000).
The communication interface between the organisation and its stakeholders.	(Hatch, 2001)
The conscious distillation and communication of a product, service or corporate identity.	(Balmer, 2001)
A unique entity which must take account of the specific structure	(Balmer, 2001)

and culture of the organization.	
The visual, verbal and behavioural expression of an organization's unique business model.	(Knox & Bickerton, 2003)

Bickerton (2000) has suggested that the roots of interest in the corporate brand are to be found in the concept of corporate image and in its customer marketing perspective. He suggests that interest in corporate branding, through corporate personality and corporate identity in response to environmental changes, mirrors the development of brand marketing. Some texts on corporate branding tend to extend to organizations a branding model that has been drawn from consumer product marketing (Topalian, 2003). The marketing perspective is based upon the primacy of customer value, and on the view that the brand is a strategic resource that can be used as an architecture to guide the business processes that generate brand value (Macrae, 1999; Urde, 1999; Bickerton, 2000). This view suggests a congruence of thinking in organizational and marketing approaches to the study of corporate reputation. There is 'a top down organizational perspective versus a bottom up customer market perspective' (Bickerton, 2000). Bickerton (2000) seeks a conceptual framework that combines elements of both approaches.

Some researchers define corporate branding as corporate identity or corporate image (de Chernatony, 2001, Ellwood, 2000, Ind, 1997, Mottram, 1998). A definition by Balmer (2001a) is expressed in terms of organizational identity. He has defined corporate branding as the 'conscious decision by senior management to distil and make known the attributes of the organization's identity in the form of a clearly defined branding proposition' (Balmer, 2001a, p. 281). Yet some important differences have been identified between the concepts of corporate identity and the corporate brand (Balmer and Greyser, 2003). These writers see that, while the identity concept is applicable to all entities (i.e., a 'necessary' concept), a corporate brand is contingent (i.e., determined by conditions or circumstances).

The relationship between the corporate brand and corporate identity has become confused. Some researchers suggest that a corporate brand should be directly derived from the organization's identity and should communicate a subset of that identity to stakeholders (Leitch, 2003). Or that brands are the conscious distillation and communication of a product, service or corporate identity (Balmer, 2001). Intangible brand values, along with the tangible elements of the corporate brand, have been seen to have their roots in an organization's identity (Balmer, 2001) as well as in its culture (Hatch, 2001).

What is missing in the literature is clarification of the concept of the corporate brand and its relationship to corporate reputation and to other components of corporate reputation. Recent literature has begun to focus on the concept of 'corporate brand reputation' (Balmer & Gray, 2003). It would be regrettable if a new interest in corporate-level concerns (Balmer & Greyser, 2003) that 'weft and weaves the concepts of corporate identity, image, reputation, communications along with corporate branding' (Balmer & Gray, 2003) were to ignore the need for definition and clarification of key concepts. One possible source of clarification may derive from a clearer understanding of the nature of the corporate brand and the company, or corporation itself. Companies are legal entities (Micklethwait & Wooldridge, 2003). It is the company's performance of its legal rights and responsibilities that can so often be the focus of stakeholder interest. Brands have no legal status of their own.

2.4.4 Corporate legitimation and reputation

The corporation is a social institution (Weber, 1947). To understand corporate reputation within a broader, social context it is appropriate to consider seriously the concept of legitimation as a source of 'congruency between the values, norms, and expectations of society and the activities and outcomes of the organization' (Dowling & Pfeffer, 1975). Corporate legitimation has been seen as a process that brings the business entity into accord with accepted corporate norms, values, beliefs, practices and procedures (Zelditch, 2001). Zelditch (2001) believes this process requires consensus, which he sees as a necessary condition of legitimacy, and fundamental to all theories of legitimacy.

There is evidence in the literature that legitimation may be both a contributor to corporate reputation as well as the beneficiary of the effect of an enhanced reputation. How does it contribute? In an assessment of the contribution made by accreditation to the social construction of a company's reputation, Rao (1994) acknowledges the importance of legitimation and its social context (Berger & Luckmann, 1966). Fombrun (1996) represents reputation as an effective-emotional response by stakeholders. A legal-rational dimension of corporate action which has been acknowledged in economic organizations (Weber, 1947) may complement Fombrun's 'effective-emotional' dimension. The closest Fombrun appears to come to acknowledging a legal-rational dimension is in his summary of the reinforcing network of factors that helps companies build strong and favourable reputations with their principal constituencies: a company's credibility, reliability, responsibility and trustworthiness (Fombrun, 1996).

The relationship between legitimation and corporate reputation has been acknowledged in the literature (Dowling & Pfeffer, 1975). A range of references to and definitions of corporate legitimacy and of legitimation is provided in Table 2-5. The endowment upon an organization of credibility and legitimacy is especially the case when it uses environmentally preferred symbols and when its actions conform to institutionalized expectations.

Table 2-5:

Definitions of Corporate Legitimacy and Legitimation

Definition	**Reference**
The giving of authority; the right to perform an elected role.	(Gilman 1962; Cartwright, 1965; Katz & Kahn, 1978)
Congruency between the values, norms, and expectations of society and the activities and outcomes of the organization.	(Dowling & Pfeffer, 1975)
Contractual relationships based on legality, morality, or ownership.	(Evan & Freeman, 1988)
An account of an organization embedded in a symbolic universe, and thereby endowing the account with social facility.	(DiMaggio, 1991)
The normative justification and cognitive validation of an organization as desirable, proper, and appropriate in a widely shared system of beliefs.	(Rao, 1994)
Establishment of norms acceptable to all cultures and organizations.	(Donaldson & Dunfee, 1994)
A generalized perception or assumption that the actions of an entity are desirable or appropriate within some socially constructed system of norms.	(Suchman, 1995)

A core attribute that is expected to affect stakeholder salience and, when combined with power, to constitute authority.	(Agle, Mitchell, & Sonnenfeld, 1999)
Internal legitimacy: the acceptance and approval of an organizational by units within the firm and, primarily, by the parent company. Organizational legitimacy: the acceptance of the organization by its environment and vital for organizational survival and success.	(Kostova & Zaheer, 1999, Pfeffer & Salancik, 1978)
A company's right to exist and operate relatively freely.	(Ahlstrom & Bruton, 2001)

Legitimation is the giving of authority; the right to perform an elected role (Cartwright, 1965, Gilman, 1962, Katz & Kahn, 1978). This can extend from organization members who are authorized when they are assigned responsibility for tasks, to the support they receive from others who are either formally or informally connected to those roles, and to the acknowledgement by stakeholders of the right of a company, to continue to be in business (Kahn & Kram, 1994). As such, the reputation building process - a rational process as well as an affective/emotional process - can endow legitimacy (based on what Weber (1947) has identified as rational to individual ends, rational to absolute values, affectual, and traditional sources) upon a company thereby contributing to its authority: its right to do what it does. In a discussion of the 'federal organization', an interesting argument has been posited (Handy, 1989) whereby the accelerated pace of change which is now a feature of so many organizations makes it increasingly difficult to legitimize activities. Reputation management may have an important contribution to make to the legitimation challenge as described by Handy (1989). The importance of collaboration between leader and the subordinates in this post-industrial organizational setting has been noted (Hirschhorn, 1990) to require the maximum use of human resources.

In his study of the American motor industry, Rao (1994) saw legitimation as the outcome of collaboration between the company and its marketing activities: certification contests which provided companies with a means for building reputation. For Rao, legitimation is a social process; and reputation is socially constructed. Citing the work of sociological theorists Berger and Luckmann (1966) and extending their ideas, Rao sees reputation as an outcome of the process of legitimation. Legitimacy has been seen as consisting of an account of an organization, that endows it with a social facility (DiMaggio, 1991).

Corporate and organizational legitimacy has been examined in the context of the multinational enterprise (Kostova & Zaheer, 1999). In addition to the organization itself, the authors identified the legitimating environment and the process of legitimation as objects of study. The legitimacy of the multi-national enterprise as a whole and that of its parts were distinguished, and propositions that include issues of internal versus external legitimacy and positive and negative legitimacy spillovers were developed. The legitimation process was seen as 'boundedly rational in nature' (Kostova & Zaheer, 1999).

A study by Ahlstrom and Bruton (2001) of the establishment of reputation in a foreign market has focused on legitimation in the Chinese market, which many international companies have had difficulty penetrating. Local, private Chinese enterprises, on the other hand, are succeeding in the face of a hostile institutional environment. These local enterprises have built legitimacy firstly, through their strategic actions such as providing individuals or organizations with profit sharing or gifts; secondly, by using the organizational structures and personnel to demonstrate an acceptability and adherence to what is thought proper in the local business and administrative environment; a third form of legitimacy is based on the congruence between an organization and its cultural environment. An organization can build legitimacy if it is able to associate with well-accepted, local organizations and procedures (Ahlstrom & Bruton, 2001).

Similarly, the need for new business start-ups to build, in the absence of a reputation, legitimation and trust is a critical first-level determinant of the success of founding entrepreneurs (Aldrich & Fiol, 1994). This is seen to be so because, by definition, there is an absence of information and evidence regarding their new activity on which a reputation can be built. Legitimacy has been seen to be 'a critical ingredient for new venture success' (Starr & MacMillan, 1990).

In their recent study on corporate social performance and corporate reputation de Quevedo-Puente, de la Fuente-Sabat & Delgado-García (2007) propose that the concepts of corporate social performance (CSP) and of corporate reputation (CR) are linked by a legitimation process that translates past performance into an expectation for the future. It does this by translating past actions (CSP) into expectations for the future (CR). The researchers see CSP as the legitimate behavior of the firm with every stakeholder by the standards of the institutional context in each moment of time (de Quevedo-Puente, de la Fuente-Sabaté, & Delgado-García, 2007). Like Rao (1992), these authors see legitimation as a means by which companies can build their reputations.

A review of the literature on the relationship between legitimation and corporate reputation supports the value of exploring the following research proposition:

RQ_5: Is legitimation a key component of corporate reputation?

2.4.5 Management and corporate reputation

An organization's reputation is affected not only by its senior management, but by the actions of every business unit, department and employee that comes into contact with a stakeholder (Gotsi & Wilson, 2001).

Reputation management is acknowledged as a new business management concept and has generated a great deal of interest (Kartalia, 2000). Fombrun (1996, pp 206-207) discusses the importance of reputation management (in particular, a reputation profile audit) programmes to ensure effective relationships are maintained with 'constituents'. The audit consists of a diagnosis of the current state of a company's reputation profile (identity, image and coherence analysis) and development, through strategic analysis, of a future state. Fombrun considers transition management to provide an important bridge between current and future states.

If reputation is not adequately defined it cannot be effectively managed. Senior management cannot anticipate fully the impact of their actions if they are unable to evaluate them within a reputational frame of reference. A particularly effective style of reputation management has been envisioned by Dowling (2004), and is influenced by the strategic approach of Richard Branson to the development of a company's desired reputation and its communication to key stakeholder groups. This strategy is seen by Dowling to contrast with the more evolutionary approach to corporate reputation management which may have been adopted by some companies whereby corporate reputation is not managed strategically but rather as an artifact of past behavior and an afterthought of senior management (Dowling, 2004).

There is evidence of increased interest in the concept of reputation management. Some have seen this as a response to, for example growing anti-business virulence that poses new strategic risks for corporations (Kartalia, 2000). The increased globalization of the marketplace, as well as the consequences of instant information exchange, are seen by the same author to intensify the importance of a company's reputation and call for reputation risk management that facilitates accurate and rapid identification of reputation risk incidents, and the subsequent proper management response. If management is a strategic activity, it would be to a company’s strategic competitive advantage to manage and protect its reputations effectively. Indeed, the rise of reputation management has been seen (Argenti & Druckenmiller, 2004) to provide opportunities to provide more strategic corporate communication.

A contribution to the reputation management literature has made more recently by Brown, Dacin, Pratt and Whetten, 2006, whose perspective is communications-based and limited to identity, image and reputation. The authors provide what they call four central viewpoints of an organization (identity, intended image, construed image and reputation) and four questions that can guide the management process: “Who are we as an organization?”; “What does the organization want others to think about the organization?”; “What does the organization believe others think about the organization?”; “What do stakeholders actually think about the organization?” (Brown, Dacin, Pratt, & Whetton, 2006) What is interesting about their work is the discussion of mental associations about a company, which may be more useful to reputation management if it went beyond identity and image management to include associations based on other components of corporate reputation. The current study will attempt to go beyond these limitations.

2.5 Measuring corporate reputation

This, the second part of the literature review, will focus on the literature that deals principally with the measurement of corporate reputation. It was suggested earlier that the corporate reputation literature focuses on three dimensions: the concept and its functional benefits; its measurement (including ranking and rating methodologies); and its definition.

Ranking, rating, and measurement features significantly in the corporate reputation literature (Brown & Perry, 1994, Fombrun, Gardberg, & Sever, 2000, Fombrun & Shanley, 1990, Fryxell & Wang, 1994, Gardberg & Fombrun, 2002, Groenland, 2002, McGuire, Sundgren, & Schneeweis, 1988, McGuire, Schneeweis, & Branch, 1990, Rowe, Harris, Cannella, & Francolini, 2003, Schultz, 2001, Thevissen, 2002).

This chapter will explore some of the philosophical issues involved in measurement, and will focus its range then more tightly on the primary approaches to the measurement of corporate reputation. These include what has been described as measurement based on the social expectations about a company, on measurement based on the concept of corporate personality, and on measurement influenced by the concept of trust. More recent corporate reputational measurement approaches will be discussed, together with measurement theory and its implications for this research project.

2.5.1 Introduction

It has been suggested that most of the objects in the social sciences are theoretical constructions that are used to interpret experience (Popper, 1957). A common mistake can be to assume that theoretical models are real (von Hayek, 1942). It is important, therefore, for this study that any model developed as a tool for measuring corporate reputation be grounded in observable facts. Phases one and two of this research project help ensure that this is the case.

Measurement, in the context of the social sciences, has been seen by Trochim (2004) as the process of observing and recording the observations that are collected as part of a research effort. Trochim (2004) identified two major issues that need be considered: the different types of measures used in social research (e.g., survey research, scaling, non-numerical measurement approaches, and unobtrusive measures) and the measurement concepts (nominal, ordinal, interval and ratio) and their reliability (Trochim, 2004).

Measurement has been defined in the marketing research literature as the standardized process of assigning numbers or other symbols to certain characteristics of the objects of interest, according to some specified rules (Aaker, Kumar, & Day, 2004). Furthermore, measurement, according to these researchers, exhibits two characteristics: a one-to-one correspondence between the symbol and the characteristic of the object being measured, and rules for assignment of symbols that are consistent over time and across objects being measured.

It is useful to explore, at this juncture, the concepts of formative and reflective measures, with specific reference to corporate reputation. Helm (2005) differentiates between approaches to corporate reputation measurement that see the construct as either formative or reflective. For Helm, a reflective relationship is one in which an unobserved latent variable effects the indicators (Helm, 2005). A reflective perspective on corporate reputation, therefore, would be one in which corporate reputation is an independent variable which effects its indicators (e.g., identity, image, brand, performance); indicators in this case would be a reflection of the corporate reputation construct. A formative perspective is one in which corporate reputation is a dependent variable, a summation of its indicators; indicators representing different dimensions of the latent variable (Helm, 2005, P. 97). Citing Diamantopoulos and Winklhofer (2001, p.269), Salzberger (2004) suggests that measurement can be accomplished both by reflective and by formative indicators. Other researchers suggest there is little if any free choice about the use of either reflective or formative models (Jarvis, MacKenzie, & Podsakoff, 2003). A recent study of journalists' evaluations of corporate reputation (Dowling, 2004) uses formative rather than reflective measures. How important is the differentiation between formal and reflective measurement to an empirical study of corporate reputation? Reference to these terms is absent from much of the corporate reputation measurement literature (Davies, Chun, Vinhas da Silva, & Roper, 2004, Fombrun, Gardberg, & Sever, 2000, Fombrun, Gardberg, & Sever, 2000, Wartick, 2002). Churchill (1979) makes no reference to them. Within the literature reviewed for this study the first major academic paper to refer to formative measurement is Rossiter (2002), whose usage has been critically assessed (Finn & Kayande, 2005) since Dowling's (2004) paper. A more recent paper has attempted to design a formative measure for corporate reputation (Helm, 2005).

The position taken in this study is that: firstly, usage criteria should guide model choice. Whereas in the case of formative indicators, the fundamental criterion is the flow of causality from the measures to the construct (MacKenzie, 2003); the opposite is true for reflective models: unidimensionality is required for reflective but not for formative models (Salzberger, 2004); secondly, that all attributes, hence all measurement, of social phenomena are formative. In contrast, a reflective approach would treat a construct as concrete (possibly akin to the natural science concept of being capable of physically reflecting light or sound).

Interestingly, Helm (2005) examines the formative and reflective perspectives on corporate reputation in the context of an epistemology of the construct, publications on which she suggests are rare (Helm, 2005). While the use of rankings or indexes features in formative construct conceptualization (Bagozzi, 1994, Diamantopoulos, 2002), and rankings remain the most common method of measuring reputation (Fombrun, 1998, Fombrun, Gardberg, & Sever, 2000, Larkin, 2003), little has been published, according to Helm (2005), on describing the process of generating the underlying items. The orientation of the current study is towards describing such a process and incorporating it into the development of an ontology of corporate reputation and of an effective measurement tool: a need supported by the literature relating to the problem of definition of the construct. There is a need for rigorous clarification and definition (Deephouse, 2002) and for a robust reputation measurement tool.

2.5.2 Primary approaches to the measurement of corporate reputation

This review and analysis of primary approaches to the measurement of corporate reputation owes much to Berens and van Riel's (2004) study which suggests that the corporate reputation measurement literature is based on three main concepts: the first is the social expectations that people have regarding companies; the second is the different corporate personality traits that people attribute to companies; and the third is the level of trust or distrust people have for a company. Each concept will be explored as a means for assessing the main currents of thinking on corporate reputation measurement. It is acknowledged that Berens and van Riel's (2004) may provide a limited coverage of the alternative measurement. Three schools of thought have been identified: evaluative, impressionable and relational (Chun, 2005). While the present study acknowledges possible limitations in the Berens and van Riel's (2004) study, it is considered to provide a useful starting point and frame of reference for an exploratory analysis and for the conclusions made at the end of this chapter.

2.5.2.1 Social expectations about a company

The first of the three main concepts to be examined is based on the social expectations that people have of companies. Schwaiger (2004) identifies the following attributes of corporate reputation (see Table 2-6 below in which the attributes used by two authors have been matched up to show commonalities and gaps). As the table shows, the pairings work quite

Table 2-6:

Comparison of Corporate Reputation Attributes Identified by Schwaiger and Helm

Schwaiger (2004)	Helm (2005)
Quality of employees	-
Quality of management	
-	Qualification of management
Financial performance	Financial performance
Quality of products and services	Quality of products
Market leadership	Corporate success
Customer orientation	Customer orientation
Attractiveness	
Social responsibility	Commitment to charitable and social issues
Ethical Behavior	Commitment of protecting the environment
-	Treatment of employees
Reliability	Value for money products
Fair attitude towards competitors	-
Transparency and openness	-
Credibility	Credibility of advertising claims.

well in demonstrating similarities in scope. Schwaiger (2004) has sought to provide an overview of the various measurement concepts, and has modeled reputation using a cognitive as well as an affective component.

In Helm's attempt to develop a formative measurement of corporate reputation, a four-step approach has been taken: definition of the construct; generation of formative indicators; checking for indicator co-lineality; and checking for construct validity. As shown in Table 2-6 above, ten formative indicators were identified and included in the final survey. No attempt is made by Helm to explore differences in perceptions across stakeholder segments (Helm, 2005). The research notes that among the 40 interviewees selected, there were customers, shareholders and employees and that there was no 'stakeholder bias': comparable terms were used by the three stakeholder groups. No exploration was conducted into the varying importance of the various terms used across the three groups. This adds weight to the need to explore RQ_8:

RQ_8: Do the drivers of stakeholders' overall evaluations of a company's reputation vary by stakeholder segment?

Reputation measures such as the Reputation Institute's Reputation Quotient (Fombrun, Gardberg, & Sever, 2000) and *Fortune* magazine's annual Most Admired Companies Survey (Stein, 2003) and are seen by Berens & van Riel (2004) to be examples of methodologies that are based on social expectations.

The Reputation Quotient' (RQ) was developed by Harris Interactive, Charles Fombrun and Cees van Riel (Schwaiger, 2004). (See Table 2-7 below.) The questionnaire they use to measure reputation consists of 20 items divided into six 'pillars'. The 'Reputation Quotient' (RQ) is a measure for comparing the reputations of firms in different fields of operation (Fombrun et al., 2000), but among customers only and not across various stakeholder groups. The RQ has been applied and validated cross-nationally (Groenland, 2002) and has been used to measure and compare the reputations of companies among the general public (Gardberg et al., 2002; MacMillan et al., 2002; van Riel et al., 2002). The instrument has also been used to measure corporate reputations of a firm relative to its competitors. It does not, however, explain if and how reputation affects the firm's real or potential stakeholder relationships. The underlying assumption made by the researchers is that corporate reputation has a range of reputation dimensions on which individuals base their judgments of companies (Fombrun et al., 2000) as expressed by 20 items.

Claims of the universality of the dimensions of corporate reputation have not so far been supported. Some research findings have questioned the usefulness of corporate reputation as a summary construct, or even as an aggregate of six dimensions ('pillars') that does not take into account the *context* in which people use corporate reputation as a signal or as a set of information cues (Puncheva & Zarkada-Fraser, 2004). In addition, the content of the

Table 2-7:

Six Pillars and Twenty Items of the RQ Scale

Fombrun et al. (2000)
Pillar 1: Emotional appeal Have a good feeling about the company. Admire and respect the company. Trust the company a great deal. Pillar 2: Products and services Stands behind its products and services Develops innovative products and services Offers high quality products and services Offers products and services that are a good value for the money Pillar 3: Financial performance Has a strong record of profitability Looks like a low risk investment Tends to outperform its competitors Looks like a company with strong prospects Pillar 4: Vision and leadership Has excellent leadership Has a clear vision for its future Recognizes and takes advantage of market opportunities Pillar 5: Workplace environment Is well managed Looks like a good company to work for Looks like a company that would have good employees Pillar 6: Social and environmental responsibility Supports good causes Is an environmentally friendly company Maintains high standards in the way it treats people

reputation dimensions was not confirmed by the research findings of Fombrun, et al. (2000). Items that should have been of similar importance because they were found to belong to the same dimension by Fombrun et al. (2000) were considered by Puncheva and Zarkada-Fraser (2004) to be of very different levels of importance. Puncheva and Zarkada-Fraser's (2004) work supports the need to clarify and define the corporate reputation construct, based on an ontology of corporate reputation, in order to ensure that measurement items are based on a better understanding of what reputation is, and of its relationship to other key components, and of its relevance to various stakeholder segments.

Until 1997, *Fortune's* AMAC (America's Most Admired Companies) was restricted to US firms. Then in 1997 *Fortune* published the results of a survey on the Global 500, divided into 24 industries and 13 countries and named GMAC (Global Most Admired Companies). In the annual *Fortune* study senior executives, outside directors and investment analysts are asked to name the leading firms in their respective sectors (rating is allowed only within the industry), and to rate these companies on each of the following attributes: innovativeness; quality of management; long-term investment value; community, and environmental responsibility; ability to attract, develop, and keep talented people; quality of products or services; financial soundness; use of corporate assets. An 'Overall Reputation Score (ORS)' was developed, this being the arithmetic mean of the attributes respondents provided on eight 11-point scales. The idea of averaging a set of ranks is problematic (Bromley, 2002), because a rank order is an ordinal scale, not a ratio or interval scale. A legitimate method of deriving a single rank from a set of ranks is to sum the ranks in each set and then rank these sums. Using ranked data in elaborate multivariate statistical analyses is questionable (as the current research attests in Section 6.3); additional limitations to the league table method of measuring reputation include: reputational attributes possibly not being operationally defined and attributes not being equally important from either an objective or a subjective point of view (Bromley, 2002). The same author noted in an earlier study that the eight categories can be criticized as being inconcise: attributes tend to be stated in abstract, general terms imposed by the researchers, leaving scope for raters' personal interpretations and other influences associated with the timing and circumstances of the survey (Bromley, 1993).

Fombrun et al. (2000) have drawn attention to the methodological limitations of existing surveys, such as the Fortune survey, that provide league tables of reputational attributes. These surveys may: include biased sampling frames; target firms selected by size of revenue;

be restricted to publicly traded companies, and over-represent senior managers, directors, and financial analysts in samples.

Others consider the AMAC survey an unsuitable tool for measuring corporate reputation due to the financial halo effect. An empirical analysis has been performed which suggested that the AMAC items are highly correlated and that, besides financial data, there are other determinants of reputation (Fombrun & Shanley, 1990). The reason for the possibly distorting influence of financial performance is that only experts are questioned, and that their perceptions may differ considerably from other stakeholders' perceptions (Fryxell & Wang, 1994). This points to the need for a broader, possibly more specific stakeholder perspective to be taken in the measurement of corporate reputation.

A very fundamental observation might be made about the AMAC: that it may not have been intended to measure corporate reputation *qua* reputation, but rather that its measurement is more an evaluation of what a company has accomplished within its business sector, as evaluated by relevant sector members (Fryxell & Wang, 1994).

2.5.2.2 Corporate personality

A second approach attempts to distinguish between companies on the basis of people's perceptions of corporate personality traits. The research work of Davies (Davies, Chun, Vinhas da Silva, & Roper, 2003) and of Chun (Chun, 2001) have been provided as examples of this approach (Berens & van Riel, 2004). Table 2-8 provides a summary of the Corporate Personality Scale. Personality has been defined in terms of those characteristics of the person or of people, generally, that account for consistent patterns of behavior (Pervin, 1989: 4). Corporate personality researchers believe that personality traits are constructs that can be used to explain certain aspects of behavior, and that individuals apply the concept of personality not only to other persons, but also to companies (Davies et al., 2001). Spector (1961) was one of the first researchers to suggest that individuals look at companies in a similar way to that in which they look at other people, and hence attribute various personality traits to companies. Aaker (1997) has suggested that perceived brand personality may have dimensions that are similar (but not identical) to the five-factor structure identified in human personality research. Davies et al., (2003) have based their corporate personality scale on a seven-factor scale, similar, but not identical, to Aaker's scale.

Table 2-8:

Overview of Davies et al.'s (2003) 'Corporate Personality Scale'

Dimension	**Sub-dimension**	**Items**
Agreeableness	Warmth	Friendly, Pleasant, Open, Straightforward
	Empathy	Concerned, Reassuring, Supportive, Agreeable
	Integrity	Honest, Sincere, Trustworthy, Socially responsible
Enterprise	Modernity	Cool, Trendy, Young
	Adventure	Imaginative, Up-to-date, Exciting, Innovative
	Boldness	Extrovert, Daring
Competence	Conscientious	Reliable, Secure, Hardworking
	Drive	Ambitious, Achievement-oriented, Leading
	Technocracy	Technical, Corporate
Ruthlessness	Egotism	Arrogant, Aggressive, Selfish
	Dominance	Inward looking, Authoritarian, Controlling
Chic	Elegance	Charming, Stylish, Elegant
	Prestige	Prestigious, Exclusive, Refined
	Snobbery	Snobby, Elitist
Informality		Casual, Simple, Easy going
Machismo		Masculine, Tough, Rugged

Source: Berens & van Riel, 2004

The classification of corporate associations into observable behaviours associated with 'personality' traits tends to focus on perceptions of a company's identity, image and brand. The concept of corporate personality has been used in recent years to study gaps between the perceptions of internal and external stakeholders (Davies and Chun, 2002; Davies et al., 2003) and the influence of corporate reputation on stakeholders' preferences (Davies et al., 2003; Sen and Bhattacharya, 2001). Unlike social expectations and social estimations of reputation, personality traits (a distinguishing feature of a personal nature) are not always evaluative.

Whether a certain personality trait is perceived as positive or negative may be determined, in part, by whether it 'matches' the personality of the perceiver in some way (Huston and Levinger, 1978). In contrast, social expectations refer to what people believe a person or company ought to do. Ayer (1952) has suggested that the source of ethical imperatives is emotional and is grounded in the fear of the enmity of society. Therefore, the fulfillment of an expectation is generally regarded as positive, while the failure to fulfill an expectation is generally regarded as negative (Ayer, 1952).

2.5.2.3 Trust

The third approach identified by Berens and van Riel (2004) uses the concept of trust as its starting point; that is, the perception of a company's honesty, reliability and benevolence. The Corporate Credibility scale (Newell & Goldsmith, 2001) is an example of this approach (See Table 2-9 below). It has been shown how legitimation can provide a basis for stakeholder

Table 2-9:

Overview of Newell and Goldsmith's (2001) 'Corporate Credibility Scale'

Dimension	**Items**
Expertise	The XYZ Corporation has a great amount of experience The XYZ Corporation is skilled in what they do The XYZ Corporation has great expertise The XYZ Corporation does not have much experience
Trustworthiness	I trust the XYZ Corporation The XYZ Corporation makes truthful claims The XYZ Corporation is honest I do not believe what the XYZ Corporation tells me

trust in a company's products and services (Rao, 1994). In his discussion on the idea of trust, Fukuyama (1995) discusses the moral side of human behaviour, in which individuals feel a sense of obligation to others. Fukuyama sees these ethical rules as cultural and passed along by repetition, tradition and example. Economic life, therefore, depends on the moral bonds of social trust (Fukuyama, 1995). This perspective is consistent with Hobbes's concept of the social contract (Hobbes, 1958): a normative framework in which motivated commitment can be promoted, and a mechanism established for social control against a 'state of nature'. Trust can be defined as 'the subjective probability that one assigns to benevolent action by another agent or group of agents' (Nooteboom, Berger, & Noorderhaven, 1997). Some authors have suggested that the traits underlying trust include reliability and benevolence (Barber, 1983, Selnes & Gønhaug, 2000).

Beyond their suggestion that the concept of corporate credibility is very similar to trust Berens and van Riel (2004) the authors do not explore the relationship between credibility and trust, or the concept of moral obligation.Corporate credibility has been defined as the perceived expertise, reliability, trustworthiness, and truthfulness of a company (Newell & Goldsmith, 2001). The concept of corporate credibility is derived from the concept of source credibility in the communications literature: a person's assessment of the probability that a certain persuasive message is true, depending on the source of the message (Berens & van Riel, 2004). (An overview of the scale that Newell and Goldsmith (2001) have developed to measure the construct is given in Table 2-9 and has been provided by Berens and van Riel, 2004, P. 173.)

Berens and van Riel (2004) indicate the difficulty of verifying that the types of associations founded on the basis of a particular concept are really important in determining a company's reputation. If as they suggest, when corporate associations are assessed using ratings on a set of predetermined items it is possible that some items are not perceived as relevant by most respondents, the perceptions of distinct stakeholder segments may need to be taken into account (Dowling, 2004). Berens and van Riel (2004) suggest that rating scales may be susceptible to 'halo effects', meaning that people's responses to all items may be colored by an overall evaluation, even though the specific associations that the items refer to, are in themselves not perceived as positive or negative (e.g. Fryxell and Wang, 1994). What Berens and van Riel (2004) see as a limitation may signal the need for a new, stakeholder perspective. There may be differing halo effects operating across stakeholder segments. For example, while there may be a financial halo effect operating among evaluations by, investor, financial, and CEO stakeholder segments, this may not be the case among other stakeholder segments.

There may, among consumers, for example, be a product/service or corporate citizen halo effect; among government and NGO stakeholder segments there may be an ethical leadership/ethical management halo effect. The existence of varying halo effects across stakeholder segments and an understanding of their dynamics may have significant implications for corporate reputation measurement and management.

2.5.2.4 More recent reputation measurement concepts

In his study of journalists' evaluations of corporate reputations (see Table 2-10 below) Dowling (2004) has developed a model that incorporate aspects of two of the measurement

Table 2-10:

Dowling's Model of Corporate Reputation

Corporate Descriptors/Drivers		*Reputation Descriptors*
Market presence Corporate capabilities and performance Social accountability Corporate personality	*Stakeholder perceptions*	• Admiration • Respect • Trust • Confidence

approaches that have been discussed above. A corporate personality descriptor/driver is combined with drivers more typical of the attributes/drivers identified by Schwaiger (2004) and Helm (2005). Analysis of data collected from a sample of journalists provides Dowling with the following measures of corporate reputation as shown in Table 2-11 below in which the final sets of attributes used in each index and the Cronbach alpha reliability coefficient of the final index are shown.

Dowling's (2004) conclusion is that it is important to measure the relationship between the people (stakeholders) evaluating the organization and their perception of the company's reputation. Additionally, the use of multiple indices provide additional insight into the factors that drive corporate reputations for each stakeholder group. This conclusion is consistent with Sabate and Puente (2003) who point to the importance of including in the definition of

Table 2-11:

Dowling's 'Final' Measurement of Corporate Reputation

Attributes (Cronbach Alpha coefficient)	Items
Social accountability (α = 0.89)	Ethical Fair and honest Good community citizen Genuine
Corporate capability (α =0.88)	Strong leadership Quality/reliable products & services Innovative Well managed Strong financial performance Low risk investment Winning strategy Good growth prospects
Media relations (α = 0.90)	Ready access to senior managers Open dealings with journalists Supportive of journalists' needs
Market presence (α = 0.82)	Well known, familiar Know what they stand for Leader in its field Powerful presence in the marketplace
Personality (α = 0.61)	Exciting Arrogant Interesting Well liked Very Australian Warm and friendly
Corporate reputation (α = 0.82)	Believe the company/trustworthy Admired and respected Confident about future actions

corporate reputation evaluations of a company's behavior towards all its stakeholders and the influence that the behavior of the firm with one particular stakeholder group may have on perceptions of the company by another stakeholder group. Stakeholders are essential to the concept of reputation (de la Fuente Sabate & de Quevedo Puente, 2003). Interestingly, Sabate and Puente (2003) refer to the important contribution of legitimate behavior in creating value in the past to the anticipation, by stakeholders, of legitimate behavior by the firm in the future.

2.5.3 Measurement theory and its implications for this research

The working definition adopted for this study has been that corporate reputation is that estimation of value, which, in its meaningful content, predisposes a relevant stakeholder segment to think, feel and to behave more positively towards the company. Given an orientation towards 'value', its 'meaningful content' and the predisposition of a relevant stakeholder segment to 'think, feel and to behave' more positively towards the company, then the fourth sense of the WordNet (Princeton University, 2005) definition of value (measure, evaluate, valuate, assess, appraise -- place a value on; judge the worth of something) has the greatest relevance to this study.

Measurement has been defined in the marketing research literature (Aaker, Kumar, & Day, 2004), as the 'standardized process of assigning numbers or other symbols to certain characteristics of the objects of interest, according to some specified rules', may be too narrow for its application to be useful to the reputation management orientation of the current research.

We have observed that either a formative or a reflective approach has been applied by researchers (Diamantopoulos & Winklhofer, 2001, Salzberger, 2004). This study will take a formative approach to the development and measurement of the corporate reputation construct. In this sense, corporate reputation will be viewed as a dependent variable, shaped and expressed by its components. While not conforming to the use of the formative classification, Rao's (2002) study of what he called, with reference to an earlier sociological study (Berger & Luckmann, 1966), the social construction of reputation took a formative view of reputation. In the American automobile industry between 1895-1912 certification contests contributed to the building of legitimation of successful car companies, to their survival as organizations, and to their corporate reputations (Rao, 1994). A reflective study, on which the present study is by no means embarking, would take a company's reputation (the independent variable) and assess its ability to develop favourable outcomes: acceptance in overseas development markets like China (Ahlstrom & Bruton, 2001); enhanced stock market value (Fombrun, 1996, Gotsi & Wilson, 2001, Srivastava, McInish, Wood, & Capraro, 1997); increased market share (Kim & Chung, 1997); the pick of the best recruits and longevity in employment (Jones, 1996, Riordan, Gatewood, & Bill, 1997, Worcester, 1997) .

There is a need to take a stronger segmentation approach to corporate reputation measurement across a full range of relevant stakeholders. Reputation measures like Fortune's annual Most Admired Companies survey (Stein, 2003) and the Reputation Institute's Reputation Quotient (Fombrun, Gardberg, & Sever, 2000) are seen by their authors to be examples of methodologies that are based on social expectations. The 'Reputation Quotient' (RQ) is a multi-stakeholder measure for comparing the reputations of firms in different fields of operation among the general public (Gardberg et al., 2002; MacMillan et al., 2002; van Riel et al., 2002). The components of RQ were taken from a consideration of existing work. If the RQ approach is to explain if and how reputation is influenced by a firm's real or potential stakeholder relationships, which it does not do effectively, then there is a need to employ greater stakeholder segment specificity in its methodology, particularly if measurement is to be of strategic value to a company's communications to stakeholders. It is the RQ's inability to take into account the *context* in which stakeholders use corporate reputation as a signal or as a set of information cues that is one of its greatest limitations (Puncheva & Zarkada-Fraser, 2004). The RQ's six dimensions or pillars of reputation, which have not been confirmed by the research conducted by Puncheva and Zarkada- Fraser (2004), need to be developed more rigorously to ensure they reflect the full extent of the reputation construct and of stakeholders' identifications of the core ingredients or components of reputation. Little information is provided by Fombrun, Gardberg, and Sever (2000) about the source of the 'six pillars' and of their elements. There is no reference either to management or to ethical management; to honesty and integrity in communications; to dealing well with mistakes; to risk; nothing about a company's performance or history of involvement in litigation.

Whereas the RQ may be criticised for its inability to take into account the context in which stakeholders use corporate reputation, the annual *Fortune* study is highly context specific, and includes senior executives, outside directors and investment analysts as its sample and asks them about firms in their respective sectors. The *Fortune* study (See Table 2-12 below) therefore focuses on two stakeholder segments (CEO's/senior management and investors), and does not seek to differentiate between them, while possibly influencing the shaping of communications towards the two stakeholder segments included in the research. Lack of broad stakeholder coverage limits the usefulness of the approach in reputation management and in stakeholder communications. While the range of elements included in the reputation construct may be limited, they may be relevant to the two stakeholder segments targeted by the study.

The comparison with RQ is helpful. There are obviously other determinants of reputation besides financial and operational information (Schwaiger, 2004). As can be seen in Table 2-12, the RQ Scale includes two affective, or representational (cf. cognitive/operational) dimensions: emotional appeal and vision and leadership. While there is no published information about sources of the RQ Scale's pillars and items, it is possible that a more rigorous approach to identification of key components of the corporate reputation construct, and a more empirical, stakeholder-based approach to item development may possibly show the RQ approach lacking in its applicability and in its relevance to various stakeholder segments.

Attempts to distinguish between companies on the basis of people's perceptions of corporate personality traits (Chun, 2001, Davies, Chun, Vinhas da Silva, & Roper, 2003) could have broad applicability to a range of product categories (e.g., food, beverages, alcohol, automobiles). The approach, however, may be more useful to corporate brand assessment than to corporate reputation measurement. Given the working definition of corporate reputation adopted in the current study, corporate personality trait assessment could make a significant contribution to the development of corporate identity, image and brand communications.

Trust is an important dimension and can make a contribution to corporate reputation scale development and measurement, but may be too narrow and should not be used as the sole criterion for assessing a company's reputation. The RQ scale includes a trust item ('Trust the company a great deal') under the emotional appeal pillar. For the *Fortune* study, 'trust' may be implied in several of the company attributes it uses. Davies et al (2003) includes 'Trustworthy'

Table 2-12:

Comparison of Elements in the Fortune Study and RQ scales

Fortune Study	RQ Scale
Innovativeness	Develops innovative products and services Is well managed
Quality of management	Looks like a company with strong prospects
Long-term investment value	Supports good causes
Community, and environmental responsibility	Is an environmentally friendly company Maintains high standards in the way it treats people
Ability to attract, develop, and keep talented people,	Looks like a good company to work for Looks like a company that would have good employees
Quality of products or services	Stands behind its products and services Offers high quality products and services Offers products and services that are a good value for the money
Financial soundness Use of corporate assets.	Has a strong record of profitability Looks like a low risk investment Tends to outperform its competitors
	Emotional appeal Have a good feeling about the company. Admire and respect the company. Trust the company a great deal.
	Vision and leadership Has excellent leadership Has a clear vision for its future Recognizes and takes advantage of market opportunities

alongside 'Honest', 'Sincere', 'Socially responsible' as items in the 'Integrity' sub-dimension of 'Agreeableness'. Newell and Goldsmith's (2001) 'Corporate Credibility Scale' could be seen as an attempt to assess perceptions of a company's credibility, expressed in terms of the two dimensions of 'expertise' and 'trustworthiness'. Expertise is expressed in terms of 'experience' and 'skilled'. Trustworthiness is expressed in terms of 'trust', 'truthful claims', 'honesty' and 'believability' (Newell and Goldsmith, 2001, P. 237). Newell and Goldsmith's (2001) work makes an important contribution to the study of corporate reputation in a similar way to which the work of Rao (1992) has done. Rao has looked at the way in which certification contest in the American automobile industry recognized companies' expertise, skill and trustworthiness, and created legitimacy for successful companies and hence served as what he calls the social source of reputation (Rao, 1994). While neither credibility nor legitimacy may fully explain reputation, they can be seen to contribute to it and to a 'company's right to exist and operate relatively freely' (Ahlstrom & Bruton, 2001). Credibility and legitimacy may, on the other hand, be viewed as outcomes of a good reputation, and, within the reputation construct, to be the effects of recognition of a company's performance (expertise) and its ethical management (trustworthiness).

Earlier references to the moral side of human behaviour suggest that individuals feel a sense of obligation to others, view ethical rules as cultural and passed along by repetition, tradition and example (Fukuyama, 1995). As with much of economic life, the life of a company (in its internal and external manifestations) depends on the moral bonds of social trust. If trust, then, as Fukuyama suggests, is cultural it could be seen as an ingredient and an outcome of a company's identity: the set of values and principles employees and managers associate with a company; what the organisation is, or stands for, that makes it different.

Dowling (2004) makes a significant contribution to reputation measurement by focusing more closely on the relationship between the stakeholders and the organizations they are evaluating. Additionally, by using multiple indices, Dowling (2004) is able to gain additional insight into the factors that drive corporate reputations for engaged stakeholders. While Dowling's 'Final Measurement of Corporate Reputation' (Dowling, 2004, P. 203) may, lack generalizability across a range of stakeholders, its focus on journalists as the voice of readers, and possibly society, is valuable. There is an opportunity to build on Dowling's (2004) orientation further across a range of relevant stakeholder segments and to develop items with broader appeal. In their review of the corporate reputation literature, Sabate and Puente

(2003) point to the importance of considering evaluations of a firm's behavior towards all its stakeholders and to take into account the effect the behavior of the firm with one particular stakeholder can have on the perception of other stakeholders.

In Schwaiger's (2004) empirical study, which follows the C-OAR-SE procedure (Rossiter, 2002), cognitive and affective components have been acknowledged. Thus reputation may be based on direct experiences as well as on processed communication messages. The cognitive/affective dimensions may be expressed in terms of operational and representational dimensions. No working definition, however, is specified in Schwaiger's paper. Schwaiger (2004) indicates that the raters must represent the various stakeholder groups. Yet what appears to have been overlooked is the need to evaluate a firm's reputation, not 'towards all its stakeholders', but towards each of its stakeholder segments. It is only by focusing the research effort on each relevant stakeholder segment that a more realistic assessment of a company's reputation can be made. Such an approach would have considerable relevance to a company that needs to manage its reputation relative to specific stakeholder targets and to manage more effectively its communications to them.

This review of the literature on the measurement of corporate reputation and of the importance of exploring further the importance of the perspective of various stakeholder groups supports the usefulness of answering the following research questions:

RQ_6: Do different stakeholder groups rank the importance of the components of corporate reputation differently?

RQ_7: Do different stakeholder groups evaluate the reputation of the same company differently?

RQ_8: Do the drivers of stakeholders' overall evaluations of a company's reputation vary by stakeholder segment?

2.6 Key theoretical and measurement issues

Three central theoretical issues arise from the literature on corporate reputation and those concepts associate with it:

1. Internal and external perceptions of corporate reputation and those concepts associated with it. The process of corporate identification, for example, has been seen (Dutton, Dukerich, & Harquail, 1994) as being affected by two types of perceptions of a person's work organization that shape the strength of corporate identification: (1) corporate identity, (what an employee believes is distinctive, central, and enduring about the organization) and (2) construed external image (what an employee believes outsiders think about the organization). Dutton et al's (1994) internal/external dichotomy may have been transcended by Balmer and Greyser's (2003) and Balmer and Stuart's (2004) application of Balmer's AC2ID Model which takes into account initially five and later the six identities of an organization.

   Is there any empirical basis for these differences between, for example, staff (internal) or customers (external) (Chun & Davies, 2006)? Is for example identity perceived internally only, or is it perceived both internally as well as externally, but perceived differently?

2. Should corporate reputation be evaluated holistically, or in a stakeholder-specific way? Chun and Davies (2006) refer to these two perspectives as alignment and stakeholder. An alignment focus sees strong congruence for example between external brand image and internal views and values (de Chernatony, 1999, Hatch, 2001). A stakeholder perspective would expect to see differences between stakeholders (e.g., employees and customers) (Donaldson & Preston, 1995, Fombrun, 1996). Research by Chun and Davies (2006, p. 138) suggests that certain dimensions of corporate character can be usefully promoted to both customers and employees, while other dimensions would benefit from a stakeholder-specific approach. This is predicated on what Chun and Davies (2006, p. 138) refer to as:

   "… a core in any successful corporate brand image that will appeal positively to more than one stakeholder group but that other dimensions will be more or less salient for individual stakeholder groups and more or less salient for different outcomes. We have pointed to the differences between alignment and stakeholder thinking and offer a hybrid approach as an empirically based way to understand how corporate brand imagery influences key stakeholders and can be managed and research."

3. It has been noted in Section 2.4.1 how an 'analogous' and a 'differentiated' school of thought, have emerged. For the analogous school corporate reputation is seen as being synonymous with corporate image. For the differentiated school corporate reputation and image are different, yet interrelated (e.g., reputation influences image). Gotsi and Wilson (2001) suggest that there is greater support for the differentiated school and highlight the need for an integrative approach. The thinking and definitions of Barich and Kotler (1991), Greyser (1999) and Dutton, et al. (1994) which tended to see reputation and image as synonymous, are examples of the analogous approach.

   An argument can be made for the extension of 'analogous' and 'differentiated' to corporate image and corporate identity, which have been loosely defined and used either inter-changeably or imprecisely (Abratt, 1989). The concepts of corporate identity and corporate image have been differentiated (Abratt, 1989) through the intercession of the concept of the corporate identity/corporate image interface … (the) 'moment of truth for an organization' (Stuart, 1994).

Similarly, three principle measurement approaches have been identified in the literature on corporate reputation measurement. The study by Berens and van Riel (2004) suggests that the corporate reputation measurement literature is based on three main concepts:

1. The first is the social expectations that people have regarding companies (Helm, 2005, Schwaiger, 2004).

2. The second concept is the different corporate personality traits that people attribute to companies. The research work of Davies (Davies, Chun, Vinhas da Silva, & Roper, 2003) and of Chun (Chun, 2001) are examples of this approach.

3. The third is the level of trust or distrust people have for a company: the perception of a company's honesty, reliability and benevolence. The Corporate Credibility scale

(Newell & Goldsmith, 2001) is an example of this approach. In the model developed by Dowling (2004) in a study of journalists' evaluations of corporate reputation, trust is seen as a reputation descriptor, or possibly as an outcome of stakeholders' perceptions of corporate descriptors/drivers.

This research suggests there may be a case for a fourth, hybrid approach:

4. While Berens & van Riel (2004) also believe the Reputation Institute's Reputation Quotient (Fombrun, Gardberg, & Sever, 2000) and *Fortune* magazine's annual Most Admired Companies Survey (Stein, 2003) to be examples of methodologies that are based on social expectations, a review of the 'Six Pillars' of the Reputation Quotient (viz., Emotional appeal, Products and services, Financial performance, Vision and leadership, Workplace environment, Social and environmental responsibility) suggests that the measure may approximate more to what Chun and Davies (2006) call hybrid. Dowling (2004) has developed a model that incorporates aspects of two of the measurement approaches that have been discussed above. A corporate personality descriptor/driver is combined with drivers more typical of the attributes/drivers identified by Schwaiger (2004) and Helm (2005).

2.7 Conclusions

Five possible components of corporate reputation have been identified through the initial review of the literature: identity, image, brand, legitimation and management. No clear indication is provided in the literature as to which among these components are related and which are synonymous with, reputation. No clear indication is provided about which of these are antecedents and which are consequences of reputation. Significant contributions have been made (Fombrun, 1996; Balmer & Stuart, 2004) towards a better understanding of the contribution of a network of factors that include identity and image and which contribute to a strong and favorable reputation. The structure of the relationship between the five key components that this study has identified, has, however, been largely ignored. The concept of the corporate brand and the role of branding within a corporate context require clarification. Researchers, largely, have overlooked corporate legitimation. There are indications that legitimation is both a contributor to reputation and the beneficiary of the effect of an enhanced reputation.

Management is important as an input into a company's reputation. Similarly, reputation needs to be managed effectively. To do so key concepts need to be defined and their constructs understood, for example, image as something that can be constructed and communicated strategically as well as being mentally constructed by stakeholders (viz., Stuart, 1999).

A working definition of corporate reputation has been developed. There remains the challenge of building on this to provide an operational definition (Bromley, 2001) that goes beyond 'a collective assessment of a company's ability to provide valued outcomes to a representative group of stakeholders' (S. Fombrun & Rindova, 2000); to provide a firmer basis for the development and sharing of a definition; to explore and establish the structure of the relationship between corporate reputation and identity (Balmer, 2001), between corporate reputation and image (Hatch & Schultz, 2003), between corporate reputation and the brand (Bickerton, 2000) and between corporate reputation and legitimation (Rao, 1994). Their interdependency has been shown in the literature. There is an opportunity to contribute further to an understanding of the antecedents and consequences of reputation, of the structure of the relationships of key components and of their definition. Once this is achieved a more coherent definition of the reputation construct can be developed. The construction of an ontology of corporate reputation will make a significant contribution.

As outlined in the first chapter, the principal research aim is:

> To develop an ontology and a valid measurement tool for corporate reputation and its key components.

The research problem seeks answers to questions in the area of marketing communications (Balmer & Greyser, 2006) about the influence of the components of corporate reputation (independent variables) on stakeholders' (mediators) evaluations of a company's reputation (dependent variable). If there is no agreed, coherent definition of corporate reputation and of the network of relationships it shares with its key components, then corporate reputation cannot be measured accurately. Much of the extant research does not take into account the need for a stakeholder perspective on corporate reputation. If, however, as has been suggested (Dowling, 2004), the stakeholder perspective needs to be considered, then there may be a need to consider the usefulness of stakeholder-based measurement tools.

2.8 Development of the research questions

To address the research aim (to develop an ontology and a valid measurement tool for corporate reputation and its key components) a perspective is needed on what corporate reputation is and what are its key components. To achieve this, the perceptions of stakeholders need to be taken into account. Next, insights into the corporate reputation construct need to be derived from the academic literature on corporate reputation. Then the further, more specific, components or ingredients of corporate reputation need to be identified for each stakeholder group. Finally this research will investigate quantitatively how various stakeholder segments evaluate the reputation (dependent variable) of a well-known New Zealand company and which of the key components (independent variables) are driving their evaluations.

Some broad research questions, which are outlined next, were developed in order to guide the initial stages of this research:

- How do academics, in their published articles, see the relationship between corporate reputation and its key components?

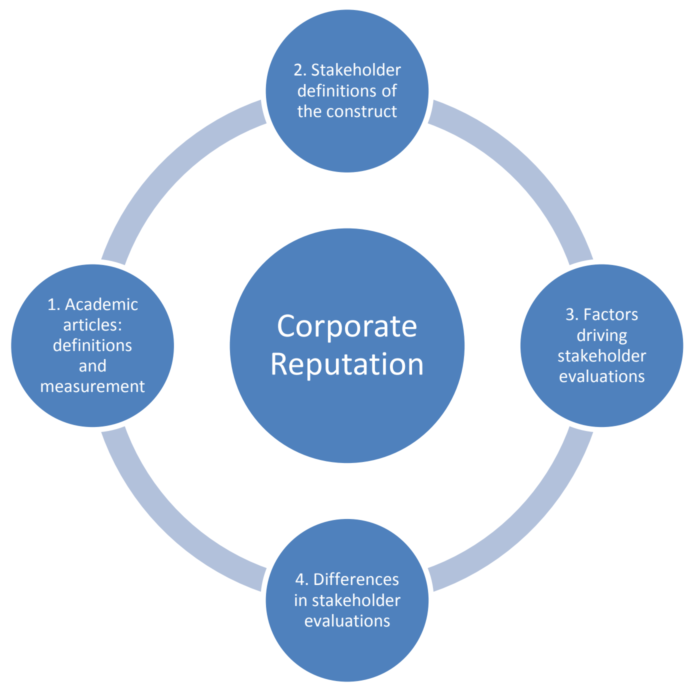
- What factors drive the various stakeholder groups' evaluations of a company's corporate reputation?

- How do the various stakeholder groups differ in the ways they evaluate one company's reputation and in the factors that drive their evaluations?

Figure 2-4 below shows the initial conceptialization of the methodological approach taken in this research.

Figure 2-4:

Initial Conceptual Model



3 Research Approach and Text Analysis

Figure 3-1

Structure of Chapter Three

Section	Topic
3.1	Introduction
3.2	Research approaches
3.3	Research methodology

3.1 Introduction

This chapter explains the underlying research philosophy of this study and the research approach used to address the research problem. In the last chapter it was shown that the corporate reputation literature has focused on a variety of definitions of the corporate reputation construct. This variety has resulted in a lack of agreement about what corporate reputation is, about its key components and about the relationship between them. A significant knowledge gap exists that points to the need for an ontology of corporate reputation. The literature review demonstrated that there is an almost complete absence of a stakeholder orientation towards corporate reputation measurement. While there is evidence of a need for these gaps to be addressed, a comprehensive theoretical and empirical framework for a solution is not yet present. To address this opportunity, an attempt is made in this study to 'get into the heads' of academics and to visualize how they see the corporate reputation construct, based on what they have written. Secondly, to understand what stakeholders themselves consider to be the key components of corporate reputation.

All research activity has been said to imply an underlying philosophy (Hunt, 1991). To ensure that the conceptual understanding and the research results follow established research practices, the philosophical approach behind this research and its paradigms will be considered. The underlying philosophy of this study is pluralistic in the sense that it assumes that social life cannot be directed to one end, and that no historicist or one-dimensional factor theory provides a holistic explanation for socio-economic life.

Research on corporate reputation extends across a broad range of disciplines with material scattered across a similarly broad range of journals and publications. There is a need for a perspective based on an analysis of what has been written about the structure of reputation and the relationships between concepts. The underlying methodology used in this study should be appropriate to the nature of the defined reality relative to the project: to construct an ontology of corporate reputation and to develop a more effective measuring approach that reflects varying stakeholder perspectives.

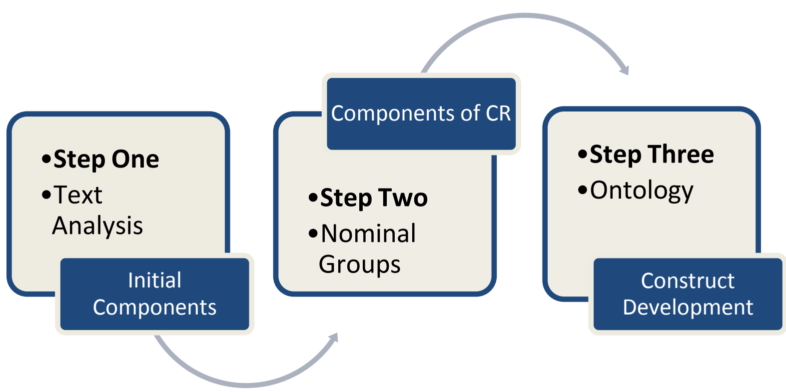
There is a need for a way to handle ambiguous terms, terms that can be an obstacle to reaching a shared understanding; for the grouping and for the elucidation of the relationships between terms relevant to corporate reputation. An ontology helps us to establish and to encourage the use of a shared vocabulary, of a set of definitions and of descriptive relationships (Uschold, King, Moralee, & Zorgios, 1998). It serves as a vehicle for validation. Finally, there is a need to provide the constructs for corporate reputation modeling and measurement. A corporate reputation ontology will serve as a basis for these constructs, which will lead to the development of a tool for corporate reputation modeling and measurement.

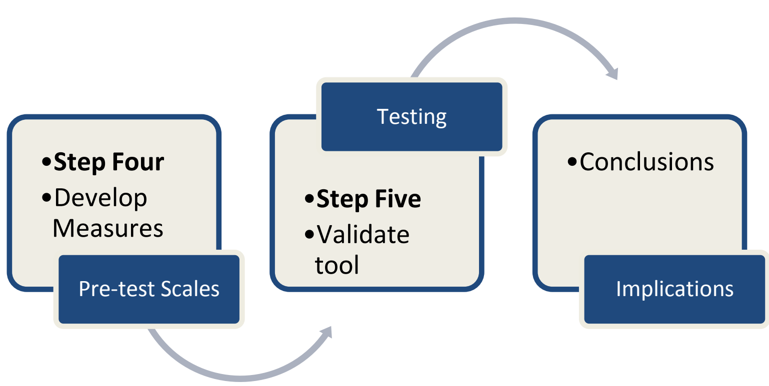
As second key focus for addressing the primary research problem is the development of an effective measurement tool. Both the development of an ontology and of an effective measurement tool for corporate reputation are expressions of the underlying philosophy and research approaches adopted in this study.

As mentioned in Chapter 1, the philosophical orientation of this research has been influenced by the *verstehen* sociology of Max Weber which seeks to understand through the pursuit of significance at the level of meaning as well as of explanation (Weber, 1947). The underlying methodology used in this study, as discussed earlier, needed to be appropriate to the nature of the defined reality relative to the project: the need to construct an ontology of corporate reputation and to build an effective measurement tool. It needs to be rigorous and to be sensitive to meanings concepts have for various stakeholders; to understand the stakeholder *weltanschauung* Text analysis provided insights into the corporate reputation *weltanschauung* relative to academics; the NGT explored the meaning corporate reputation and its key components have for various stakeholder groups. These qualitative steps help provide a theoretical platform on which a rigorous quantitative survey is to be conducted in order to explain and to confirm the drivers of a company's reputation in the eyes of its stakeholders;

Figure 3-2:

Steps in the Research Method





the relative importance of the components for stakeholders; how various stakeholder groups evaluate the reputation of the same company; the drivers of stakeholders' overall evaluations of a company's reputation. Research focus, goals and methodological solutions are now discussed for each step of the research method (See Figure 3-2 above). A more detailed discussion of each tool will be provided later in the chapter.

In Step 1 a review of the academic literature on corporate reputation is conducted by text analysis of a large body of the literature on corporate reputation and on what have been identified as key concepts related to it. This analytical approach was chosen as an effective way to identify those key concepts identified with corporate reputation and to gain insights into the relationships between the concepts. This is the first step in building an ontology of corporate reputation. The ontology will include specifications, operational definitions and a formal vocabulary relevant to corporate reputation and to concepts associated with it. The ontology will be further refined in Step 3.

In Step 2, the corporate reputation construct and initial measurement items are developed, among relevant stakeholder segments. The nominal group technique (NGT) is used. Sampling approximately 80 people enabled documentation of the uniqueness of views about organizational reputation while enabling significant shared patterns of commonalities to be detected and characterized. The fit is examined of the concepts arising out of the text analysis and of what stakeholders in the nominal groups identify as the most important ingredients of corporate reputation.

In Step 3, the ontology is developed based on results of the NGT research.

In Step 4, measurement items for the questionnaire are developed and then coded by expert judges and scales developed. A multi item measure is developed for this study. Items are finalized and the item pool edited and finalized so as to translate accurately the domain and the construct. The research instrument is pre-tested among stakeholders.

In Step 5 a stakeholder survey is used to validate the measurement tool for corporate reputation and to test additional key research questions.

In Step 6 conclusions are discussed with respect to the corporate reputation construct and its operationalization.

3.2 Research approaches

While this research is firmly grounded in empiricism, it is not inductive or data-driven. The empirical method is employed to develop a set of theoretical propositions which are then tested using survey based data.

Two generally accepted systematic investigations to establish facts through the generally accepted marketing perspective have been discussed recently. Both have been referred to as paradigms. What had become the conventional procedure for scale development in marketing and as a way of operationalizing important marketing constructs was developed by Churchill (1979). The C-OAR-SE procedure was developed by Rossiter (2002) as a general procedure for developing marketing measures (Rossiter, 2002). Rossiter developed the new procedure for scale development as a challenge to the conventional procedure developed by Churchill (1979). The C-OAR-SE procedure emphasizes the need to ensure that a measure represents the construct in a valid way, rather than using statistical analysis of the measure itself to define the construct. The C-OAR-SE procedure, which offers a six-step approach to classification of measures, allows for reflective as well as for formative perspectives, and for single- as well as multi-item scales. Rossiter's procedure can be seen as a reaction to other scale development approaches (Churchill, 1979, Nunnally, 1967) which have been seen to lead to the mechanistic use of exploratory factor analysis models to identify the dimensionality of constructs, or to the expectation that, unless the 0.70 level is reached by coefficient alpha, a multi-item measure cannot be any good (Diamantopoulos, 2005).

The present study, which uses text analysis (within a content analysis framework) and the nominal group technique for corporate reputation construct definition and for the identification of the core components of the construct, adopts the C-OAR-SE procedure as the theoretical base for its principle methodology for development and classification of measures.

Reference was made earlier to the value orientation of this research being positivist, involving an aspect of rationalist thinking that emphasizes observable facts, and excludes speculation about origins or ultimate causes. Rossiter (2002) stresses, early in his paper, the importance of rationalism to the C-OAR-SE procedure. It is useful here to quote some of Rossiter's comments on rationalism:

"It should be made clear at the outset that the COAR-SE procedure is grounded in rationalism rather than empiricism … There is no empirical test—beyond expert agreement—that can prove that C-OAR-SE produces scales that are more valid than those produced by the traditional procedure. As explained in the enumeration step of C-OAR-SE, this is because the typical tests of construct validity, notably multitrait–multimethod (MTMM) analysis, and reliability, notably factor analysis and coefficient alpha computation, all presume the theory underlying the traditional procedure, namely domain sampling theory, to be the true state of nature. Nor is predictive validity an appropriate test, because maximizing prediction usually reduces the validity of the measure. C-OAR-SE instead relies on logical arguments, and the concurrence of experts, based usually on open-ended input from pre-interviews with raters.

In C-OAR-SE, there is only one type of validity that is essential: content validity … an "appeal to reason," conducted before the scale is developed, that the items will properly represent the construct … In C-OAR-SE, it is impossible to assert content validation, let alone face validation, without first having a comprehensive definition of what the "construct" is. C-OAR-SE provides the framework—the OAR framework—for construct definition."

While positioning clearly C-OAR-SE as a theoretical and procedural solution to the problems of developing scales to measure marketing constructs, Rossiter (2002) goes on to discuss rationalism and a rationalist procedure which asks " … researchers to think carefully about the nature of constructs (to properly define them), to work much harder up front to generate and select items, often multiple but sometimes just one, for their scales … and when designing answer categories and reporting scale results, to give much more consideration to what they really mean …" (Rossiter, 2002 p 331).

While many ills have been blamed, for example by Professor Herbert Marcuse, on rationalism (Nelson, 1971) Weber developed the thesis that rationalism must be understood in terms of means-end categories, purposive or goal-oriented actions and "instrumental" standards (Scaff, 2000). While Rossiter (2002) provides no definition of rationalism he does indicate, in the above quotation, a methodological approach implied by his understanding of rationalism: it suggests the proposition that that reason is the right basis for regulating conduct.

The C-OAR-SE procedure integrates positivist philosophy with critical theory, which considers that reality is determined by social and political values and can incorporate subjectivist epistemology. To incorporate what have been considered the two main epistemological perspectives, objectivism and subjectivism (Perry, 1998), it may be necessary to ensure that the positivist approach used in this research takes into consideration a need to accommodate the various definitions of social groups (Berger & Luckmann, 1966, Rao, 1994) such as stakeholder segments.

This study will be pluralistic in that it will employ both inductive as well as deductive approaches. An inductive research approach will be adopted in the first two research steps (text analysis within a content analysis framework, and the nominal group technique). In these phases the relevant variables will be formed into a conceptual framework with testable propositions (Perry, 1998). In the third and quantitative phase a deductive approach will be taken.

3.3 Research methodology

Research methodology refers to the rationale and the philosophical assumptions that underlie a study. It does more than outline the design of appropriate data collection instruments so that theory can be analyzed and tested. This provides an opportunity to take a strategic approach and to restate the principal research question and to frame it as a research objective. Research focus areas (strategies) and goals (outcomes) will be provided. A detailed chart showing the research focus, goals and methodological solutions will be presented.

As indicated in Section 3.2, it is the C-OAR-SE procedure into which each of the study's methodologies fit. The procedure, its background and development, and its relevance for this study will now be discussed in the context of the various stages of the methodology.

3.3.1. The C-OAR-SE procedure and its application to the measurement of corporate reputation

The present study, which uses text analysis within a content analysis framework, and the nominal group technique for corporate reputation construct definition and for the identification of the core components of the construct, adopts the C-OAR-SE procedure as the theoretical base for its principle methodology for development and classification of measures. Table 3-1 shows how the C-OAR-SE procedure has been integrated into the methodology of the current study.

Table 3-1

Integrating the C-OAR-SE procedure

Steps in the C-OAR-SE procedure	**Steps incorporated in current study**
Key postulate: Based on content validity, established by expert agreement after pre-interviews with target raters.	Validity based on content and text analysis of the academic literature.
Construct definition: Initial definition of the construct in terms of object, attribute and rater entity.	Text analysis identified identity, image, brand legitimation and management. and a further 375 peer reviewed articles were analyzed. Initial, working definition of the construct developed in terms of object, attribute and rater entity.
Object classification: Classify object as concrete singular, abstract collective or abstract formed.	(COMPANY) an abstract collective object to be rated on REPUTATION regarded as a formed attribute.
Attribute classification: Classify attribute as concrete, formed or eliciting; Generate item parts to represent the attribute (one if concrete, multiple if formed or eliciting)	Corporate reputation is regarded as a formed attribute consisting of nine components. Multiple items were developed through eight nominal group (NGT) sessions among stakeholders.
Construct definition: Add to construct definition if necessary: object constituents or components, and attribute	NGT sessions among stakeholders confirmed text analysis findings that identify key components of

components.	corporate reputation.
Rater identification: Identify the provider of the object-on-attribute judgment (rater entity) as the individual, set of expert judges, or a sample of consumers; Determine whether reliability estimates are required across raters and across attribute item parts if eliciting attribute.	Raters identified through the literature and analysis of NGT results as key stakeholder segments. Components are formed attributes (i.e., they make the attribute appear).
Scale formation: Combine object and attribute item parts as items for scale; Select appropriate rating scales for the item Pre-test each item for comprehension with a pre-test sample of raters; If the attribute is eliciting, additionally, pre-test the attribute items for unidimensionality; Randomize the order of multiple items across object constituents or components and attribute components.	Object – the company – represented by one particular company as the focus of the study and questionnaire. All item parts relate to the company; Seven verbal and numerical labels on a bi-polar scale, with a don't know option provided; Questions and items pre-tested for comprehension among a sample of stakeholder raters; Corporate reputation is regarded as a formed attribute; Randomized presentation has been applied across multiple items for objects (constituents or components) as well as for attributes (items within components have been separated).

Since the publication of Churchill's (1979) article some attention has been given to the development of marketing measures with sound psychometric properties (Churchill & Peter, 1984). As Diamontopoulos and Winklhofer (2001, p. 269) have suggested, the advent of structural equation modeling techniques may have further facilitated the assessment of multi-item measures in terms of dimensionality, reliability, and validity. While acknowledging the improvement in methodological soundness of marketing studies as a result of advances such as those in structural equation modeling techniques, existing measure development guidelines have been seen to focus principally on scale development, whereby a scale's items are seen as latent variables, is largely based on classical test theory and, in particular, the domain sampling model . The lack of attention provided to the issue of index construction using formative measures has been acknowledged by Diamantopoulos and Winklhofer (2001).

While some, potentially problematic, areas have been identified under the various steps of C-OAR-SE and the procedure's reliance on content validity has been questioned, Rossiter's contribution has been acknowledged (Diamantopoulos, 2005). Rossiter (2002) has provided a flexible and open-minded approach to scale development and an alternative to conventional

test theory as the only acceptable way to develop sound marketing measures. Diamatopolous (2005), for example, identifies the potential confusion of denotative (having the power of explicitly designating or naming; in accordance with fact or the primary meaning of a term) and connotative (having the power of implying or suggesting something in addition to what is explicit) meaning during construct definition and object classification. Perhaps the confusion here results from a lack of rigorous discipline on construct definition among researchers such as Diamatopolous. Rossiter (2005) had noted how the same researchers (Diamantopoulos & Winklhofer, 2001) in one of their own studies have misclassified three of the eight constructs in their model as having attributes with reflective indicators when these attributes are formed from the indicators, which inevitably alters which items are selected to measure them. For one construct, export sales forecasting resources of the firm, they used several items that did not specify the object of the construct (Rossiter, 2005).

C-OAR-SE, was intended by Rossiter (2002) to promote a rational approach to scale development which opposes the reliance on statistical refinement which may possibly cause scales to lose validity. The use of single-item measures and the construction of formed attribute scales (Diamantopoulos, 2005) need to be seen in this light. C-OAR-SE is concerned with: (a) object measurement; (b) attribute measurement; (c) rater entity type, which affects the way that the precision of a score (reliability) is estimated; (d) item "stem" content (question format); (e) item "leaf" content (answer format); and (f) reporting of scores (Rossiter, 2005).

3.3.1.1 Criticisms of the C-OAR-SE procedure

The C-OAR-SE procedure has been criticized for its sole reliance on content validity (Diamantopoulos, 2005). Since publication of the original C-OAR-SE article, the conceptualization of validity and conceptualization of reliability by Borsboom, Mellenbergh, and van Heerden (2004) have supported the definitions of validity and reliability in C-OAR-SE. Additionally, they point to the fallacy of believing that a measure's validity can be established by statistical analysis alone: nomological validity, construct validity and predictive (correlational) validity are dismissed, as Rossiter (2002) dismisses them. The idea of validity as posited by Borsboom, Mellenbergh, and van Heerden (2004) is predicated on the question: Does this scale or test measure what it is supposed to measure (i.e., is it content-valid)? How to establish content validity is the main purpose of C-OAR-SE. Rossiter (2005) suggests that critics of C-OAR-SE are unable to accommodate constructs with a formed attribute. The point for Rossiter (2005) is that the components do cause the outcome, provided they are selected with causal theoretical justification. An example is a (substantial) increase or decrease in personal income causing an increase or decrease in one's social class, where social class is the higher-order formed attribute (Rossiter, 2005).

Diamatopolous (2005) is critical of the incorporation, in the C-OAR-SE procedure, of the rater entity as part of the focal construct. Relevance has been seen to be determined by the business strategy (Aaker, Kumar, & Day, 2004). When, as Aaker (2004) suggests, the corporate strategy evolves or changes, the corporate brand (a key component of corporate reputation) itself needs to be altered, and accomplishing that task usually represents a significant challenge. The relevance, therefore, of the rater entity to the stakeholder segment is high.

Other problems have been expressed about aspects of the C-OAR-SE procedure. Finn and Kayande (2005), who offer an historical perspective on scale development in marketing, suggest that the procedure, while encouraging a refocus on the conceptualization of constructs, may create a gap by advocating against empirical validation of constructs (Finn & Kayande, 2005). The authors suggest that multivariate generalizability theory integrates the Churchill and Rossiter perspectives by requiring a balanced emphasis on conceptual rigor and on the empirical validation of constructs. Rossiter's (2005) response focuses on what he sees to be a key question to be asked: whether statistics should define the construct at the expense of rational thinking at earlier stages in construct definition (Rossiter, 2005). For Rossiter a key question is: Does this scale, or test, measure what it is supposed to measure (i.e., is it content-valid)? How to establish content validity is, suggests Rossiter (2005, p. 24) the main purpose of C-OAR-SE.

3.3.1.2 Some examples of uses and support for the C-OAR-SE procedure

Borsboom, Mellenbergh, and van Heerden (2004) advance a simple conception of test validity whereby a test is valid for measuring an attribute if (a) the attribute exists and (b) variations in the attribute causally produce variation in the measurement outcomes. This conception, like Rossiter's (2002), diverges from much of existing validity theory in that the emphasis in the proposed conception is on ontology, reference, and causality, whereas current validity theory focuses on epistemology, meaning, and correlation (Borsboom, Mellenbergh, & van Heerden, 2004, p. 1061). The authors suggest that conception based on ontology, reference, and causality is both simpler and theoretically superior to the position taken in the existing literature (whereby a measure of validity can be established by statistical analysis after the fact, rather than rationally beforehand (Rossiter, 2005)), and has theoretical and practical implications for validation research (Borsboom, Mellenbergh, & van Heerden, 2004). This conceptualization of validity and of reliability support, according to Rossiter (2005), the definitions of validity and of reliability in C-OAR-SE.

Bucic and Gudergan (2004) in their research on innovation in marketing partnerships consider the use of the C-OAR-SE procedure as an accepted test of formative indicators in its use of a theoretical rationale and expert opinion. The researchers, while themselves focusing in their study on reflective measurement scales, consider the C-OAR-SE procedure a way of safeguarding against misspecification of measurement scales (Bucic & Gudergan, 2004). In their evaluation of formative measurement scales Bucic and Gudergan (2004) examine reflective and formative measurement scales developed using the C-OAR-SE procedure.

In a recent paper that focuses on the standard error of the coefficient alpha index of reliability (Duhachek, Coughlan, & Iacobucci, 2005), Rossiter (2002) is cited supportively in terms of 'per measurement theory … we would not exhort researchers to lengthen scales by writing redundant items.' The researchers urge, in concert with Rossiter (2002), that 'the reliability of each facet measured be noted' (Duhachek, Coughlan, & Iacobucci, 2005, p.300). Rossiter (2002) is cited by the researchers as the source of reference for a general measurement framework.

The C-OAR-SE procedure has been integrated into non-survey research designs such as meta-analysis as an alternative design (Hwee, 2004). Problems have arisen in meta-analysis in marketing as a result of what the researcher sees to be weaknesses inherent in extensive use of statistical procedures with a strong focus on non-zero 'grand mean' effects sizes. An innovative solution developed by Hwee (2004) integrates Rossiter's C-OAR-SE framework (2002) which the researcher proposes as part of an alternative meta-analytic design. Hwee (2004) proposes the integration of aspects of C-OAR-SE into meta-analysis; specifically the first steps (construct definition by object, attribute and rater entity) which were considered to enable a comprehensive understanding of a construct domain during the data gathering process. The researcher found the C-OAR-SE procedure to be effective in dealing with specific problems and weaknesses and judged the procedure as useful in other marketing-related fields and in tackling a wider range of context-specific research problems (Hwee, 2004, p.5).

3.3.1.3 Recent applications of the C-OAR-SE procedure with relevance to research on corporate reputation

The influence of the C-OAR-SE procedure is evident also in recent research into corporate reputation. In a study of journalists' evaluations of corporate reputation (Dowling, 2004), the researcher uses formative rather than reflective measures. This is quite exceptional as the differentiation between formative and reflective measurement in the study of corporate reputation has been absent from much of the corporate reputation measurement literature (Davies, Chun, Vinhas da Silva, & Roper, 2004, Fombrun, Gardberg, & Sever, 2000, Fombrun, Gardberg, & Sever, 2000, Wartick, 2002).

Dowling's model specification is that the drivers of reputation are formative indicators and depend on no latent variables; hence, issues of construct validity, for Dowling (2004) and

Rossiter (2002) alike are no longer relevant. Dowling demonstrates further agreement with Rossiter by proposing that, consistent with the C-OAR-SE procedure, content validity of a formative index should be by rational assessment and established by expert judgment (Rossiter, 2002)

More recently, in her work on designing a measure for corporate reputation, Helm (2005) differentiates between approaches to corporate reputation measurement that see the construct as either formative or reflective. Helm acknowledges both the lack of consensus on the dimensions of reputation, and the challenges to the reflective approach of specifying complex constructs such as reputation in general (Jarvis, MacKenzie, & Podsakoff, 2003, Rossiter, 2002). For Helm, a reflective relationship is one in which an unobserved latent variable effects the indicators (Helm, 2005). A reflective perspective on corporate reputation, therefore, is one in which corporate reputation is an independent variable which effects its indicators (e.g., identity, image, brand, performance); indicators are a reflection of the construct. A formative perspective is one in which corporate reputation is a dependent variable, a summation of its indicators; indicators represent different dimensions of the latent variable (Helm, 2005).

3.3.2 Content analysis incorporating text analysis

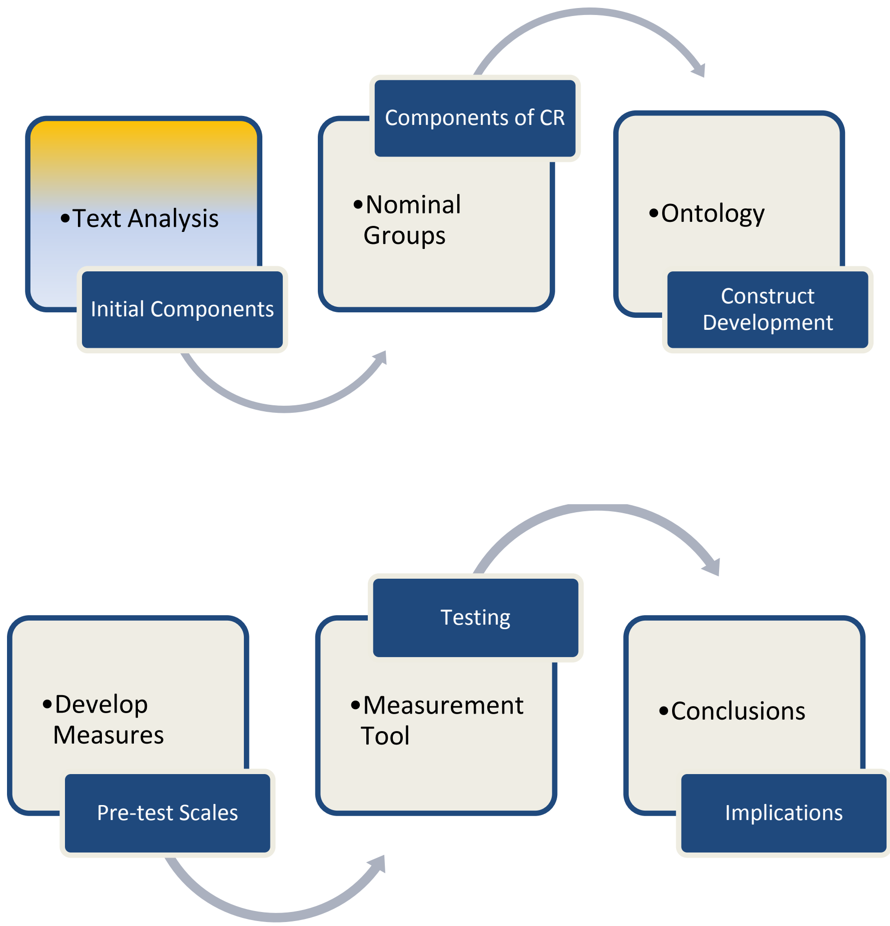
Portions of this chapter were presented at the ANZMAC 2005 Conference in Perth, Australia and a peer-reviewed paper (The Contribution of Text Analysis to an Understanding of Constructs in Academic Literature: The Case of Corporate Reputation) has been published in the conference proceedings.

3.3.2.1 Introduction

The material for the text analysis was the content of academic articles on corporate reputation and its key components. The position of this part of the project (text analysis) in the overall research is shown in Figure 3-3 below.

Figure 3-3:

The Position of Text Analysis in the Overall Research



This step of the study seeks not to provide semantic analysis of key concepts appearing in specific journal articles, but rather to examine the patterns and interaction governing each key concept in the entire knowledge base of which each article is a part. Content analysis was used to elicit what the constructs are. There was a need for a perspective based on a way of thinking and talking about intangibles (such as the structure of reputation and the relationship between key components). Content analysis was the chosen methodology because it satisfies the need for rigour and sensitivity: it uses a set of formal procedures and makes valid inferences based on a structured analysis of text (Weber, 1990); it requires systematic, objective identification of specified characteristics within the text (Stone, Dunphy, Smith, & Ogilvie, 1966). Content analysis has been briefly defined as 'the systematic, objective, quantitative analysis of message characteristics' and as 'a summarizing quantitative analysis of messages that relies on the scientific method … and is not limited as to the types of variables that may be measured' (Neuendorf, 2002 pp 1, 10). The methodology is used to analyze written material into meaningful units, using carefully applied rules (Aaker, Kumar, & Day, 2004).

3.3.2.2 Justification for the paradigm and methodology

Text analysis uses 'human analysis (through) text mining technology to extract knowledge from very large amounts of textual data' (Nasukawa and Nagano, 2001, p. 967). In the past, text analysis has been used quantitatively to measure word count, lexical density, sentence length, occurrences, frequency, rank, word phrase frequency and prominence; to extract business advantage from enterprise data (Cody, Kreulen, Krishna, & Spangler, 2002); to mine knowledge from biomedical documents and for knowledge discovery in the life sciences (Mack, Mukherjea, Soffer, Uramoto, Brown, Coden, Cooper, Inokuchi, Iyer, Mass, Matsuzawa, & Subramaniam, 2004). Here it is used qualitatively, to understand the structure and meaning of the corporate reputation construct, and its relationship to its key components. The focus of this phase of the study is on linguistic knowledge using natural language processing, visualization and interactive analysis (Nasukawa & Nagano, 2001); what Strauss and Corbin (1990) in their discussion of grounded theory refer to as capturing 'phenomenon' and identifying patterns of 'potential relationships' (Strauss & Corbin, 1990).

While content analysis has been considered to apply to all examinations of message content (Neuendorf, 2002), this study incorporates Weber's (1990) approach (which as has been noted above, sees content analysis as a research method that makes valid inferences from text by use of a set of procedures (Weber, 1990)). There is no evidence in the literature of the incorporation of text analysis into content analysis methodology, or of its use in research into corporate reputation.

It is helpful here to review the analytical techniques that have been used. The structure for the review has been adapted from the 'Typical Process of Content Analytic Research' (Neuendorf, 2002 pp 49-51).

1. Theory and rationale

   The orientation adopted is towards an understanding of the components of reputation, their role and definition.

2. Conceptualization decisions

   Distinctive concepts used in the text have distinctive word contexts. A one-to-one cognitive map of concept structures needed to be developed from academic journal articles.

3. Document selection and sampling

   Impact rankings of academic journals provided by Starbuck (2002) were used as the sample frame for journal selection. Focused selection of peer-reviewed articles on corporate reputation was conducted. On-line journal databases were searched to provide a bibliography of the literature published during the period 1985-2005. To ensure the literature search was comprehensive, searches included organizational and corporate reputation, plus related terms for each provided by ABI/INFORM.

   When the literature identified identity, image, brand, and legitimation as key terms associated with corporate and organizational reputation the search was expanded to include these key terms. A total of 435 journal articles were reviewed and text analysis conducted on 376 of those articles to gain an understanding of potential constructs.

4. Computer coding scheme

   Analysis of frequencies and semantic weights was used to identify key words for dictionary building. Key words were also checked against key words and related terms used by ABI/INFORM.

5. Analysis was conducted as follows:

   Analysis was applied to collected text to produce output of word-by-article (counted frequency of key words in the article or articles) and word-by-word (counted frequency of co-word association within a fixed distance of each other) matrices, with entries being the frequency of co-word associations within a fixed distance of a given word. This study has not been concerned with providing semantic analysis of key concepts appearing in specific journal articles, but with the rules, patterns and interaction governing each key concept in the entire database of which each article is a part. Text analysis provided initial insights into the structure of the relationship between reputation, image, identity, the brand and legitimation. Frequencies, word pairings and the context of key terms were studied further. Visualization of results was developed for a clearer understanding. Further analysis involved clustering techniques (Cody, Kreulen, Krishna, & Spangler, 2002, Leong, Ewing, & Pitt, 2002, Nasukawa & Nagano, 2001) and the use of cliques (Dooley, Corman, & McPhee, 2002, Iacobucci & Hopkins, 1992, Provan & Sebastian, 1998, Reingen, Foster, Brown, & Seidman, 1984).

6. Tabulation and Reporting

Stage 1: Self-Organizing Maps (SOMs);

Stage 2: Graphs and maps were used to represent relationships compactly and systematically.

3.3.2.3 Research procedures

Details of how content analysis has been adapted to text analysis are shown in Table 3-2 below. Firstly, content analysis was used to elicit what the constructs are. Impact rankings of academic journals were used as the sample frame for selecting journals (Starbuck, 2002). Peer-reviewed articles relating to corporate reputation were selected from on-line databases, principlally, ABI/INFORM, EBSCO Mega File Premier and ProQuest 5000 International, to build a bibliography of the literature published between 1985 and 2005. This time-frame includes the period during which interest in corporate reputation began to develop in the academic literature, and up to the current period which has witnessed accelerated interest attested to by the launch in 1997 of the Corporate Reputation Review. To ensure the literature search was comprehensive, key words from the databases and from individual articles were combined into a search dictionary. This approach yielded 136 documents that

Table 3-2:

Application of Content and Text Analysis Framework

Step/information need	**Approach**
Theory and rationale - What content to examine and why?	Text analysis identified as a way of exploring academics' thinking as expressed through what they have written.
Document selection and sampling (1) - Publications, source	Academic articles from credible sources and based on impact ratings were analyzed for 1985-2005. Key words from ABI/INFORM, EBSCO and individual articles combined into a search dictionary. Approach yielded 136 articles with a corporate reputation focus.
Computer coding scheme	A knowledge base was constructed Using TextAnalyst 2.1 and frequencies and semantic weights recorded. A dictionary was created from key words relevant to reputation.
Initial reliability	A matrix of key concepts and semantic weighs was developed using Ucinet 6.0 network analysis software (Borgatti, Everett, & Freeman, 2002) and visualization developed using NetDraw 1.0 a programme for drawing social networks. A dictionary of 108 key words was reviewed by academics.
Document selection and sampling (2)	The literature identified image, identity, legitimation and the brand as key components of corporate reputation. The literature search was expanded to cover these concepts and yielded 435 articles. A total of 376 articles was selected for further text analysis.
Validation of coding	A dictionary was applied to sample text (word-by-article), refined and yielded 108 key words.
Tabulation and Reporting	Potential constructs were explored using semantic weights and key word frequency. This enabled identification of key passages in the body of text of articles. Initial insights into the structure of the relationship between reputation, image, identity, and the brand achieved. Visualization of the results using graphs and maps aided intuitive understanding and represented relationships. TextAnalyst 2.1 proved to be limited in that it would not enable analysis of co-word relationships.
Retrieval from coded text	An algorithm was written to provide word-by-word analysis. A matrix based on the frequency of key words was developed. Visualization was provided based on co-occurrence or combination of categories and words. Self organizing mapping helped confirm observations (Wang & Wang, 2002).

demonstrated a sufficiently substantive corporate reputation focus. These articles provide the basis for the preliminary in-depth review and for the text analysis that followed.

Research on corporate reputation extends across a broad range of disciplines with material scattered across a similarly broad range of journals and publications. TextAnalyst version 2.1 was used within a content analysis framework to gain a better understanding of corporate reputation and its relationship to other key concepts. Five key components of corporate reputation (identity, image, brand, legitimation and management) were identified by text analysis. It does this by calculating semantic weight using the statistical weights of individual concepts and the relationships between them. A concept having great significance in a document will have a high semantic weight (Micro Systems Co., 1997-2002).

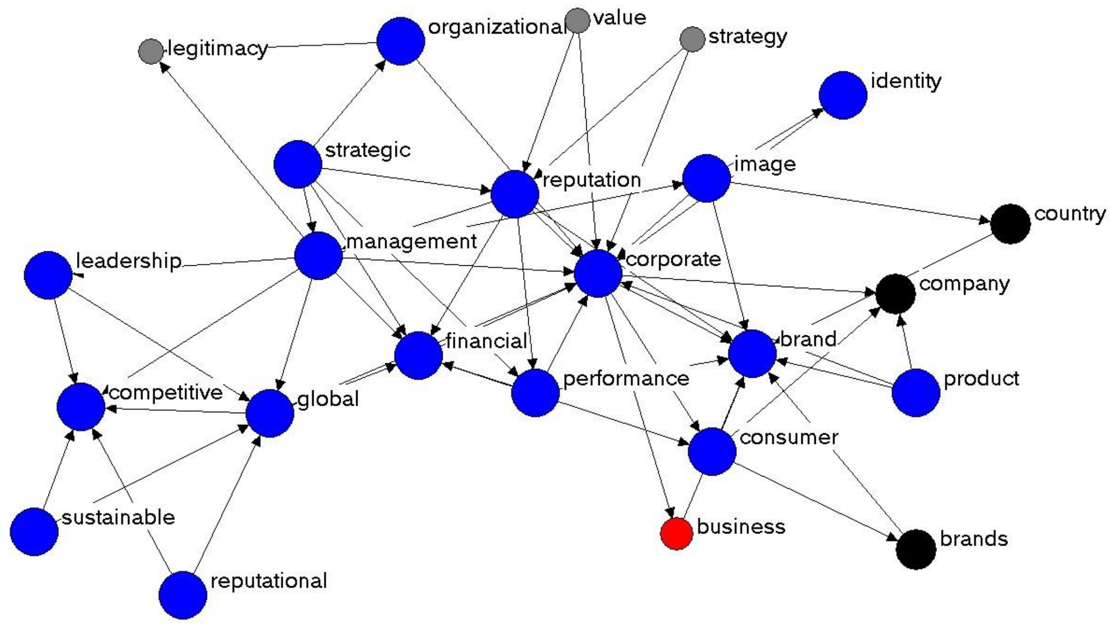
The literature search was, therefore, expanded to cover these concepts. The literature search was expanded to cover these concepts and yielded 435 articles. A total of 376 articles was selected for further text analysis. Key words from ABI/INFORM, EBSCO Mega File Premier and ProQuest 5000 International and from the 376 articles were combined into a 108-word dictionary, and was applied to the text using word-article analysis.

3.3.2.4 Findings from the text analysis

When the corporate reputation knowledge base was exported and analysed using UCINET 6 for Windows software for social network analysis it appeared that corporate reputation, corporate image, corporate identity and corporate brand were quite distinct, yet related concepts. They are neither interchangeable nor synonymous. Network analysis used a graphic display enabled by NetDraw1.0 (Borgatti, 2002) that consisted of points (or nodes) to represent actors and lines to represent ties or relations. Figure 3-4 shows a visualization of the network analysis conducted on corporate reputation and its key components, based on text analysis of the academic literature.

Figure 3-4:

Visualization of the of the corporate reputation knowledge base

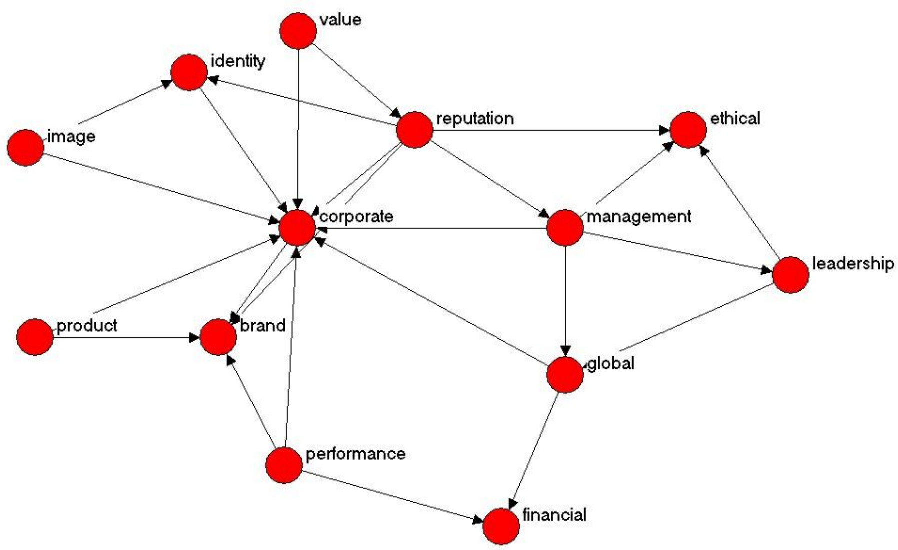


In the Figure 3-4 visualization, direction of the relationship is represented by an arrow from the chooser to each of the chosen. Such a directed graph uses the convention of connecting nodes or actors with lines that have arrowheads, indicating who is directing the tie toward whom. In this case there was no evidence of co-occurrence, the convention of connecting the pair of actors involved in the relation with a simple line segment (no arrowhead).

Word-by-word analysis of academic articles was conducted and a matrix based on the frequency of key words was developed. Social network software provided visualization, as shown in Figures 3-4 and 3-5. Analysis of networks or relationships between corporate reputation and other key concepts was explored further through visualization which suggested the following: Firstly, that the concepts of corporate and reputation have direct relationships with: identity (Balmer & Greyser, 2003); brand (de Chernatony, 1999); ethical management and leadership (Kartalia, 2000, Lewis, 2001, Trevino, Hartman, & Brown, 2000); and through 'corporate' with image (Hatch & Schultz, 2003) and performance (Roberts & Dowling, 2002, Szwajkowski & Figlewicz, 1999), product and performance.

Figure 3-5

Graphical visualization of the structure of relationships between key concepts



Other key concepts that have been identified are value, global and financial. These are the concepts that appear to have the strongest relationship with corporate and reputation and which are explored further through the nominal group technique in Chapter 4 and which contribute to the construction of the corporate reputation ontology.

The directed graph Figure 3-5 which connects nodes with lines that have arrowheads, indicating who is directing the tie toward whom is explained further in Table 3-3 in which the node directions for corporate reputation and its key components are shown.

Self organizing mapping (using Viscovery SOMine 4.0) helped confirm observations. A Self-Organizing Map (SOM) is an artificial neural network algorithm (Kohonen, 2001) and provides a means whereby word categories maps are organized according to word similarities, and word context. Conceptually interrelated words tend to fall into the same or neighboring

Table 3-3:

Node Tie Direction for Corporate Reputation and its Key Components

Directed by		**Directed to**
Corporate	(AND)	Reputation
Corporate	(AND)	Management
Corporate	(AND)	Global
Corporate	(AND)	Performance
Corporate	(AND)	Product
Corporate	(AND)	Image
Corporate	(AND)	Identity
Corporate	(AND)	Value
Brand	(AND)	Corporate
Brand	(AND)	Reputation
Brand	(AND)	Performance
Brand	(AND)	Product
Ethical	(AND)	Reputation
Ethical	(AND)	Management
Ethical	(AND)	Leadership
Identity	(AND)	Image

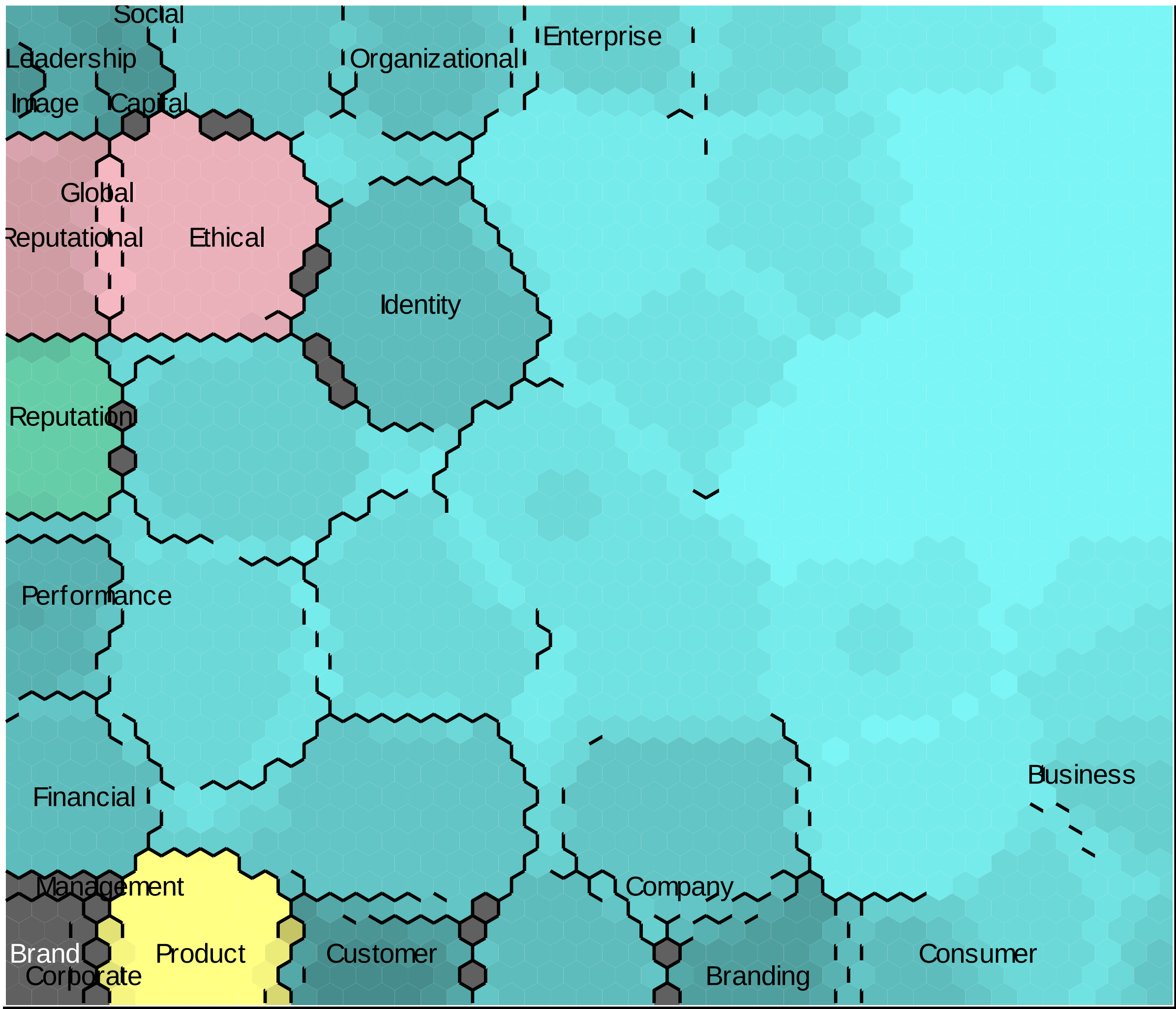
Identity	(AND)	Reputation
Global	(AND)	Leadership
Global	(AND)	Management
Financial	(AND)	Global
Financial	(AND)	Performance
Reputation	(AND)	Value
Management	(AND)	Reputation
Leadership	(AND)	Management

map nodes, or word categories (Honkela, 1997). SOMs are a type of unsupervised learning that help discover a topological mapping that preserves neighbourhood relations and contributes to human-computer interactive knowledge discovery (Wang & Wang, 2002).

As was the case with matrices analyzed using UCINET 6, the same word-by-word matrix was transferred to Viscovery SOMine 4.0. SOM output (illustrated in Figure 3-6 below) shows the neighbourhood relations between key components selected (through text analysis) from the108-word dictionary. Reputation is seen again to be quite distinct from brand and branding. There are indications of stronger neighbourhood membership for reputation and reputational amidst performance, ethical, identity, capital, leadership and social, than there are for brand. For brand and branding there are indications of greater neighbourhood membership among corporate, product, customer and management. There are continued indications of four orientations towards corporate reputation in the literature: towards company (performance, financial, management, company, business); towards culture (identity, organizational); towards communications (customer, consumer, brand, brands) and towards community (social, leadership, ethical).

Figure 3-6

Self Organizing Mapping Showing Clustering of Key Concepts



The results of text analysis using graphical representation of the network and Self Organizing Mapping of relationships between corporate reputation and other key concepts, have implications for two of the propositions stated earlier.

RQ$_1$: Are corporate reputation and corporate identity synonymous? Or are they distinct yet related concepts?

RQ$_3$: Are corporate reputation and corporate image synonymous? Or are they distinct yet related concepts?

Both RQ_1 and RQ_3 are answered affirmatively through text analysis and the graphical representation of the network and Self Organizing Mapping of relationships between corporate reputation and other key concepts. Corporate reputation and corporate identity are not synonymous: they are distinct yet related concepts. Corporate reputation and corporate image are not synonymous: they are distinct yet related concepts.

3.3.2.5 Conclusions

Text analysis of the corporate reputation literature, which provides the initial context for this study, has identified important relationships between corporate reputation and corporate identity, image, brand, management and performance; it has provided insights into the structure of their relationships, and has indicated that image, identity and brand are distinct, yet related concepts that are neither interchangeable nor synonymous.

Visualization of the structure of relations between concepts suggests a lack of fit between the brand concept and operational concepts that include management, leadership, ethical, performance and financial performance: concepts that are included in the corporate reputation construct. There is some suggestion that the brand construct may have greater relevance to consumers, as distinct from stakeholders.

The challenge remains to build on this text analysis and to address what has been seen as the need for an operational definition of corporate reputation (Bromley, 2001). The building of an ontology of corporate reputation will contribute greatly to this goal. For this reason the next research step in this study was conducted among stakeholders, using the nominal group technique, to explore each stakeholder group's perspective on the key components of corporate reputation.

There is a contribution to be made to theory, to the definition of corporate reputation and to corporate reputation measurement (particularly among stakeholders segments) by the development of a methodology based on an ontology – a description of a conceptualization - of corporate reputation. There is a role to be played by theory driven quantitative research based on an investigation, through the text analysis that has been completed and through the nominal group technique which follows, of the structure of the corporate reputation construct. What has been concluded so far about corporate reputation definition and measurement has valuable implications for the next stage of the research.

4 The Stakeholder Perspective and its Contribution to the Ontology of Corporate Reputation

Figure 4-1:

Structure of Chapter Four

Section	**Topic**
4.1	Introduction
4.2	Justification for the paradigm and methodology
4.3	Research procedures
4.4	Ethical considerations
4.5	Brief description of subjects
4.6	The NGT protocol
4.7	Findings from the nominal groups
4.8	Conclusions
4.9	Ontology of Corporate Reputation

Portions of this chapter were presented at the ANZMAC 2006 Conference in Brisbane, Australia and a peer-reviewed paper (Using the Nominal Group Technique to Talk to Stakeholders) was published in the conference proceedings.

4.1 Introduction

After text analysis and in consideration of the guidelines suggested by the C-OAR-SE procedure (Rossiter, 2002) a working definition of the corporate reputation construct was re-visited. A construct, Rossiter (2002, p. 308) suggests, is 'a conceptual term used to describe a phenomenon of theoretical interest' (Edwards & Bagozzi, 2000, pp. 156–157). The working definition of corporate reputation developed earlier in this study was considered useful at this point in the research.

Corporate reputation, according to the working definition adopted in this study, is that estimation of value, which, in its meaningful content, predisposes a relevant stakeholder segment to think, feel and to behave more positively towards the organization.

In this study, corporate reputation has been viewed as an abstract formed object such as arises 'when people's interpretations of the object differ, that is, they see the object as having different components … an abstract formed object has components, whereas an abstract collective object has constituents. An abstract formed object's item parts must answer the question, 'What does it mean?" (Rossiter, 2002)

Text analysis conducted while working within the C-OAR-SE procedure (Rossiter, 2005) identified the following concepts and was important to the building of an ontology: corporate, reputation, image, identity, brand, performance, product, ethical, management, leadership, global. Text analysis indicated that the structure of the relationships between these concepts is as shown in Figure 3-5. It was necessary to talk with stakeholders (raters) to get their expert perspective on what were the components of corporate reputation. The nominal group technique was selected as the approach most suited to talking to stakeholders about the components of corporate reputation, for further developing the ontology and for the purpose of developing items for scale development.

4.2 Justification for the paradigm and methodology

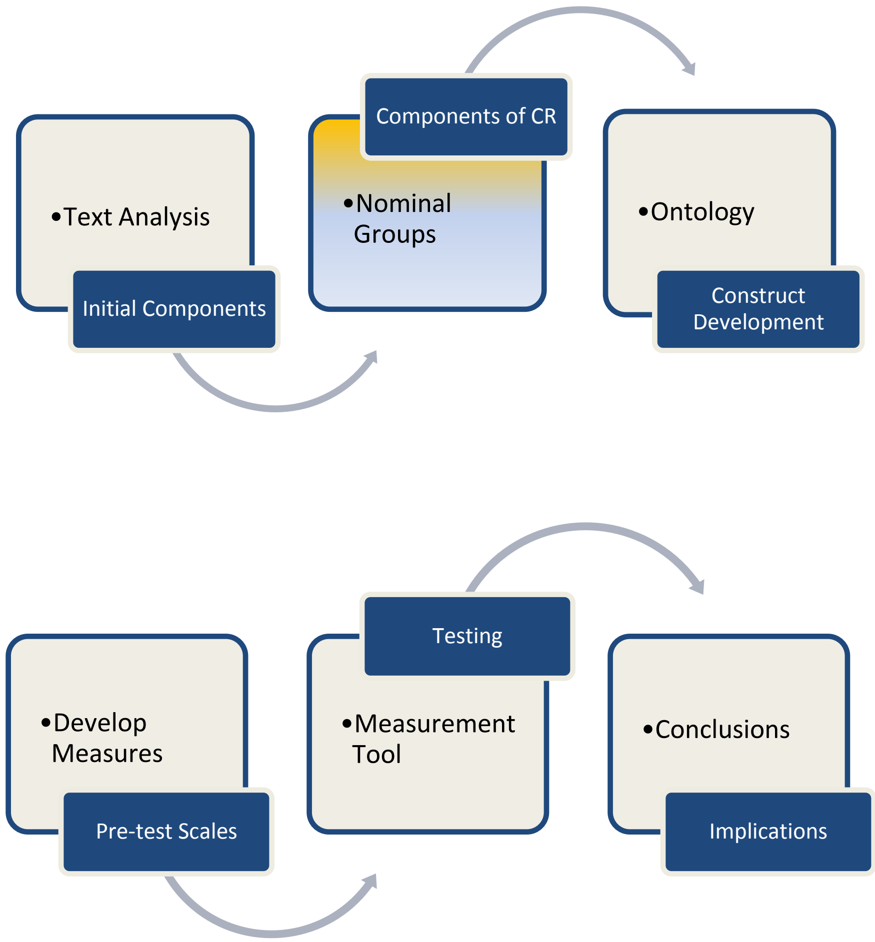
Recent research on corporate reputation (Dowling, 2004) supports a belief that the various stakeholder segments evaluate the attributes of the company differently. This suggests that the corporate reputation construct needs to be seen, and possibly defined, from the perspective of stakeholder segments. A construct has been defined as 'a conceptual term used to describe a phenomenon of theoretical interest' (Edwards & Bagozzi, 2000, pp. 156–157). C-OAR-SE theory requires that constructs be described in terms of (1) the object, (2) the attribute, and (3) the rater entity (Rossiter, 2002). There is a need to provide research insights into stakeholder (rater entity) perceptions of the components of corporate reputation.

After completing text analysis of the corporate reputation literature, there was an acknowledged need to identify the components of corporate reputation for each stakeholder grouping; to explore the estimation of value; to explore the meaning of the corporate reputation construct and of its components; to provide insights into what predisposes a relevant stakeholder grouping to think, feel and to behave positively towards the company.
The nominal group technique (the position of the NGT in the overall research is shown in Figure 4-2 below) has been seen to provide insights into the perceptions and constructs individuals use to understand and manage their world (Hussey & Hussey, 1997). While there is no evidence in the corporate reputation literature of the use of the NGT technique, the methodology was judged to be appropriate for construct definition and item development with regard to corporate reputation. This chapter explores such an approach and focuses on the following two-fold central research question with respect to how will the nominal group technique contribute to: (1) definition of the corporate reputation construct and (2) the development of measurement items for further research?

The study called for an unobtrusive technique that would be sensitive enough to probe participant perceptions, meanings and structures in a rigorous way. Purely ideographic or projective techniques were considered insufficient. NGT is a structured problem-solving or idea-generating approach in which individuals' ideas are gathered and combined in a face-to-face non-threatening group situation that maximizes creative participation in group problem solving (Delbecq, Van de Ven, & Gustafson, 1975). It assures, through the active involvement of a moderator, a balanced input from all participants and takes advantage of each person's knowledge and experience. NGT, in contrast to the use of interacting groups, provides a setting in which individuals work alone, but in which an individual's contributions are later pooled. The technique has been employed in problem identification and organizational communication in business (Green, 1975). The term 'nominal grouping' was first used by Taylor (1958) to refer to a process in which the results of individual efforts are combined and reviewed as if the individuals had worked together in a group. NGT has been referred to (Bouchard & Hare, 1970) as 'pooled individual effort'.

Figure 4-2:

The Position of NGT in the Overall Research



In the NGT process people respond to an initial question by the NGT moderator. The nature and quality of the response is determined as much by the nature of the question as it is by the NGT process itself. An effective leader decides on the kind of information that is really wanted. In this study the question was pretested before the series of eight meetings, each meeting among a different stakeholder group.

It is useful here to provide a comparison of NGT with other group techniques.

1. Comparison of NGT with focus groups

   The NGT provides broad, deep, and meaningful results ranked by importance to the subject of interest (Langford, Schoenfeld, & Izzo, 2002); a mental map with the minimum of observer bias (Stewart & Shamdasani, 1990); insights into the perceptions and constructs an individual uses to understand and manage their world (Hussey & Hussey, 1997); a person's definition of the situation as it relates to the meaning of key concepts. Individuals' ideas are gathered and combined in a face-to-face, non-threatening group situation to maximize creative participation in group problem-solving. The technique assures a balanced input from all participants and takes advantage of each person's knowledge and experience (Delbecq, Van de Ven, & Gustafson, 1975).

2. Comparison of NGT with the Delphi Procedure (DP)

   While DP provides an opportunity to conduct multiple information gathering rounds, DP and its many variants rely on anonymity, group judgment and agreement. The technique is based on the assumption that group judgment can enhance the validity of the forecast (Linstone & Turoff, 1975 , Woudenberg, 1991). Several variants were evaluated for this study:

   - Sequence of Opportunities and Negatives (SOON) (Pyke, 1970)
   - The Policy Delphi (PD) (Turoff, 1975)
   - The Decision Delphi (DD) - anonymity is not fully implemented, but the responses are kept unidentified with any one participant (Hall, Hershey, Kessler, & Stotts, 1992);
   - OSCAR (On-Site Conferencing and Researching) (Mullen, 2003)
   - Ethnographic Delphi Futures Research (EDFR) (Poolpatarachewin, 1980) – in which participants are intensely involved in generating the issues to be considered for group response.

None of them promised to yield the abundance of items that NGT promised. None provided the combination of individual thoughts and expressions, group discussion and refinement.

4.3 Research procedures

Referring back to the results of the text analysis which identified the following concepts and important to the building of an ontology: corporate, reputation, image, identity, brand, performance, product, ethical, management, leadership, global (as shown in Figure 3-5 above), it was necessary to talk with stakeholders (raters) to get their expert perspective on what were the components of corporate reputation. It was important to identify components or ingredients of corporate reputation for each stakeholder group, and to explore the meaning of the corporate reputation construct and of its components from a stakeholder-specific perspective.

While, in a strictly operational sense, the objective was to formalize the corporate reputation ontology and to garner items for scale development, there was much to be gained from getting insights into what it is that predisposes a relevant stakeholder segment to think, feel and to behave more positively towards a company.

4.4 Ethical considerations

The research technique incorporated a series of eight face-to-face stakeholder group meetings for which attendees give their consent and had been given a description of the research topic and of the Nominal Group Methodology.

Members of the eight group discussions were contacted individually by phone and their permission sought. A follow-up email was sent out. No electronic recording was used and no confidentiality has been or will be breached.

Prior ethical approval was given for this phase of the study by the AUT University Ethics Committee.

4.5 Brief description of subjects

A basic question needed to be addressed before further consideration of the nature of group composition: Who are a company's stakeholders? The corporate reputation literature

Table 4-1:

Types of Stakeholders Identified in the Literature

Stakeholders	**Reference**
Customers, shareholders/ investors, employees, regulators and others.	(Pruzan, 2001)
Potential or current employees, customers, government regulators, etc.	(Fombrun, Gardberg, & Sever, 2000)
Those with a propensity to buy an organization's products and services, or to work, invest or trade with it.	(Baker & Balmer, 1997)
Include customers, employees, shareholders, regulators, the financial community, company management and the media.	(Lines, 2004)
Top executives, managers, and others who influence strategic decision-making to develop a sustainable competitive advantage.	(Petrick, Scherer, Brodzinski, Quinn, & Ainina, 1999)
Communities, customers, investors, employers and suppliers.	(Worcester, 1997)
Consumers, employees, middle management, labour union leaders, suppliers, community leaders, environmental activists, government officials, the media, academics, and others not represented in the *Fortune* survey.	(Szwajkowski & Figlewicz, 1997)
Investors, clients, customers, employees, suppliers, partners, vendors, media, financial analysts, special interest groups, politicians, labour unions, shareholder activists and regulators.	(Kartalia, 2000)
Those who buy and use a product, potential employees and suppliers, as well as customers.	(Davies & Chun, 2002)
Two dimensions: internal stakeholders, clients, employees, suppliers, and shareholders, and external stakeholders, 'society.'	(de la Fuente Sabate & de Quevedo Puente, 2003)
Managers, directors, market analysts, customers, employees, and suppliers.	(Roberts & Dowling, 2002)
Employees, customers or shareholders, financial analysts, journalists,	(Dowling, 2004)

community leaders, government or environmental groups.	
A group possessing power, legitimacy, and urgency that impact managerial decisions.	(Zyglidopoulos & Phillips, 1999)

provided the following insights (See Table 4-1 above): key stakeholders have a disposition to buy an organization's products and services, or to work, invest or trade with the company (Baker & Balmer, 1997). They can include potential/current employees, customers, government regulators (Fombrun, Gardberg, & Sever, 2000) as well as managers, directors, market analysts, whose assessments are important in an analysis of financial performance plus others (e.g., customers, employees, and suppliers) whose evaluations of a company are likely to have implications for its financial performance (Roberts & Dowling, 2002). If an inclusive definition of stakeholder were to have been adopted, then representation at an NGT session might have been justified for any collective that sees itself as having a stake in a company's right to conduct business in the way it wishes. That is to say, any collective that believes it can challenge a company's legitimacy.

4.5.1 Group composition

The perspective adopted for this study is that a stakeholder is a person or group with a direct interest, involvement, or investment in a company.

The size of each group needed to satisfy the requirements of established protocols for nominal groups (Dunham, 1998). The composition of each group depended on important pre-process decisions such as from whom information was desired, and what were the objectives of the meeting? An heterogeneous group provides different perspectives on a given situation. An homogeneous group reduces communication barriers, but may simply reinforce accepted ideas, i.e., result in 'group think.' The quality of the meeting's output depends on the composition of the group.

It was necessary to ensure coverage of key stakeholder segments across business sectors. Nominal group discussions were conducted among eight groups of stakeholders: CEOs;

media (business editors/editors of business journals, heads of public relations companies); communications specialists (corporate communications directors, heads of advertising agencies, marketing communications academics); investment/finance specialists; consumers. Primary selection of participants was made from among these groups as they had been identified as having a direct interest in organizational reputation development, management and evaluation. Additionally, these stakeholders were selected because of their appropriateness to the general nature of the investigation, at this stage, into perceptions of corporate reputation. If the investigation had been conducted into the reputation of a specific company, then stakeholders relevant to that company's reputation would have been selected, as is the case with the stakeholder survey conducted later and detailed in Chapter 6. (Specific stakeholder characteristics and numbers are shown in Table 4-2 below.)

Table 4-2:

Stakeholder Group Profiles and Characteristics

Stakeholder Constituent Group/Profile	*n* =	Characteristics
Investment/finance specialists	8	Investors, investment advisers and writers; CEOs of shareholder and investor associations.
Corporate communications directors	9	Directors of corporate communications, corporate affairs at fmcg, utilities, financial, beverage, airline, telecommunications, software companies.
Consumers	9	Consumers and employees.
CEOs/MDs	8	Heads of a variety of large concerns: health products, waste management, architecture, construction, cement, IT, property investment, and tourism.
Marketing communications academics	9	Marketing and advertising academics, PhDs and degreed.
Business editors/editors of business journals	7	Chief Editors and editors of business and marketing publications.
Heads of PR companies	7	Managing directors of mainstream PR companies and heads of small PR independents and consultancies.
Heads of Advertising agencies	8	Vice chairman, managing directors of mainstream ad agencies; CEOs of media specialist organizations.

Every effort was made to secure a fully representative sample of the range of expert knowledge available so as to be able to undertake further quantitative analysis later to test conclusions made from qualitative work. Participants were selected from among professionals and practitioners in relevant industries and sectors in New Zealand: large corporations and major finance and investment organizations with 100+ staff were selected from *New Zealand Business Who's Who;* advertising agencies, PR companies, PR and communications consultants were selected from the *NZ Marketing Services Directory;* marketing academics were selected from the Business School of AUT University; consumers were selected randomly from the membership roster of the Huapai Golf Club. The size of each group was set in accord with established protocols for nominal groups.

4.6 The NGT protocol

After an introduction and welcome, the following protocol (Delbecq, Van de Ven, & Gustafson, 1975) was followed:

Step 1: Silent generation of ideas in writing (10 - 20 minutes): The research question was presented to the group in written form and was read to the group: What do you see as the most important components or ingredients of corporate reputation? Group members were then directed to write ideas in brief phrases or statements and were asked to work silently and independently. Enough time was provided for thinking and reflection in a creative setting and which provided social facilitation from seeing others working on the same task.

The approach taken in Step 1 provided a focus and time for uninterrupted thought; it avoided interruptions; it avoided an undue focusing on a small number of ideas and a polarization of ideas; and it avoided competition, status pressures, and conformity pressures which might prompt choosing between ideas prematurely.

Step 2: Round-robin recording of ideas (20 - 40 minutes): The second step was the numbering and recording of the ideas of group members on sheets of paper visible to the entire group. Round-robin recording meant going around the table and asking for one idea from one member at a time. The leader wrote the idea of a group member on the flip chart and then proceeded to ask for one idea from the next group member, and so on.

Some of the advantages of this approach include: equal participation in the presentation of ideas; an increase in 'problem-mindedness' and depersonalization (the separation of ideas from personalities). It offers the potential for an increase in ability to deal with a large number of ideas and importantly, tolerance of potentially conflicting ideas. The approach encourages 'hitchhiking' whereby an idea listed on the chart by one member might cause another member to think of a new idea. When this occurs, the second member adds the new idea to his or her personal worksheet to be presented to the group when his or her turn for presenting an idea arrives. The approach provides a written record and guide.

Step 3: Serial discussion (20 - 40 minutes): The purpose of the third step of the NGT method is to discuss each idea in turn for the purpose of clarification. This provided an opportunity for clarification and elimination of misunderstanding. The advantages of this step includes the avoidance of focusing unduly on any one idea or subset of ideas. The step provides an opportunity to present the logic behind an idea or disagreement and allows for recording of differences of opinion without undue argumentation.

Step 4: Preliminary vote (10 minutes): Each group member was asked to select five priority, or most important, items. Each member was asked to place each priority item on a separate 3x5 card. They were then asked to rank-order the cards, one at a time. The number '5' was recorded in the lower right-hand corner of the card with the most important item. (Each ranked card was then turned over.) Of the remaining four cards, a number '1' was written in the lower right-hand corner of the card with the least important item. Numbers '4' '2' and '3' were assigned to the remaining cards. Each group member was asked to read the idea number and number of points from each index card while the scores were recorded on the tally sheets. Scores were summed for each of the ideas. These listings constituted the most important ingredients/components of corporate reputation.

The purpose of this step is to aggregate the judgments of individual members to determine the relative importance of individual items.

Step 5 Discussion of the preliminary vote (20-40 minutes): Discussion was held after the group had seen the ratings of the entire group to examine inconsistent voting patterns and to provide for the opportunity to re-discuss items which were perceived as receiving too many or too few votes. This discussion focused on those ideas that were most highly rated during the preliminary vote and again concentrated on clarification of the issues.

After this discussion, the leader proceeds to:

Step 6: Final vote on priorities (10 minutes)

Step 7: Listing and agreement on prioritized items

The results from step 6 are listed on the flip chart to provide a permanent record of the group's agreement.

Effective implementation of the protocol ensured the technique was unobtrusive, has probed stakeholder perspectives in a rigorous way, and that each individual's ideas have been gathered and combined in a face-to-face non-threatening way. Imput was balanced and took advantage of each person's knowledge and experience.

4.7 Findings from the nominal groups

During Step 4 of the NGT protocol each group member had been asked to assign scores to each of five priority items. Scores were summed across the entire group for each of the ideas. Judgments of individual members were thereby aggregated to determine the relative importance of specific ingredients/components of corporate reputation. (See Appendix 1.4 for an example of an initial coding sheet from a nominal group session.) The results of this initial summing is shown for each stakeholder group in Figure 4-3. These have been called key components of corporate reputation and are shown in rank order of importance for each stakeholder group. While the NGT is a qualitative research technique it involves selection by ach participant of the five most important components of corporate reputation and then the summation of items for the entire group. Once NGT items had been coded by experts, by each of the nine components of corporate reputation, each component war then ranked by the sum of score received by its constituents. Such a ranking was intended as indicatively rather than quantitatively useful.

Building on the literature review and on the text analysis, which had identified a set of key components of corporate reputation, the results of the NGT provide a means for identifying which among these attributes have relevance for specific stakeholder groups. While these results lack the specificity and rigour of the stakeholder survey data which is analyzed and discussed in Chapter 6, they do provide a basis for the evaluation of several research questions and contribute significantly to the corporate reputation ontology.

With respect to corporate reputation, a firm's performance (financial and product/service delivery) is seen by most stakeholders as the most important component. Investment and finance specialists tend to be the most focused, providing the narrowest range of components. Components focused on performance/management, identity (culture, values) and image (especially with respect to consistency of image and performance, 'walking the talk'). Communications specialist display greater range of components, and a more representational (cf. operational) orientation in the components they identified as important. Key components identified by CEOs focused, with the exception of identity (what makes a company different: its culture and values), on operational (leadership, management, financial performance) and social (ethical) dimensions.

Stakeholders indicated strong cohesion in the relationship between corporate reputation and: performance (leadership, management, global and financial performance), marketing (identity, brand, image and value dimension), and management (management, leadership, ethical, financial) dimensions. These results have relevance for the following research questions:

RQ_3: Are corporate reputation and corporate image synonymous? Or are they distinct yet related concepts?

RQ_3 is answered affirmatively through text analysis, by the graphical representation of the network and by Self Organizing Mapping of relationships between corporate reputation and other key concepts. The research question is receives further affirmation through an analysis, by experts, of NGT data which shows corporate image and corporate identity as distinct yet related concepts which stakeholders identified as components of corporate reputation.

RQ_2: Is corporate identity internal and not perceived or understood outside the organization?

It has been pointed out earlier that RQ_2 is of particular relevance to this study in view of the theory (Hatch & Schultz, 1997) that internal/external barriers are breaking down. While NGT data are qualitative, there are indications that RQ_2 cannot be answered affirmatively on the basis of what has been learned about stakeholders from the NGT sessions: constituents of corporate identity (what a company stands for including its vision and culture, e.g., 'good place to work', 'clear vision, strategy and values', 'good employer', 'clear stand on issues', as distinct from corporate image which is the sum of impressions and perceptions stakeholders may have) are perceived and understood by stakeholders outside as well as inside the company.

RQ_5: Is legitimation a key component of corporate reputation?

RQ_5 cannot be answered affirmatively on the basis of what has been learned about stakeholders from the NGT sessions: legitimation, which has been discussed in detail in chapter 2 (section 2.4.4), does not emerge as a key component of corporate reputation.

Figure 4-3:

Key Components of Corporate Reputation Ranked by Importance to Each Stakeholder Group

Investment and Finance Specialists	Business Editors	Consumers	PR Directors and Consultants	CEOs	Corporate Communications Professionals	Marketing Academics	Advertising Directors
Performance	Performance	Products/ Services	Performance	Ethical Management/ Leadership	Performance	Products/ Services	Performance
Identity	Ethical Management/ Leadership	Ethical Management/ Leadership	Ethical Management	Products/ Services	Ethical Management/ Leadership	Identity	Ethical Management/ Leadership
Ethical Management/ Leadership	Management Leadership	Performance	Image	Performance	Identity	Ethical Management/ Leadership	Products/ Services
Management Leadership	Products/ Services	Identity	Identity	Corporate Leadership	Products	Image	Identity
Image	Identity	Management Leadership	Management Leadership	Identity	Corporate Brand	Financial Performance	Image
		Global	Value		Image	Performance	Management Leadership
					Value	Corporate Brand	Financial Performance
					Corporate Leadership	Corporate Leadership	Value
							Corporate Leadership
							Corporate Brand

As a result of the NGT sessions the lists of key components of corporate reputation thought important by stakeholders was revised after closer review of the scores given to each component in NGT sessions. 'Value', 'global' and 'management' were omitted when it was seen that they received fewer and lower scores from all stakeholders than other components. 'Value' lacked specificity and was mentioned only by corporate communications and public relations people; 'global' was mentioned by one consumer; 'management' was mentioned only by Advertising Agency managers and is covered in 'management leadership'. 'Leadership' was changed to 'corporate leadership', as it became clear from closer scrutiny of NGT session notes that it was intended to be quite distinct from 'management leadership' and 'ethical leadership' and referred to a company's leadership in its industry or field. 'Brand' was change to 'corporate brand' as it was used and intended in a manner quite distinct from a company's marketing activities on behalf of its brands. Differences between 'ethical management' and 'ethical leadership' lacked distinctiveness hence were combined.

4.8 Conclusions

With respect to the contribution of NGT: Firstly, NGT identified 'components or ingredients' of corporate reputation for each stakeholder grouping. Secondly, the methodology was sensitive enough to indicate differences in component priorities between stakeholder groupings. Thirdly, NGT is effective in probing stakeholder perceptions, meanings and structures in a rigorous way and delivered over ninety items which stakeholders identified as important. Fourthly, while, in a strictly operational sense, the research objective was to garner items for scale development, NGT provided insights into what 'predisposes a relevant stakeholder segment to think, feel and to behave more positively towards the company'. Fifthly, NGT contributed to item development with regard to corporate reputation. Finally, NGT has contributed significantly to construct definition and to the building of the corporate reputation ontology.

Use of the NGT has provided insights into the perceptions and constructs stakeholders use to understand corporate reputation. The NGT methodology has been appropriate for construct definition and item development with regard to corporate reputation. The two-fold central research question posited above with respect to the NGT methodology has been found to be answerable in the positive: the nominal group technique contributes to: (1) definition of the corporate reputation construct and (2) the development of measurement items for further research.

Additionally, use of the NGT among stakeholders supports Dowling's (2004) belief that the various stakeholder segments evaluate the attributes of the company differently. Hence, the corporate reputation construct needs to be seen, possibly defined, from the perspective of stakeholder segments. This suggests that, as discussed earlier with respect to definitions of corporate reputation, a considerable amount of ambiguity (Christensen & Askegaard, 2001) in the literature may indeed be related to the observation that corporate reputation means different things to different people. There is a contribution to be made to theory, to the definition of corporate reputation and to corporate reputation measurement (particularly among stakeholders segments) by the development of a methodology based on an ontology – a description of a conceptualization - of corporate reputation. There is a role to be played by theory driven quantitative research based on the previous investigations, through the text analysis and through the nominal group technique, of the structure of the corporate reputation construct.

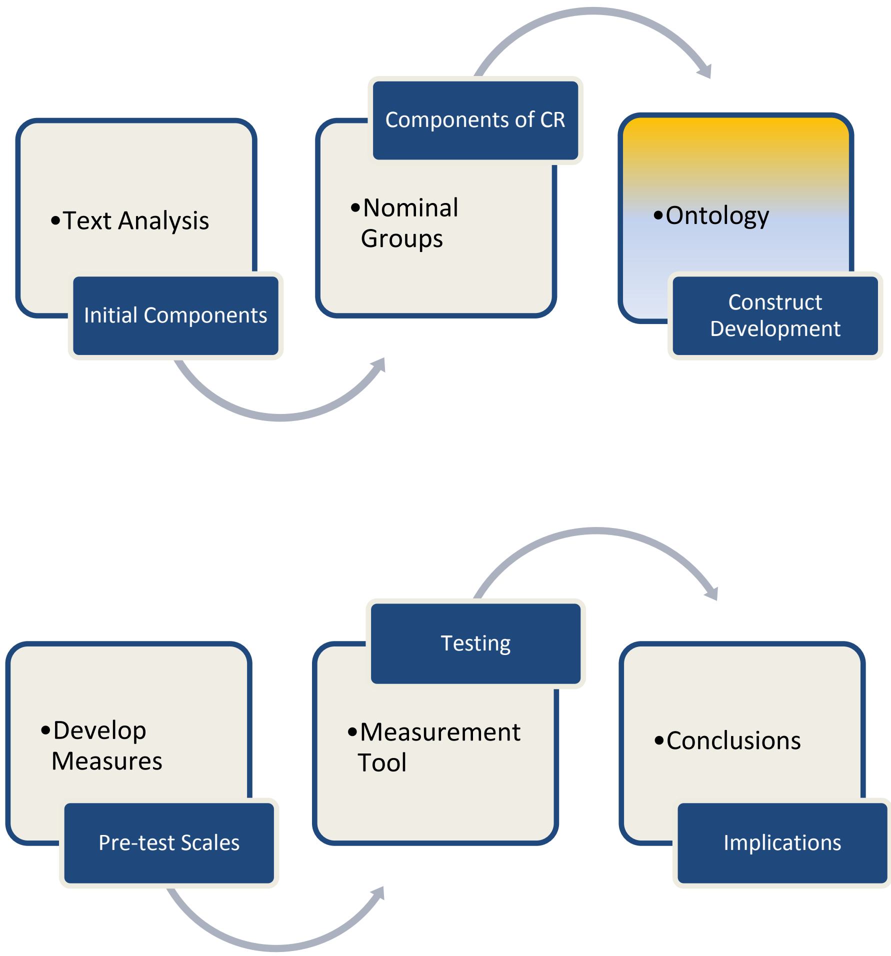
4.9 Ontology of corporate reputation

Text analysis and the NGT have contributed to the development of an ontology of corporate reputation. The position and of the ontology in the overall research is shown below in Figure 4-4. The ontology provides the conceptual framework and specific items to be used in the qualitative phase of the research. Within the text analysis phase, the network of relationships between corporate reputation and its key components was identified. Within the NGT phase, the key components were confirmed, revised and the construct confirmed. The purpose of the text analysis and the NGT phases was to develop an ontology of corporate reputation and a conceptual framework that reflected the sources of value (Hunt, 2000) stakeholders seek from a company's reputation.

The need for clarification and definition of corporate reputation has been discussed earlier, as has the need to develop a methodology based on an ontology of corporate reputation; to

Figure 4-4:

The Position of The Ontology in the Overall Research



build an ontology as a basis for developing constructs. For the purpose of this study, a need was discussed for a way to handle ambiguous terms; terms that can be an obstacle to reaching a shared understanding. Furthermore, there is a need for the grouping and for the elucidation of the relationships between terms relevant to corporate reputation. An ontology helps to establish and to encourage the use of a shared vocabulary, of a set of definitions and of descriptive relationships (Uschold, King, Moralee, & Zorgios, 1998); it serves as a vehicle for validation. Finally, there is a need to provide the constructs for corporate reputation modeling and measurement. A corporate reputation ontology will serve as a basis for these constructs, which will lead to the development of a tool for corporate reputation modeling and measurement.

This study is concerned with the structure and interaction between reputation and its key components. Which of them are the same? How are they different? How to show this? The use and importance of ontologies is becoming more widespread (Uschold, 1996, Uschold & Gruninger, 1996). The development of an ontology of corporate reputation represents an exciting research challenge.

The ontology of corporate reputation (see Figure 4-5), the description of a conceptualization, is based on the following:

1 The working definition of corporate reputation discussed earlier and its expansion based on a review of the literature.

2 The identification from the literature of stakeholder perceptions as mediating between reputation components or drivers and from an assessment of a company's reputation. (This corresponds to the fourth step in the C-OAR-SE procedure to the construct's definition, which is identification of the rater entity, in this case stakeholders.)

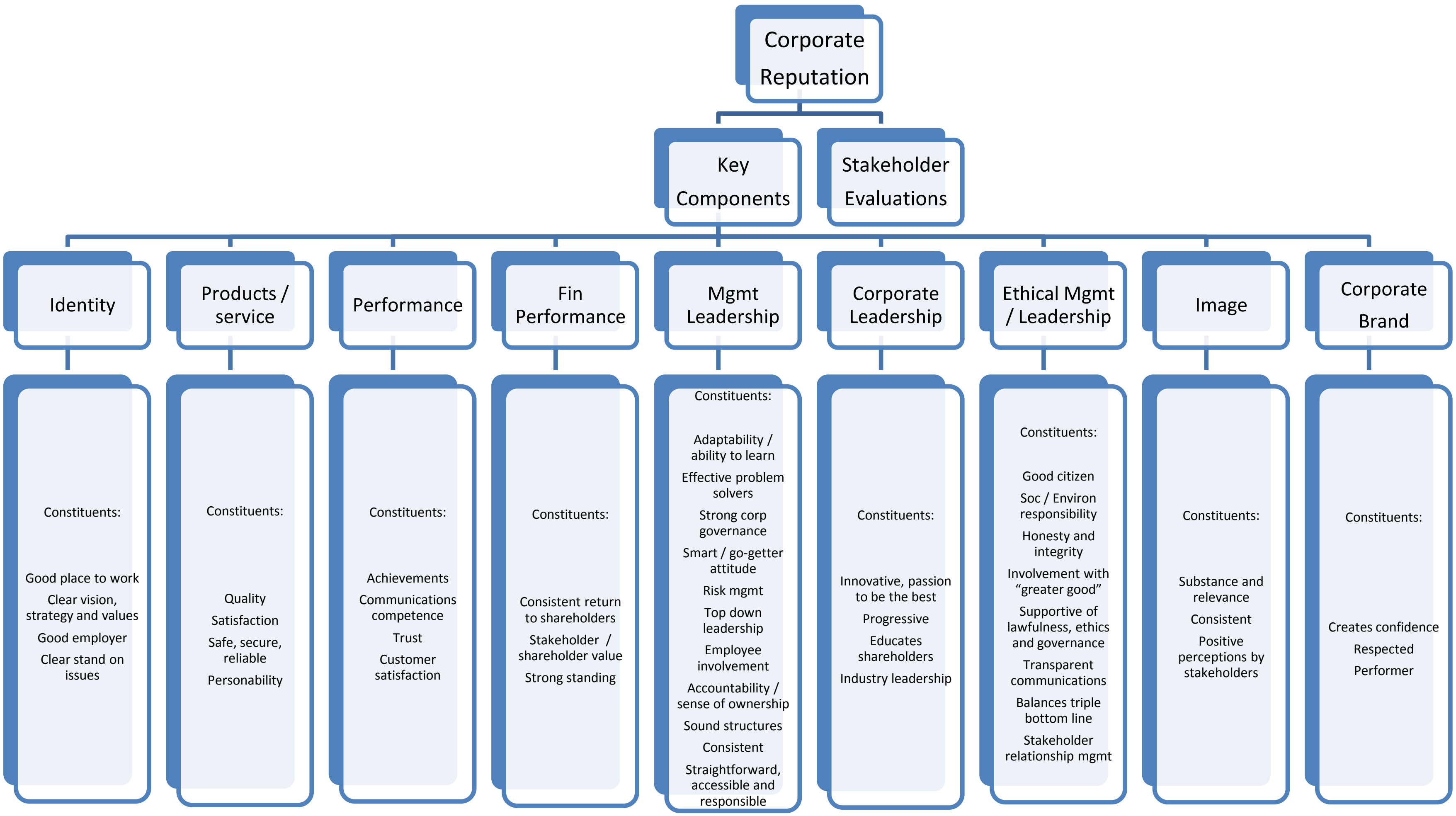
3 The identification through text analysis of the specific components or drivers of corporate reputation.

4 The further clarification and elaboration of the components or drivers of corporate reputation through the NGT research among stakeholders.

5 Consistent with the C-OAR-SE procedure, the coding by experts of items developed through NGT sessions , in terms of key components from the literature and text analysis and the specific ingredients/components of corporate reputation collected from the NGT sessions.

Figure 4-5:

The Ontology of Corporate Reputation Including the Constituents of Key Components



5 Stakeholder Survey

Figure 5-1:

Structure of Chapter Five

Section	**Topic**
5.1	Introduction
5.2	Justification for the paradigm and methodology
5.3	Research procedures
5.4	Questionnaire design and pilot study
5.5	Stakeholder survey
5.6	Conclusions

5.1 Introduction

This chapter describes the development and testing of a measurement tool for corporate reputation. It is important to restate that the quantitative research that has been conducted was theory driven; based on an investigation, through text analysis and the nominal group technique, of the structure of the corporate reputation construct. In this sense it is deductive research in contrast to data driven research which is more often inductive.

The research that has preceded the stakeholder survey has been based on considerations of companies in general. The stakeholder survey itself, however, in order to provide a useful tool to measure stakeholder evaluations of a company's reputation, needed to focus on the corporate reputation of at least one company in particular. The objective of the research was not to compare evaluations of the reputations of several companies, but rather to identify differences between various group's evaluations of a company's reputation. Additionally, the stakeholder survey needed to be conducted among specific stakeholder segments. It needed to be conducted on a company that had relevance for the stakeholders and *vice versa*. In this sense, the focus has shifted from a globalized to a localized perspective.

5.2 Justification for the paradigm and methodology

So far research methods have been guided by considerations of content analysis and C-OAR-SE methodologies. Whereas content analysis has guided the approach taken in the text analysis phase of the research, the C-OAR-SE procedure (Rossiter, 2002) was influential and has provided the context for much that has followed. The C-OAR-SE procedure has been adopted as the theoretical base for the principle methodology for development and classification of measures.

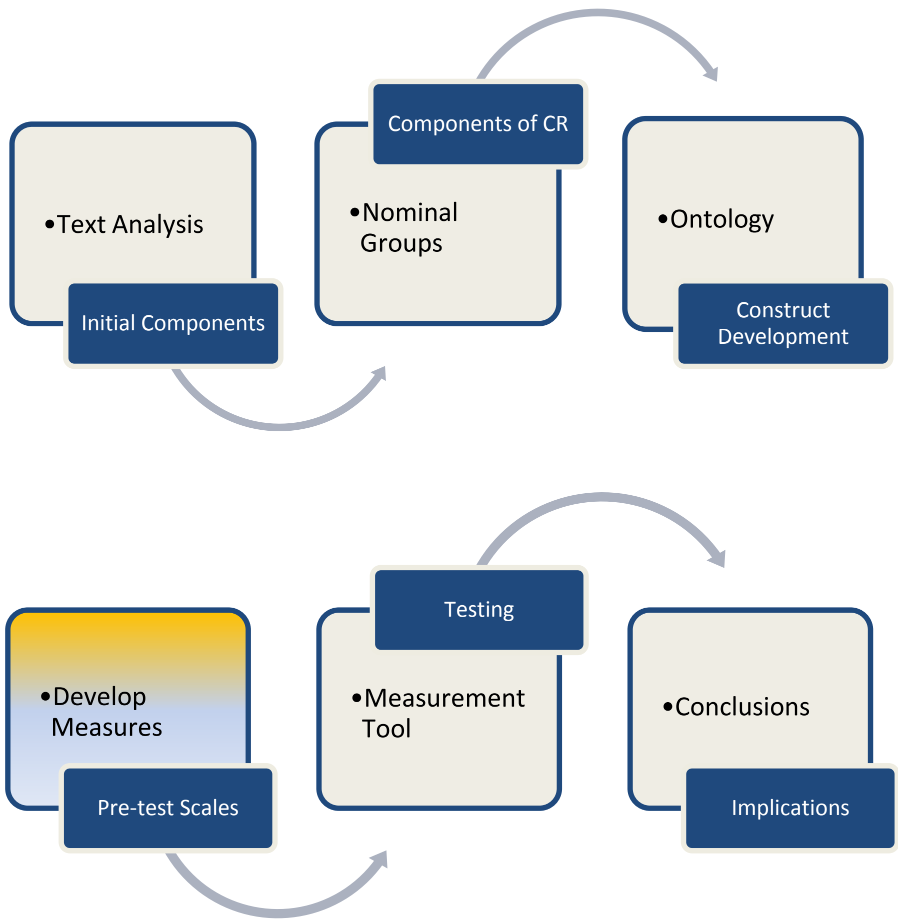
The C-OAR-SE procedure was developed as a general procedure for developing marketing measures (Rossiter, 2002). The C-OAR-SE procedure, which offers a six-step approach to classification of measures, allows for reflective as well as formative perspectives, and for single- as well as multi-item scales. (See Table 3-1: Integrating the C-OAR-SE procedure.) Steps in the C-OAR-SE procedure that have been followed so far include: object classification and generation of item parts to represent the object (text analysis); attribute classification and construct definition (nominal groups); rater identification (nominal groups and consideration of the specific stakeholder segments relevant to the subject of the study).

This chapter explores the development of items and scales for quantitative measurement and analysis. The following aspects of the C-OAR-SE procedure have been incorporated: scale formation (combining object and attribute item parts as items for scales); selecting appropriate rating scales for the items; pre-testing each item for comprehension with a pre-test sample of raters; enumeration and reporting (including transforming the score to a meaningful range); report and estimating of the precision of the scale score (Rossiter, 2002).

5.3 Research procedures

The position of the development and testing of the measurement tool in the overall research is shown in Figure 5-2 below.

Figure 5-2:
The Position of the Development and Testing of the Measurement Tool in the Overall Research



5.3.1 Validation of items by an expert panel

The COAR-SE procedure is based on content validity, established by expert agreement after pre interviews with target raters (Rossiter, 2002). Consistent with the C-OAR-SE procedure, five experts, all marketing academics, were provided with coding sheets, and asked, for each of the specific ingredients/components of corporate reputation collected from the NGT sessions, to select the one descriptor that best classified that particular ingredient/component. Coding sheets consisted of a table containing a list of items (stakeholders' descriptions of the ingredients of corporate reputation collected from NGT sessions) in the left hand column. Each of the twelve columns to the right was headed by one of the descriptors that had been identified from the text analysis (see Figure 3-5 above) and later modified by the results of the nominal group sessions among stakeholders (see Table 5.1 below). Expert raters were asked, for each of the items on the left, to select the descriptor

Table 5-1:

Key Concepts from Text Analysis and Post-NGT Descriptors

Key Concepts from Text Analysis			**Post-NGT Descriptors**
Directed by		**Directed to**	
Corporate	(AND)	Reputation	Corporate reputation
Corporate	(AND)	Performance	Performance
Corporate	(AND)	Product	Products and services
Corporate	(AND)	Image	Corporate image
Corporate	(AND)	Identity	Corporate identity
Brand	(AND)	Corporate	Corporate brand
Ethical	(AND)	Reputation	Ethical management and leadership
Ethical	(AND)	Management	
Ethical	(AND)	Leadership	
Financial	(AND)	Performance	Financial performance
Leadership	(AND)	Management	Management leadership Corporate leadership

that best classifies that particular item by placing an 'X' in the appropriate box. Scores which had been summed across each group of stakeholders for each of the ingredients/components were now summed for each of the descriptors. (See Appendix 1.5.) Thus the results of the nominal groups sessions contributed towards the validation of the results of text analysis and provided a further building block in the development of the corporate reputation ontology.

5.4 Questionnaire design and pilot study

5.4.1 Introduction

The first stage of this study was to explore the literature in order to understand the components and the different definitions of corporate reputation. By using a text analysis software package a number of major components were identified. Results of text analysis were used to construct the discussion framework for a series of nine nominal group technique (NGT) sessions among stakeholder and constituent groups. NGT observations revealed that the groups placed different levels of importance on these components, suggesting that there may be a need to measure corporate reputation differently depending on the stakeholder group being examined.

The possibility that corporate reputation means different things to different people and should therefore be measured differently has been identified in the literature, but has not until now been explored in depth. Such an approach could provide an organisation with a clear idea of where any weaknesses or problems lie, in terms of its corporate reputation, and potentially could put the organization in a better position to deal with such problems. These differences in stakeholder groups will be the main contribution to knowledge as previous studies have either been designed for the general public, for relevant experts, for other organisations in the same industry or for one specific stakeholder group.

Having now created items from the NGT discussions, and having classified attributes among expert raters, this part of the methodology will focus on the development of the measuring instrument.

5.4.2 Questionnaire construction

It was important that the design of the questionnaire for this study should meet the study's information needs. That is to say to assess the reliability of a range of items, for each of a variety of stakeholder groups in evaluating a company's reputation. Another key informational need was to measure the strength of agreement on the value of items within each stakeholder grouping and the significance of any differences between these groupings.

Beyond this, if the questionnaire were to provide decision-making information, it needed to be understandable, and to be designed for each stakeholder segment. Respondents should understand what is being asked of them; they need to be able to provide valid and useful responses (De Vaus, 1996; Sarantakos, 1998). This is especially important with a self-administered questionnaire which allows no opportunity to clarify questions of meaning and comprehension that may arise during completion. Effective self-administration can be impeded by inappropriate use of language, by the way questions are phrased and by the order in which questions are asked.

The questionnaire consisted of three questions which satisfied the initial research objectives of the quantitative phase of the research.

1. The first question was intended to help identify possible difference in the way stakeholders evaluate the importance of the components of corporate reputation. All respondents would be asked to rank the importance of each of the nine components of corporate reputation that were the results of the NGT sessions among stakeholders. Respondents were asked to rank the importance of these components from their specific stakeholder perspective. This would be the first way in which differences in stakeholder perspectives were to be evaluated.

2. The second question containing stakeholder-specific scales for the measurement of corporate reputation (that is to say each stakeholder group would be given a set of scales specific to their stakeholder group). All respondents would be asked to evaluate how well a company performs in terms of each item. This would be the second way in which

differences in stakeholder perspectives were to be evaluated, but in terms of evaluations of a particular company.

3. Thirdly, it was thought appropriate to then ask an open-ended question that probed further, unconsidered components or ingredients of corporate reputation. (Note that it was decided after the pilot test to substitute for this question a two-part question that would ask respondents to evaluate the reputation of a company, a) in terms of each stakeholder's stakeholder-specific perspective based on stakeholder-specific criteria and then b) overall in terms of each individual's perceptions.

Questions, therefore, provided initially (pre-pilot study), a combination of open and closed responses.

5.4.3 Language usage

It was important with a self-administered questionnaire to ensure that all respondents, with varying backgrounds and levels of education, understood the language being used. This was achieved by using simple, unambiguous words with a clear frame of reference (de Vaus, 1996). One segment of stakeholder respondents, for example, was asked to 'How would you personally – from your perspective as an investment and finance specialist - rank the following characteristics in terms of the importance of their contribution to a company's reputation? Give each item a ranking from 1 to 9, where 9 is the most important and 1 is the least important. No two characteristics can have the same ranking. The question employs simple language and provides clear guidelines to direct respondents in choosing an appropriate weighting to express the importance of each of nine characteristics. Guidelines ensure that they respond in an appropriate way.

While the questionnaire contained just three questions, it was important to ensure that the wording of questions motivated the respondent to move on to the following question. Oppenheim (1992) suggests that this can be achieved by being polite and by making the questions interesting and relevant. A comprehensive introduction to the explicit and relatively short, self-administered questionnaire provided brief information about the research objectives and about the decision-making information sought. The items themselves were based on the language used by stakeholders themselves in the NGT sessions to describe the components or ingredients of corporate reputation.

The questionnaire was written in a way that expressed an appreciation of the time and effort provided by the respondent. The respondents were thanked for their time and cooperation at the beginning of the process and were asked politely to answer each question. The clear guidelines on answering the questions and the logical question order were also designed to motivate the respondents to participate further.

5.4.4 Open and closed questions

The questionnaire needed also to meet editing and coding requirements (McDaniel & Gates, 2005). In this respect the questionnaire was easy to self-administer, having no skip patterns to follow, simply a battery of self-coded, scaled questions and one open-ended question. It was designed in order to achieve simplicity, intelligibility and clarity (Converse and Presser, 1986).

Closed questions are used extensively in questionnaires because they are quicker to answer and easier to analyse (Oppenheim, 1992; Bell, 1987). They are particularly appropriate for self-administered questionnaires where motivation of the respondent may be lacking due to the absence of the interviewer (de Vaus, 1996). The provision of possible answers can assist in interpretation and help to achieve consistency. Closed questions were constructed carefully and items phrased meaningfully (i.e., if the selection of responses offered is appropriate and covers all eventualities) to ensure they provide meaningful results.

Two closed questions or forced-choice response formats were employed in the pilot questionnaire. These included a multi-choice, ranking approach (Question 1), and a Likert-type scale (Question 2). An open-ended question was included to enable the respondents to provide additional information on their ideas about the ingredients or components of corporate reputation; to capture any elements of corporate reputation that are perceived to be important by the participant but are not included in the items. Such information could only be obtained using open questions because of the variety of answers that could be relevant various stakeholder perceptions of corporate reputation. A qualitative response was requested to ensure that no significant results had been missed. Oppenheim (1992) has suggested that open-ended questions provide respondents with the freedom to answer as they see fit.

5.4.5 Some considerations of scale formation

In the C-OAR-SE procedure scale formation is a matter of 'putting together object item parts with their corresponding attribute item parts to form scale items—technically, to form the stems of the scale items, as the response alternatives or leaves have also to be added for each item' (Rossiter, 2002 p. 319). In the context of the current study, if company 'Y' is the concrete singular object and it is to be rated on 'corporate reputation' regarded as a formed attribute consisting of nine components (performance, financial performance, products/services, management leadership, corporate leadership, ethical management and leadership, identity, image, corporate brand) each represented by one concrete item part, then nine items (1-9) would result. Where this study departs briefly from the C-OAR-SE procedure is at the point where Rossiter (2002 p. 320) suggests 'the number of items needed to form the scale is the same regardless of whether the rater entity is an individual, a panel of experts, or a larger group of target population raters'. Rossiter (2002) suggests that the wording of scale items is not independent of the rater entity: 'Constructs differ depending on whose perspective they represent. Objects' ratings on attributes cannot be divorced from the perceiver (the rater) … The rater entity is part of the construct' (Rossiter, 2002 p. 318). (Hence the stakeholder is part of the corporate reputation ontology shown in Figure 4-5.) In this study, which focuses on stakeholder-segment-specific perceptions of a company's reputation, items differ by stakeholder segment based on those components and constituents which preliminary nominal group research had indicated to be relevant to these segments.

5.4.6 Response (answer) formats

It has been suggested that Likert response formats cannot provide unambiguous, precise item scores (Rossiter & Percy, 1987). A more effective approach is to build intensity of response into the response alternatives (Rossiter, 2002). In the current study, in accordance with the C-OAR-SE procedure, items in the multiple-item scales employed are worded with intensity-free stems (e.g., 'It has a clear vision, strategy and set of values.') and minimum intensity to maximum intensity answer categories (e.g., a scale from 0 to 6 where 0 = disagree strongly and 6 = agree strongly).

The response dimensions that characterize corporate reputation attributes are of degree (expressed as bipolar). The psychological zero category has been clearly identified, and allowance made separately for a 'don't know' category.. Adjoining categories are as close to equal interval as possible

It has been suggested (Rossiter, 2002) that for numerical scales, five to seven categories seems to best fit the number of psychological discriminations that most consumers can make with regard to an attribute. A seven-point scale has been utilized for the current study. For ratings of degree, the adverbs 'Disagree strongly' (0), 'Disagree somewhat' (1), 'Disagree slightly' (2), 'Mixed feelings – not sure' (3), 'Agree slightly' (4), 'Agree somewhat' (5), 'Agree strongly' (6), 'Don't know' (DK) are used It is important to provide a (Andrews, 1984) box next to the 0-6 scale for raters to indicate "don't know" when this is a legitimate response alternative to a 'Mixed feelings – not sure' response. Failure to allow for these two different responses can be a potentially large source of score error (Grichting, 1994, Voss, Stem Jr., & Fotopoulos, 2000).

5.4.7 Question order

Finally, with multiple-item scales, the order of the items should be randomized (Rossiter, 2002) to minimize 'response-set artifacts' in the obtained scores. For Rossiter (2002), and for the current study, this means randomized presentation across multiple items for objects (constituents or components) as well as for attributes (items within components should be separated). This is quite a strict requirement but necessary if the response correlation or "methods variance" artifact, which is especially likely if the same answer format is used for multiple items, is to be held to a minimum (Andrews, 1984). Since the object and the attribute have multiple-item parts, randomization of the complete set of items has been used, and the items presented in separate batteries of no more than five items each (Andrews, 1984).

The order of question can influence the response given. The meaning of a given question can, for example, be interpreted differently depending on the question preceding it (Converse and Presser, 1986). Oppenheim (1992) suggests that the order should be logical and take into account the likely reactions of the respondents. Questioning began with a general, pre-coded question which required respondents to rank the importance of each of nine components of corporate reputation. No prompters were required at any stage in the questionnaire. A second, pre-coded question followed and an open-ended question closed the question sequence. Questions were in the same order across the entire survey.

A copy of the pilot study questionnaire can be seen in Appendix 1.6.

5.4.8 The pilot study

5.4.8.1 Pre-testing scale items

While Rossiter (2002) has suggested cognitive interviewing to the best method for pre-testing scale items as it involves extensive probing and think-aloud answers to the rating questions, and to the answer categories, the technique was not needed for this research. Given that the scale included items which were measuring a newly conceptualized eliciting attribute (i.e., corporate reputation), items for the eliciting-attribute scale developed by experts (stakeholders) in the NGT sessions and then rated by expert judges (Rossiter, 2002), the exclusion of cognitive interviewing was justified. The purpose of the use of the NGT sessions and rating by expert judges was to produce 'content saturation' of the scale (Burisch, 1997, Webb, Green, & Brashear, 2000). This procedure therefore preempted the need for cognitive interviewing given that the five principles of the approach (context recreation, focused concentration, extensive retrieval, varied retrieval and multiple representations (Bolton, 1993) had been addressed in the NGT phase of the research.

5.4.8.2 Pre-testing the questionnaire

It has been suggested that pre-testing is a dry run of the entire research process (Hunt, Sparkman, & Wilcox, 1982). The pretest of a questionnaire, furthermore, can serve the same role in questionnaire design that in-market test marketing can serve in new product development (Churchill, 1991). Questionnaire pre-testing can focus on directly identifying question defects as well as on identifying respondents' cognitive difficulties as they form answers to the questions (Bolton, 1993).

The literature provides guidelines for the main areas of concern for questions (Hague, 1987, Luck & Rubin, 1987, Oppenheim 1966) to be addressed through pre-testing. For the current study the main areas of concern were: Ambiguity of questions and of word meanings; loaded or leading questions or phrases; level of question difficulty; missing questions; the necessity and relevance of individual questions; discriminating questions (between certain groups within the target group).

Additionally, the pilot study was conducted to ensure that all corporate reputation measurement items behaved as expected in terms of measuring the appropriate component. Informal follow up interviews were conducted with the participants to ensure that the questions were being understood clearly and no misunderstanding or misinterpretation was taking place. One benefit from analyzing the pretest responses of the questionnaire is that the researcher may be able to convert open-ended questions into categorized questions, with obvious saving in the administrative time required for analyzing the final study and perhaps increasing the response rate. This was the case with Question 3 in the pilot questionnaire as will be discussed later.

5.4.8.3 Administering the pilot study

Some of the literature on pre-testing (Boyd, Westfall, & Stasch, 1989, Hague, 1987, Kinnear & Taylor, 1987) suggests that it be administered by experienced interviewers able to note the reactions of the respondents. While others (Hunt, Sparkman, & Wilcox, 1982, Tull & Hawkins, 1990, Worcester & Downham, 1986) suggest a range of interviewer experience. It has been suggested (Tull & Hawkins, 1990) that the project director should be directly involved with the pilot study. This would ensure a greater understanding of the problems associated with the questionnaire, and the problems of administering it.

Reviews of the methods of pre-testing suggest that pre-testing be done by means of a personal interview (Boyd, Westfall, & Stasch, 1989); this method has been adopted for this study. The personal interview enabled the project director to observe the respondent during the administration of the questionnaire.

The debriefing procedure was used to determine the respondents' reactions to the questionnaire. This allowed respondents to talk about the questionnaire when it had been completed. Debriefing was effective given the relatively short questionnaire that was administered.

5.4.8.4 Pretest sample

In accordance with the recommendations in the literature (Green, Tull, & Album, 1988, Hague, 1987), colleagues not involved directly with the questionnaire design were asked to review (effectively to pre-pre-test) it before the pretest. They were able to identify technical faults such as double questions, leading questions or lopsided response categories (in contrast to the pretest sample which will be mainly concerned with the understanding of the individual questions). Green, Tull, and Albaum (1988, p 185) suggest that the pretest subjects should reflect the composition of the principal survey. Their suggestion, supported by other sources in the literature that indicated the need to match the pretest sample as close as possible with the final sample (Reynolds, 1984) was adhered to.

5.4.8.5 Pretest sample size

When the pretest sample size is discussed in the literature it is generally small, ranging from 5-10, to 50-100 (Reynolds, 1984). Green, Tull, and Albaum (1988) state that the sample should remain small but that it should cover all subgroups of the target population. The exact size of the pretest sample depends on the variety of respondents in the final study. It should be sufficient to satisfy the similarity to target group considerations of the pretest and the variety of the respondents and the complexity/uniqueness of the questionnaire should also be considered (Tull & Hawkins, 1987).

A sample of 14 people from across stakeholder/constituent groups was used for the pilot study. (See Table 5-2 below.) The sample reflected the full range of experts needed (Rossiter, 2002) and the variety of respondents included in the final study.

Table 5-2:

Pilot Study Sample by Stakeholder Affiliation

Stakeholder Group	***n***	**Stakeholder Group**	***n***
Investment/finance specialists	3	CEOs	2
Communications specialists	3	Employees	2
Consumers	2	Media	2

5.4.8.6 Conclusions from the pilot study: clarity of questions

Question 1: Respondents expressed no problem in understanding that they were expected to answer this (and the other questions) from their particular stakeholder perspective on reputation. In ranking the nine characteristics in terms of the importance of their contribution to a company's reputation, it was considered important to use the same values as in Question 2 whereby the higher number (9) connotes the highest degree of importance and the lower number (1) connotes the lowest degree. Values were changed accordingly.

Question 2: When respondents were asked to look at a number of different ways to describe a company, the statement 'Thinking about the way you see and think about (COMPANY) as an investment and finance specialist' was considered unclear. The statement was changed to 'Thinking about the way you, as an investment and finance specialist, see and think about (COMPANY)'.

Question 3: Respondents were asked to look back over 'the descriptions you have been looking at above, what elements of Corporate Reputation come to mind that may be important to you and which are not included among the statements above?' The question became clearer when respondents were asked to look back over the descriptions they have been evaluating earlier in Questions 1 and 2.

5.4.8.7 Conclusions from the pilot study: comprehension

Question 1: When respondents were asked to rank the nine characteristics in terms of the importance of their contribution to a company's reputation, some confusion emerged. The description of 'image' for example, 'How the company is seen' (Hatch & Schultz, 2003), did not differentiate clearly enough from the 'Corporate brand' ('Recognizable signals, symbols and properties which are associated with the company' or 'Corporate leadership' description ('The company is a leader in its field'). Greater clarity was provided to the description of 'Image': 'The sum of impressions and expectations of an organisation built up in the minds of its stakeholders and public.' (British Standards Institute, 1995) Respondents had no problem in differentiating these descriptions from the description of 'Identity': 'What the company stands for, including its vision and culture' (Cheney & Christensen, 1999)

Question 2: Items employed in this part of the questionnaire had been collected from the nominal group phase of the study in which components and ingredients of corporate reputation had been stated in each group's own words. For this reason there were few problems of comprehension. Specific problems were as follows: It was observed that 'It delivers client satisfaction for product, service and support' was potentially misleading and that reference should have been made to 'It delivers customer satisfaction for products, service and support'. Many pilot respondents found the statement 'It demonstrates the style of performance in every aspect: people, service, product quality, competence' wordy and confusing. It was suggested that 'It demonstrates style in every aspect of its performance' would be better understood. The sporting metaphor incorporated in the statement 'It has a smart management with a high batting average and is consistently out-batting risks' was not always clear. An alternative was developed: 'It has a smart management with a good record of capitalizing on risk'.

The statement 'It provides a sound offering on brand performance and delivery' communicated several meanings. A more single-minded alternative ('It is a well performing brand') was suggested and has been incorporated. 'It keeps up to date with what's going on' may not have been specific enough. It was suggested that reference to 'tactically' or 'technologically' would give the statement more meaning. The statement 'It keeps up to date with what's going on tactically and technologically' has been employed.

No issues emerged with regard to the comprehension of Question 3 because, as noted earlier, the question was not deemed necessary by the participants. The open ended question was subsequently replaced by two closed ended question: one about the evaluation of the company's reputation from a specific stakeholder perspective; a second about the overall reputation of the company. Both questions employed scales that were consistent with those used in Question 2. The inclusion of these two questions had the advantage of permitting the application of multiple regression analysis at a later stage.

5.4.8.8 Conclusions from the pilot study: final list of items and comparison with previous studies

The items developed for use in the stakeholder survey phase of this study were derived from the first two qualitative phases of the research. Text analysis of the academic literature identified the key components of corporate reputation. The NGT research among stakeholders confirmed these. The NGT research also provided a battery of relevant items based, in the stakeholders' own words, on stakeholders' identification of the most important ingredients or components of corporate reputation. Appendix 1.8 shows the final set of items. It is important to note that the listing shows all items from which items were selected on the basis of relevance to each of the six stakeholder groups included in the survey. In Appendix 1.8 the items used in the present study are shown alongside those used in other relevant studies of corporate reputation.

None of the items developed for the other studies cited in Appendix 1.8 appear to have been developed from stakeholders themselves. With the exception of Dowling's (2004) "Media relations" component, which was appropriate given that his study was conducted among journalists, and his "Corporate reputation" dimension (whose items are arguably incorporated into the current study), the components and items used in this research include, and extend beyond, those used in all other cited research approaches. This is particularly important as the scale developed for this study reveals new aspects of corporate reputation which can have important implications for further research and for reputation management.

The Performance dimension reveals a new aspect of corporate reputation measurement with its focus the various facets of a company's achievements. The Financial Performance dimension adds stakeholder relevance to items that appear in the *Fortune* magazine and Fombrun et al. (2000) studies. Similarly a new aspect of corporate reputation measurement is provided by the Products and services dimension whose items in the current study appear to have more relevance for stakeholders and are expressed in stakeholders' own words. The Management Leadership, Corporate Leadership and Identity dimensions are dealt with in the current study with more depth and coverage. The Ethical Management and Leadership component goes beyond the social aspects of ethical behaviour to include more internal, ethical management methods. The stakeholder base that provided items for Corporate Image component, tended not to evince notions of emotional appeal or personality included in the Fombrun et al. (2000) and Dowling (2004).

5.5 Stakeholder survey

5.5.1 Choice of company

It was decided that the final quantitative survey should be undertaken on one company. The subject company needed to be well known to stakeholder respondents, with roots in the community, and through its listing in the local stock exchange, relevance for the financial considerations of the investment and finance community. The company needed to have a large enough and accessible base of customers and employees to make a contribution to the quantitative research design and analysis that would follow. It needed to be in the top 40 companies in New Zealand in order to be recognized across all stakeholder/constituent groups. It needed to be, primarily, but not exclusively, a business-to-consumer company and, while it may have been a multinational (e.g., Microsoft, Vodafone, Nestle), it needed to be well known in New Zealand for being traded on the New Zealand or Australian Stock Exchange otherwise a reasonable assessment of its financial performance by stakeholders may not be possible.

Companies with a large base of employees may be seen to be more sensitive to needs for reputation management; and to be more likely to have a broad range of stakeholders - staff, consumers, investors, patrons, government, and NGOs; they are more likely to be the object of reputation evaluation. It is in their best interests to evaluate their reputations. There are examples in the literature that support such an orientation to sample design. Size is the one determinant that has been acknowledged (Shenkar & Yuchtman-Yaar, 1997) to cut across the sociological and economic literatures. Economists assert that reputation is an information good, and hence requires economies of scale (Weizacker, 1980). Larger firms are also in a position to invest more in direct cost factors which contribute to standing, which is in line with resource dependence theory (Pfeffer & Salancik, 1978, Yuchman-Yaar & Seashore, 1997).

When choosing the company to use as the focus of this research it was considered worthwhile to be aware of its recent coverage in the press. For example Air New Zealand had been an option but had been receiving some negative coverage due to the unforeseen outcomes of an extensive restructuring. This would obviously have shown up in the results of the questionnaire. Similarly, while The Warehouse Limited had recently (November, 2006) released a Society and Environment Report (or Triple Bottom Line Report) which has been externally assured by PricewaterhouseCoopers and looked at the social, economic and environmental impacts of its activities on the wider community, the company had been involved in highly publicized discussions about a management buy-back and a corporate re-positioning which may also have shown up in the results of the questionnaire. Current stability of the company to be included as the focus of the quantitative phase of the study was of great importance.

ASB Bank Limited agreed to cooperate in the study (See Memorandum of Understanding in Appendix 1.9). ASB Bank Limited is highly visible and well-known nationally in New Zealand as a 'High Street', corporate and rural banking organization. ASB Bank Limited offers personal, rural, business, corporate, and institutional banking, plus securities services. ASB Bank Limited is a New Zealand operation of The Commonwealth Bank of Australia. Table 5-5 below shows credit ratings assigned in June 2006 to the Commonwealth Bank of Australia's long term debt. These ratings have remained unchanged since 1996, except for the Fitch rating which was assigned in 1999 and show that the ASB Bank Limited is a stable company displaying no fluctuation in fundamentals that may have influenced negatively the research.

Table 5-3:

Credit ratings currently assigned to the Commonwealth Bank of Australia's long term debt

Rating Agency	Current Long Term Rating
Fitch Ratings	AA
Moody's Investors Service, Inc.	Aa3
Standard & Poor's (Australia) Pty Limited	AA

Source: Commonwealth Bank of Australia Banking Group, June 2006 (Audited)

The parity in advertising expenditure (see Table 5-4) across the four biggest-spending bank

Table 5-4

New Zealand Banking sector media expenditure: October 2005-September 2006*

Name of Bank	Media Spend Oct '05-Sept '06 ($000)	% Spend
ASB	13,160.5	17
ANZ	12,740. 6	16
Bank of New Zealand	12,521.8	16
The National Bank of New Zealand	12,328.6	16
Westpac	8,420.0	11
All others	20,230.5	24
Total	**79,402.0**	**100**

* Source: A.C. Nielsen, November 2006

advertisers is indicative of the high level of competitiveness among them and of their high profile. During the same period bank advertising expenditure constituted 46% of all media expenditure on financial services, and 3% of all categories' media expenditure.

5.5.2 Information goals and methodological solutions

The overall information goal at this stage in the research was to determine how various key opinion-forming stakeholder groups evaluate a commercial organization and what differences are there between their various evaluations. Four facets of this goal were identified:

1. To identify significant differences between rankings of characteristics by stakeholder segments.

   All respondents were asked 'How would you personally – from your perspective as a (specific stakeholder descriptor) - rank the following nine characteristics from 1 to 9 in terms of the importance of their contribution to a company's reputation? (See Table 5-5.) These are the same nine components or ingredients that emerged from the NGT sessions with stakeholders and had previously evolved through the text analysis stage of the research.

Table 5-5:

Nine Characteristics that Contribution to a Company's Reputation

Characteristic	Definition
Image	The sum of impressions and expectations of an organisation built up in the minds of its stakeholders and public.
Identity	What the company stands for, including its vision and culture.
Management leadership	Management that is smart and adaptable, that manages risk and is strongly structured.
Performance	Achievements, competencies, quality outcomes and awards.
Corporate brand	Recognizable signals, symbols and properties which are associated with the company.
Products and services	Quality, soundness, safety of products and services.
Financial performance	Strong financial standing, consistent returns.
Ethical management and leadership	Honesty and integrity, community involvement and environmental responsibility.
Corporate leadership	The company is a leader in its field.

Method of analysis selected: a distance-free or nonparametric test of significance using the Kruskal-Wallis test.

The data collected from Question 1 is based on a ranking of attributes in which an equality of distance between one rank and another cannot be assumed. Many statistical procedures require an equality of variances. The consequence of violating the assumption in ways to which a test is sensitive means that a statistical procedure needs to be adopted that requires less stringent assumptions (Norusis, 2005). If both nonparametric and parametric procedures are followed and the same conclusion is reached based on both sets of tests 'then there's nothing to worry about' (Norusis, 2005 p. 445).

The Kruskal-Wallis test has been selected because, as an equivalent to the one-way groups ANOVA, it allows possible differences between groups to be examined (Coakes, 2005). While there is little evidence in the corporate reputation literature of the use of this approach to the test of significance of differences between means, it is likely that this is because research so far has not extended in one study over as many different stakeholder segments as are being surveyed in the current study. The current study satisfies the requirement of random samples from among independent groups. Observations are pooled, ranked and average ranks found for each group.

While a t-test could have been used to determine whether there is a significant difference between two sets of scores, a generic assumption underlying all types of t-tests is that the data should be at the interval or ratio level of measurement.

Yet for this very reason, the extension of this study over six different stakeholder segments, a more appropriate analytical method was needed to supplement the Kruskal-Wallis test. In order to determine if evaluations of the importance of specific corporate reputation components differ across stakeholder segments, multivariate analysis of variance (MANOVA) was used. Whereas discriminant analysis employs a single non-metric variable as the dependent variable, in MANOVA a set of metric variables act as the dependent variable (Hair, Anderson, Tatham, & Black, 1995) The objective is to identify groups of respondents (stakeholders) who exhibit differences in the way they rank a set of dependent variables (i.e., nine components of corporate reputation). MANOVA is a useful technique when there is more than one interval scaled criterion variable and one categorical predictor variable - the stakeholder segments (Cooley & Lohnes, 1971).

2. There was a need to determine if the questionnaire measures corporate reputation in a useful way; specifically, are these instruments reliable for the measurement of each stakeholder segment's assessment of a company's reputation? To what extent are the items in the questionnaire related to each other? Can an overall index of the repeatability or internal consistency of the scale as a whole be obtained and problem items identified that should be excluded from the scale?

   Each of the six stakeholder segments sampled was asked in Question 2 to look at a number of different ways to describe a company. Thinking about the way specific stakeholder group members see and think about ASB Bank Limited, they were asked to express how strongly they agree – or disagree – that each description fits the way they, as a stakeholder group member, think about ASB Bank Limited. A scale from 0 to 6 was used. Each stakeholder group, as has been noted earlier, saw only a stakeholder specific list of items. While there may have been some commonalities among items across stakeholder segments, no two stakeholder groups saw an identical list of items.

   Cronbach's alpha, a model of internal consistency based on the average inter-item correlation, was selected as the method of analysis. The use of the Cronbach's alpha as a measure of reliability has been used in the corporate reputation measurement literature (Chaudhuri, 2002, de la Fuente Sabate & de Quevedo Puente, 2003, Dowling, 2004). It has been used to purify the measures for determinants of branding strategy (Lafortet & Saunders, 1999); and to evaluate the reliability of a five-item scale in showing significant effects of the reputation manipulation on perceived reputation (Campbell, 1999).

3. To assess the degree to which the data meet the expected structure (i.e., the corporate reputation construct).

Confirmatory factor analysis was used to explore the structure of the correlations among the sets of stakeholder scale ratings of the reputation of ASB Bank Limited by defining a set of common underlying factors, and to compare the structure with the hypothesized corporate reputation construct. The Bartlett test of sphericity was employed to test whether the observed data are a sample from a multivariate normal population in which all correlation coefficients are 0. The Bartlett test determines the appropriateness of factor analysis by testing for the presence of correlations among the variables (Norusis, 2005).

The use of factor analysis in the current context was theory driven based on an investigation of the structure of the corporate reputation construct. Given the deductive orientation or the research orientation, factor analysis was conducted on each set of items for each factor, and for each stakeholder segment. This is in contrast to data driven, inductivist, research which may have required factor analysis across all items.

Factor analysis, as a multivariate statistical technique, helped define the underlying structure of the data (Hair, Anderson, Tatham, & Black, 1995). Confirmatory factor analysis has been used (Chaudhuri, 2002) to show that the two-factor model fits the data better than the one-factor model. Exploratory and confirmatory factor analysis for both image and identity was used in the development of the Corporate Personality Scale to reduce an original list of 114 items to the 49 items (Davies & Chun, 2002). In a study on the conceptualization of corporate reputation in Germany (Walsh & Wiedmann, 2004) principal component analysis was used to purify an initial item pool. This resulted in a set of factors and related items which were then subjected to confirmatory factor analysis. In their study of corporate reputation, trait covariation and the averaging principle conducted in the context of a UK pensions scandal (Bennett & Gabriel, 2001) a factor structure was subjected to a confirmatory factor analysis. One to five-factor alternatives to a four-factor solution were examined, none of which matched the performance of a four-factor model.

In a study on internal reputation (Jones, 1996) the Bartlett test of sphericity was undertaken and identified 11 factors (with Eigenvalues greater than 1) which accounted for a total variance of 63.8%.

The limitations of confirmatory factor analysis have been discussed (Fryxell & Wang, 1994) in terms of its permitting the technical isolation of a second factor (a firm's reputation for specific capabilities or external-orientation) that may not be sufficiently discriminated from its reputation for financial prowess to be usable.

4. To what extent is one, or more, variables explicitly considered the criterion or dependent variable and all others the predictor or independent variable?

Multiple regression analysis was selected to relate factor or factors to a dependent variable. Multiple regression analysis has been used to analyze the relationship between a single depended variable and several independent variables (Hair, Anderson, Tatham, & Black, 1995).

Multiple regression analysis is a widely used versatile dependence technique used to analyze the relationship between a single dependent variable (e.g., an overall evaluation of a company's reputation) and several independent variables (e.g., components or drivers of corporate reputation).

In an empirical analysis of the relationship between corporate reputation and financial performance (de la Fuente Sabate & de Quevedo Puente, 2003) it has been observed how in an earlier regression analysis (Schultz, 2001) in which overall reputation was taken as a dependent variable and the different reputation criteria as independent variables, perceived financial performance was found to be highly significant and the attribute that exerted the most influence on corporate reputation. The impact of the *Fortune* magazine most admired company survey on performance expectations has been researched (Rowe, Harris, Cannella, & Francolini, 2003) and a multivariate regression analysis used with the *Fortune* rating as the dependent variable. A regression model was used to estimate coefficients for the researchers' independent and control variables and subsequently to generate predicted values of the reputation ratings to compare with the actual ratings. The possible financial performance halo of the *Fortune's* study has been discussed (Brown & Perry, 1994). Regression analyses of the raw *Fortune* attributes yielded significant results.

A study on the contribution of the market orientation to service firm performance (Matear, Osborne, Garrett, & Gray, 2002) utilized regression analysis (and structural equation modeling) to examine the inter-relationship between market orientation and innovation in order to examine alternative mechanisms through which market orientation contributes to service firm performance. In a study on the ethical reputations of managers (Jeurissen & van Luijk, 1998) the researchers noted that while their research indicated a strong, differential explanatory power of ethical business performance, regression analysis on more elaborated explanatory models showed that a test on the 'ethics factor' is needed.

Structural equation modeling (SEM), a multivariate analytical technique, has been considered for the current study as a means for testing models: to evaluate the goodness of fit of alternative models of corporate reputation. Whereas other multivariate techniques can examine only a single relationship at a time, use of SEM would enable the examination of a series of dependent relationships simultaneously (Hair, Anderson, Tatham, & Black, 1995).

The value of SEM to research in marketing, management and organizations is well documented (Bloemer & de Ruyter, 1998, Hellier, Geursen, Carr, & Rickard, 2002, Patterson & Spreng, 1997). The reason for its usefulness is firstly, that it provides a straightforward method of dealing with multiple relationships simultaneously while providing statistical efficiency; secondly, it is able to assess relationships comparatively and to provide a transition from exploratory to confirmatory analysis (Hair, Anderson, Tatham, & Black, 1995). SEM characteristics such as its ability to estimate multiple and interrelated dependence relationships, and to represent unobserved concepts in these relationships and account for measurement error in the estimation process may have been of value to this project. Yet given the orientation of this research which is not data driven or inductivist, the nature of the research design using samples from six different stakeholder segments and the sample sizes involved, it was decided that multiple regression analysis would be a more effective tool.

5.5.3 Brief description of subjects

Portions of the following discussion of stakeholders was presented at ANZMAC 2006 in Brisbane, Australia and a peer reviewed paper (Corporate Reputation: Seeing Through the Eye of the Beholder) and was published in the conference proceedings.

The literature, as discussed earlier, has included employees as a key stakeholder segment. In the NGT phase of this research consumers were included as no single company had been identified. It was not possible, therefore to include employees in the sample. Consumer items have been included for further item refinement and for the stakeholder survey. (See Table 5-6 below.)

Table 5-6:

Stakeholder Group Profiles and Characteristics for NGT Sessions

Stakeholder Constituent Group/Profile	Characteristics
CEOs	Heads of companies that include health products, waste management, architecture, construction, IT, and tourism.
Investment/finance specialists	Investors, investment advisers and writers; CEOs of shareholder and investor associations.
Media	Chief Editor and editors of business and marketing publications. Directors of PR companies.
Consumers	Consumers with multi-level employee experience.
Communications specialists	Senior management of advertising agencies media organizations, directors of corporate communications and corporate affairs at fmcg, utilities, financial, beverage, airline, telecommunications, software companies. Marketing communications academics.

Two other changes to the stakeholder/constituent group profile were made. Chief Editors and Editors of business and marketing publications were combined with Managing Directors of mainstream PR companies and heads of small PR independents. Similarly, Vice Chairmen, Managing Directors of mainstream advertising agencies and independents were combined with CEOs and Managing Directors of media buying and selling organizations, with Directors of Corporate Communications and with Marketing and Advertising academics including PhDs, degreed and non-degreed staffs with a marketing communications focus. The combined groups, whose areas of expertise and whose identification of most important components of corporate reputation components and ingredients are similar, demonstrated shared characteristics quite distinct from other stakeholder groups. Importantly, they would have greater relevance for the evaluation of the reputation of a single company.

Table 5-7:

Key Components of Corporate Reputation for Each Stakeholder Group

Employees	CEOs	Investment & Finance Specialists	Media	Consumers	Communications specialists
Ethical Management & Leadership	Ethical Management & Leadership	Performance	Performance	Products and Services	Performance
Products and Services	Products and Services	Identity	Ethical Management & Leadership	Ethical Management & Leadership	Ethical Management & Leadership
Performance	Performance	Ethical Management & Leadership	Image	Performance	Products and Services
Corporate leadership	Corporate leadership	Management Leadership	Identity	Identity	Identity
Identity	Identity	Image	Management Leadership	Management Leadership	Image
Management Leadership			Products and Services		Management Leadership
					Financial Performance
					Corporate leadership
					Corporate brand

Table 5-7 above shows those key components of greatest importance for each stakeholder group.

A challenge remained: how to develop items for the newly formed Employees stakeholder/constituent group. (See Table 5-8 below.) NGT notes for sessions among CEOs

Table 5-8

Employee Components and Items

Employee Components	Employee Items
Identity	Is a good place to work It has a clear identity and sense of purpose about values, internally and externally. It is a good employer that takes care of its employees
Ethical Management and Leadership	It is a good citizen that is supporting the community. It demonstrates honesty and integrity such as in disclosing board interests.
Product	It is a provider of quality goods and services that deliver customer satisfaction
Performance	It communicates well the conditions of working with its suppliers and customers It has a record of success and of quality outcomes, including awards. It is a company whose performance you can trust
Management Leadership	It has a smart management with a good record of capitalizing on risk. Management involves employees in the setting of company objectives. Management demonstrates a willingness and ability to learn, to change and to evolve. Its leadership demonstrates accountability and a sense of ownership
Corporate leadership	The company is seen as being as leader – innovative, passionate, the best.
Image	Positive perceptions of the company are held by stakeholders including staff

and Corporate Communications Directors were consulted and it was observed that many of the items important to these groupings included, not surprisingly, an employee focus. The items shown in Table 5-4 above were transferred from consumer and relevant CEO items and used to build a listing of 'Employee' items. (See Appendix 1.8 on page 249 for a complete list of components and items for each stakeholder group.)

Who are a company's stakeholders? The corporate reputation literature suggests that key stakeholders have a disposition to buy an organization's products and services, or to work, invest or trade with the company (Baker & Balmer, 1997). They can include potential or current employees, customers, government regulators (Fombrun, Gardberg, & Sever, 2000) as well as managers, directors and market analysts, whose assessments are important in an analysis of financial performance, plus others (e.g., customers, employees, and suppliers) 'whose evaluations of the firm are also likely to have implications for financial performance dynamics.' (Roberts & Dowling, 2002)

The perspective adopted for this study is that a stakeholder is a person or group with a direct interest, involvement, or investment in a company hence the selection for this study of employees and customers (Fombrun, Gardberg, & Sever, 2000) as well as investment and finance specialists (Baker & Balmer, 1997), CEOs of other companies, the media (Roberts & Dowling, 2002) and communications specialists.

The following stakeholders were selected for inclusion in this study, based on their potential for influencing, internally and externally, the ASB Bank's business outcomes.

- Employees ASB Bank Limited
- Customers of ASB Bank Limited
- Media specialists
    - Managers of Public Relations firms
    - Newspaper, magazine and online editors and journalists
    - Broadcast editors, producers and commentators
- Finance and investment specialists
    - Bankers, brokers, investment advisors and accountants
- CEOs of large companies and of SMEs, and proprietors of small companies across a representative sample of industry sectors
- Communications specialists

- Advertising agency directors
- Corporate communications directors
- Marketing communications experts.

5.5.4 Sampling

A probability sampling approach was taken in order to obtain a sample representative of the population for each stakeholder segment. This approach was feasible given that, firstly, the target population was specified; secondly, a methodical sample selection method was developed and implemented; thirdly, the sample size was pre-determined; and fourthly, the non-response problem was addressed (Aaker, Kumar, & Day, 2004).

It has been observed that as a study increases its sample size (except in the case where an effect size it zero) it will obtain more significant results (Kramer & Rosenthal, 1999). There are, however, circumstances that require researchers include smaller sample sizes than might otherwise be desirable (Tanaka, 1987). Much can depend on the model, the kind of data collected and the purpose of the analysis (Oud, Jansen, & Haughton, 1999). There are indications that, in terms of the optimal number of indicators per factor (p/f), that at least three indicators per factor are desirable, or a minimum or 'four or five good indicators per factor' (Marsh & Hau, 1999). The criteria established for this study, given the intention to use factor analysis, were to ensure a minimum sample size of 50 observations and to ensure at least five times as many observations as there are variables to be analyzed (Hair, Anderson, Tatham, & Black, 1995).

Assuming five observations per item, the following goals (see Table 5-9 below) were established for completed responses. Actual performance against goals is shown in Table 5-10.

Table 5-9:

Number of Items and Sample Sizes by Stakeholder Segment

Stakeholder Group	Items	Goal*
CEOs	12	60
Communications specialists	30	150
Customers	10	50
Employees	15	75
Finance/investment specialists	16	80
Media	25	125

Table 5-10

Actual sample sizes, achievement and response rates by stakeholder segment

Stakeholder segment	Questionnaires Sent	Actual No. of Respondents	Goal	Achieved %	Response %
CEOs	85	61	60	102	72
Communications specialists	145	131	150	87	90
Customers	1,422	67	50	134	5
Employees	115	58	75	77	50
Finance/investment specialists	125	85	80	106	68
Media	122	88	125	70	72
Total	**2014**	**490**	**540**	**91**	**24**

Dowling (2004) in his study of the reputation of 12 major Australian business organizations conducted his research among 25 of Australia's leading business journalists. Across the 25 journalists, the 12 organizations were rated a total of 159 times. While the number of journalists was small, the readership of their reporting was considered to be extensive such, that Dowling argued, all the people in Australia interested in business news could be expected read one or more of these sources. Dowling's aim was similar to the aim of this study: to determine the predictive correlation between various measures of corporate descriptors and of a measure of corporate reputation. An examination of the correlation matrix of 33 attributes was undertaken by Dowling (2004) to see if it was suitable for factoring. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was employed as an index for comparing the magnitudes of the observed correlations to the magnitudes of the partial correlations. A principal components analysis of the correlation matrix was then conducted, parsimonious multi-item indices and the Cronbach alpha reliability coefficient analysis conducted (Dowling, 2004, pp 201-203). Similar analysis has been conducted in the present study with larger samples across the six stakeholder segments. Circumstances requiring an appropriate sample size can depend on the model, the kind of data collected and the purpose of the analysis (Oud, Jansen, & Haughton, 1999). The sample sizes in this research are adequate given the deductive nature of the enquiry and the confirmatory nature of much of the quantitative analysis. If a more empirical approach had been taken and, for example, structural equation modeling been employed, larger samples would have been required. A final total number of data points of 490 with a high level of seniority of respondents was achieved.

Further detail of the selection of each stakeholder sample is as follows. For CEOs, communications specialists, finance and investment specialists and media, contacts were made by telephone, details verified and permission requested to send an email with a link to an on-line questionnaire. Prior approval therefore was granted before each email was sent. This was not the case with customers and employees of ASB Bank Limited with whom no telephone contact was made by the researcher; no verification was obtained and no permission was requested, or prior approval granted, before each introductory email was sent out.

5.5.4.1 CEOs

A randomized probability sample of CEOs and business proprietors was drawn from the online edition of the New Zealand Business Who's Who which provided contact details by industry category, by geographic region and by staff numbers. Industry sectors, geographic distribution and company size were represented according to their distribution across the population of New Zealand companies, in accordance with information provided by Statistics New Zealand.

5.5.4.2 Communications specialists

A randomized probability sample of communications directors was drawn from the online edition of the New Zealand Business Who's Who. Industry sectors, geographic distribution were represented according to their distribution across the population of New Zealand companies. Company size was not considered since it was considered unlikely that SMEs and small companies would have a communications director. Where names of communications directors (or media communications directors) were not provided by the New Zealand Business Who's Who, calls were made to companies and the identity of the communications directors (or media communications directors) determined.

A sample of senior management of advertising agencies was drawn from Ad Media's Agencies and Clients: The Credentials Book (2006). Agency size and geographic distribution were represented according to their distribution across the population of New Zealand advertising agencies.

Websites of The Ministry of Research, Science and Technology (MoRST), a New Zealand government department which develops research and innovation policies, and of The Foundation for Research, Science and Technology (FRST), which invests in research, science and technology on behalf of the New Zealand Government provided names of research providers in New Zealand (Crown Research Enterprises and Universities). Research providers and their communications directors were contacted by telephone. Similarly, the marketing and communications department of Universities were contacted and communications specialist within these departments were identified and contacted.

5.5.4.3 Customers of ASB Bank Limited

ASB Bank Limited provided a randomly selected list of names and e-mail addresses of customers. The customers' sample frame incorporated four segments as detailed in Table 5-11 above.

Table 5-11:

ASB Bank Limited Customers Sample Frame

ASB Customer Segment	*n*
Personal	447
Business	485
Rural	465
Corporate	25
Total	**1,422**

5.5.4.4 Employees of ASB Bank Limited

ASB Bank Limited provided a randomly selected list of names and e-mail addresses of employees. The employees sample incorporated the four sub groups detailed below in Table 5-12.

Table 5-12:

ASB Bank Limited Employee Sample Frame

ASB Employee Segment	*n*
Personal banking	25
Relationship	40
Head office	25
Rural	25
Total	**115**

5.5.4.5 Finance and investment specialists

A randomized probability sample of accounting firms, brokerages, investment bankers and investment advisors was drawn from the online edition of the New Zealand Business Who's Who which provided contact details by geographic region and by staff numbers. Company size was represented according to distribution across the population of New Zealand companies.

5.5.4.6 Media

A randomized probability sample of public relations firms, media organizations, broadcasters and publications was drawn from the online edition of the New Zealand Business Who's Who. Geographic distribution was represented according to the distribution of organizations across the population of New Zealand companies. The sample frame was further supplemented by Ad Media's Agencies and Clients: The Credentials Book (2006), websites and issues of relevant trade publications. The sample of media specialists was possibly the least homogeneous of the six stakeholder segments sampled. Whereas in his study of journalists, Dowling (2004) conducted his research among 25 of Australia's leading business journalists, this study targeted a broader base of media specialists, many of whom but not all, were business writers and broadcasters or editors of business publications. There was a solid case, it was considered, for including in this sample, a representative number of journalists and broadcaster, who through their media activities could influence the reputation of a company in the eyes of other stakeholders. Selection was supported by the characteristics of stakeholders discussed earlier in this thesis.

5.5.5 Ethical considerations

The survey instrument was to be administered via an on-line questionnaire. For this reason, the link to which was to be provided by e-mail, several ethical questions arose. ASB Bank Limited provided email contact details of a random sample of its employees and customers. The Bank's corporate communications group advised employees and customers of the nature and timing of the survey and that they would be receiving an introductory email with instructions for their voluntary participation. Members of the four other participant stakeholder groupings (media, CEOs, communications specialists and finance and investment specialists) were contacted initially by phone, individually, by the researcher and their permission sought. In those cases where permission to participate was not given, no email was sent out.

Prior ethical approval was provided for this phase of the study by the AUT University Ethics Committee.

5.6 Conclusions

This chapter has described the development and testing of a measurement tool for corporate reputation. The quantitative phase of the research, conducted through a stakeholder survey, is theory driven and based on an investigation of the structure of the corporate reputation construct.

The chapter has reviewed the various steps taken before the stakeholder survey could be launched: validation of items by experts; questionnaire design and the pilot study. No significant issues relating to clarity or comprehension were identified. The pilot study made an important contribution to the scope and direction of the study. An open ended question was dropped and was replaced by two closed ended questions which have contributed to the scope and methodology of the study: this substitution has extended the scope for multiple linear regression analysis and hence the ability to identify more reliably the drivers of corporate reputation for each stakeholder group. To achieve this, questionnaires containing a set of stakeholder-specific items were developed. In each of the three question, respondents were prompted to answer as a member of their respective stakeholder grouping. (In Question 3B respondents were asked to provide an overall, non-stakeholder specific evaluation.)

Scale items for employees, not included in NGT sessions, were developed to satisfy the need for inclusion of this group of stakeholders in the stakeholder survey. Whereas the research that has preceded the stakeholder survey has been based on considerations of generalized companies, the stakeholder survey itself focuses on the corporate reputation of one company in particular. The stakeholder survey needed, therefore, to be conducted among specific stakeholder segments. It needed to be conducted on a company that had relevance for the stakeholders and *vice versa.* The ASB Bank Limited was identified as the subject of the stakeholder survey and, based on its stability and high profile, was considered to be a relevant subject for analysis.

The next chapter examines the analysis and the results of the stakeholder survey on the corporate reputation of the ASB Bank Limited.

6 Data Analysis and Results

Figure 6-1:

Structure of Chapter Six

Section	Topic
6.1	Introduction
6.2	The reliability of the scales
6.3	The relative importance to stakeholder segments of the components of corporate reputation
6.4	How stakeholders describe ASB Bank Limited in terms of corporate reputation components
6.5	Stakeholder and overall evaluations of the reputation of ASB Bank Limited
6.6	The drivers of stakeholder assessments of the reputation of ASB Bank Limited
6.7	Conclusions

6.1 Introduction

This section outlines the data analysis strategy employed to examine the responses to the stakeholder survey; it also presents the results of the survey. The selection of an appropriate data analysis strategy needs to take into account the research problem, the purpose of the research and the underlying assumptions of the statistical techniques to be employed (Malhotra, 1996). It is helpful at this stage to re-state the research objective identified in the first chapter: To develop an ontology of corporate reputation and a valid measurement tool for corporate reputation and its key components. As a result of the literature review, text analysis and qualitative nominal groups, a conceptual model was developed.

It is helpful also at this stage to state here for clarification the three research questions that will be addressed in this chapter:

RQ_6: Do different stakeholder groups rank the importance of the components of corporate reputation differently?

RQ_7: Do different stakeholder groups evaluate the reputation of the same company differently?

RQ_8: Do the drivers of stakeholders' overall evaluations of a company's reputation vary by stakeholder segment?

To make this section of quantitative analysis simpler to follow, the following structure has been used:

1. The establishment of the reliability and validity of the scales
    a. The reliability of the variables using Cronbach's alpha
    b. Ensuring the validity of the scales used using Principle Components Confirmatory Factor Analysis
2. Inspection of the data to address the research questions
    a. Calculation of the relative importance to stakeholder segments of the components of corporate reputation.
    b. Stakeholder and overall evaluations of the reputation of ASB Bank Limited.
    c. The identification of the specific items that act as drivers of corporate reputation for each stakeholder group.

This process allows the identification of the specific items that act as drivers of corporate reputation for each stakeholder group. Note that not all stakeholder groups use the same variables to assess corporate reputation, and that some variables are measured by only a single item, thus rendering analysis of their structure by factor analysis redundant.

6.2 The reliability of the scales

Analysis using Cronbach's alpha was conducted in order to evaluate how reliable the questionnaire is in measuring corporate reputation. Cronbach's alpha, a model of internal consistency, based on the average inter-item correlation, was selected as the method of analysis. The use of the Cronbach's alpha as a measure of reliability has been used in the corporate reputation measurement literature (Chaudhuri, 2002, de la Fuente Sabate & de Quevedo Puente, 2003, Dowling, 2004). It has been used to purify the measures for determinants of branding strategy (Lafortet & Saunders, 1999); and to evaluate the reliability of a five-item scale in showing significant effects of the reputation manipulation on perceived reputation (Campbell, 1999). The analysis results can be seen in Table 6-1 below.

Table 6-1:

Cronbach's Alpha Values for Stakeholder Segments

Variable	**CEOs**	**Communication Specialists**	**Customers**	**Media**	**Financial Investors**	**Employees**
Image	n/a	0.92	n/a	0.96	0.73	0.84
Identity	0.86	0.90	0.77	0.96	0.68	0.83
Management Leadership	0.86	0.90	0.78	0.96	0.70	0.81
Performance	0.85	0.90	0.82	0.96	0.76	0.83
Corporate Brand	n/a	0.90	n/a	n/a	n/a	n/a
Products and Services	0.86	0.90	0.76	0.96	n/a	0.86
Financial performance	n/a	0.90	n/a	0.96	0.78	n/a
Ethical Management and Leadership	0.85	0.90	0.78	0.96	0.72	0.85
Corporate Leadership	0.85	0.90	0.84	0.96	0.74	0.86

A stakeholder segment's response to a particular item is the sum of the true score and the error (Norusis, 2005). It provides an indication of how much correlation to expect between the present scale and all other possible scales measuring the same thing.

Cronbach's alpha values range from 0.68 to 0.97 and so exceed what has been deemed to be the lower level of acceptability (i.e., 0.60-0.70) (Hair, Anderson, Tatham, & Black, 1995).

Among all six of the stakeholder segments and across all components of reputation, there is no indication that any one item is unrelated to the rest of its scale, and thereby causing an decrease in the Cronbach's alpha value such that it should be removed. These results show that all scale items appear to be reliable.

The current study is based on the results of a confirmatory factor analysis. The analysis of the literature and a logical process employing the NGT and the C-OAR-SE approach have established the items that belong to each factor for each stakeholder group. Confirmatory analysis tests these stakeholder groups to see whether, or not, they load as expected.

An exploratory factor analysis of the full data set using Promax rotation was also performed and can be seen in Appendix 1.12. The results from this analysis are unsatisfactory in terms of identifying clear factors. These results were predicted and confirm that it is indeed unhelpful to group all stakeholders together.

When each stakeholder groups is considered separately, it was expected that differences in perception would be evident. These theoretical differences are reflected in the empirical tests using confirmatory factor analysis. Each group factors well, each variable yields, through regression analysis (where the factors are shown to be highly correlated) the relative importance of the variables to each other group.

In those cases where factor analysis was valid, i.e., in cases where a component is represented by two or more constituents, each of which was represented by a single item, principle component analysis was used to extract components.

Confirmatory factor analysis was used to address the question, "to what degree do the data meet the expected structure (i.e., the corporate reputation construct)?" It was also used to model observed correlations between variables within each component of corporate reputation for each stakeholder segment, thereby summarizing interrelated variables with a smaller number of unobservable factors. Here, because the quantitative data analysis has been theory driven (cf. data driven) confirmatory factor analysis has been used to investigate and to reduce a number of correlated variables to a smaller number of independent factors; to test hypotheses about the fit of the data to a predetermined factor solution.

The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and the Bartlett test of sphericity were employed. KMO is an index for comparing the magnitudes of the observed correlations to the magnitudes of the partial correlations. If this sum of the squared partial correlation coefficients between all pairs of variables is small when compared to the sum of the squared correlations, the KMO measure is close to one and the variables are suitable for factoring (Dowling, 2004). The KMO measure across stakeholder groups and factors ranged from 0.50 to 0.81 which have been described as acceptable and meritorious respectively (Kaiser, 1974). The Bartlett test of sphericity determines further the appropriateness of factor analysis by testing for the presence of correlations among the variables (Norusis, 2005). Coefficients in the Barlett's test are significant and not "0" and supported the assumption of multivariate normality.

In all cases across all components and across all stakeholder segments, a single component was extracted. This supports the validity of all components of corporate reputation derived from the literature review, text analysis and nominal group research. (See examples provided in Tables 6-2 - 6-7 below.)

When Principle component analysis, using an orthogonal Varimax rotation, is employed the independence of the factors is confirmed: in all cases they load cleanly on to a single factor and are thereby considered suitable for subsequent regression analyses. Analysis of eigenvalues for all factors across all items among stakeholders indicates that none is less that 1, and should therefore be included. (See Tables 6-2 - 6-7.) Examples of scree plots from the factor analysis are provided in 1.12.

Table 6-2:

Factor analyses for CEO data

Factor Name	Number of factors	Eigenvalue	Number of items
Identity	1	2.52	3
Management leadership	1	1.86	2
Performance	1	1.34	2
Product and Services	n/a	n/a	1
Ethical Management & Leadership	1	2.33	3
Corporate Leadership	n/a	n/a	1

Table 6-3:

Factor analyses for Communications Specialists data

Factor Name	Number of factors	Eigenvalue	Number of items
Image	n/a	n/a	1
Identity	1	3.11	4
Management leadership	1	3.05	4
Performance	1	2.59	3
Corporate Brand	1	1.85	2
Product and Services	1	2.10	3
Financial Performance	1	1.61	2
Ethical Management & Leadership	1	4.45	6
Corporate Leadership	1	1.84	2

Table 6-4:

Factor analyses for Customer data

Factor Name	Number of factors	Eigenvalue	Number of items
Identity	1	1.88	2
Management leadership	n/a	n/a	1
Performance	n/a	n/a	1
Product and Services	1	1.83	3
Financial Performance	1	4.45	6
Ethical Management & Leadership	1	1.77	2
Corporate Leadership	n/a	n/a	1

Table 6-5:

Factor analyses for Media Specialists data

Factor Name	Number of factors	Eigenvalue	Number of items
Image	1	1.91	3
Identity	1	2.15	3
Management leadership	1	4.08	5
Performance	1	3.63	5
Product and Services	1	1.78	2
Financial Performance	1	1.62	2
Ethical Management & Leadership	1	1.87	3
Corporate Leadership	n/a	n/a	1

Table 6-6:

Factor analyses for Employee data

Factor Name	Number of factors	Eigenvalue	Number of items
Image	n/a	n/a	1
Identity	1	1.91	3
Management leadership	1	2.72	4
Performance	1	1.54	3
Product and Services	n/a	n/a	1
Ethical Management & Leadership	1	1.36	2
Corporate Leadership	n/a	n/a	1

Table 6-7:

Factor analyses for Finance and Investment Specialist data

Factor Name	Number of factors	Eigenvalue	Number of items
Image	n/a	n/a	1
Identity	1	2.48	4
Management leadership	1	1.31	4
Performance	n/a	n/a	1
Financial Performance	n/a	n/a	1
Ethical Management & Leadership	1	1.58	3
Corporate Leadership	1	1.62	3

6.3 The relative importance to stakeholder segments of the components of corporate reputation

In Question 1, respondents were asked how they would personally, from their particular stakeholder perspective, rank nine characteristics (the components of corporate reputation) in terms of the importance of their contribution to a company's reputation. (Respondents were asked to give each item a ranking from 1 to 9, where 9 is the most important and 1 is the least important. No two characteristics could have the same ranking.)

In Question 1 there was a natural ordering of characteristics, but with row classifications based on nominal categorizing. For this reason, the Kruskal-Wallis test was appropriate (Hollander & Wolfe, 1973). If there are significant differences between stakeholder groupings rankings of characteristics, the nonparametric Kruskal-Wallis test would identify them. (Seethe statistics in Table 6-8.)

Table 6-8:
Significance of Differences Between Stakeholder Rankings of Components of Corporate Reputation

	Image	Identity	Management Leadership	Performance	Brand	Products and Services	Financial Performance	Ethics	Corporate Leadership
Chi-Square	33.589	9.331	12.711	6.875	23.978	6.645	29.991	21.573	16.649
df	5	5	5	5	5	5	5	5	5
Asymp. Sig.	0.000	0.097	0.026	0.230	0.000	0.248	0.000	0.001	0.005

Because the observed significance levels for each ranked component of corporate reputation range, from 0.00 to 0.248, and are not large it can be asserted with confidence that values from one stakeholder segment to another vary significantly. In other words, each stakeholder segment perceives the importance of the components of corporate reputation differently.

The disadvantage of a non-parametric test, such as the Kruskal-Wallis test, is that it is less likely than a parametric test to identify true differences. Norusis (2005) recommends the use in combination of both nonparametric and parametric testing. Having established through the Kruskal-Wallis test that the importance of the components of the corporate reputation are perceived differently across stakeholder segments, MANOVA was selected as a more robust supplementary parametric statistical technique to analyze the nine dependent variables across the six stakeholder segments. The question being explored was RQ_6: Do different stakeholder groups rank the importance of the components of corporate reputation differently? Three assumptions of the validity of MANOVA have been met by this study:

1. Observations were independent: measures were not taken over time; information was not collected in a group setting; no extraneous or unmeasured effects affected the results.

2. Box's M was used for testing whether the population variance-covariance matrices are equal. While the sample size in the six stakeholder samples is not large (n = 58-131) differences between the segments can effect the analysis. In this case where $p < .001$ there is reason for believing the population variance-covariance matrices are not equal.

3. Dependent variables must follow a multivariate normal distribution: the assumption is that all variables are multivariate normal in the sense that the joint effect of two variables is normally distributed. Violations of this assumption, however, have little impact with larger sample sizes, the minimum cell size of 20 observations having been exceeded (Hair, Anderson, Tatham, & Black, 1995).

   The Levene's Test was used to test whether the error variances of the dependent variable (each component of corporate reputation) are equal across stakeholder groups. The Levene's test of error variances for each of the nine dependent measures indicates that if the observed significance level is small then the possibility that the population variances are equal is unlikely. The Levene's Test of error variances for each of the nine dependent measures indicated that the observed significance level is small.

Pillai's trace, possibly the most robust and powerful criterion (Norusis, 2005), was employed for multivariate analysis. (See Table 6-9 below). For all F scores $p < 0.005$, which is significant. This means that the equality of answers cannot be assumed: stakeholder group membership affects the ranking of the nine independent variables.

RQ$_6$: Do different stakeholder groups rank the importance of the components of corporate reputation differently?

RQ$_6$ is answered affirmatively as both the *F* statistics from the MANOVA and the results of the Kruskal-Wallis test show that stakeholder group membership affects the ranking of the nine independent variables.

Table 6-9:

Multivariate Tests

Effect		**Value**	***F***	**Hypothesis DF**	**Error DF**	**Sig.**
Intercept	Pillai's Trace	1.000	315260.002(a)	9.000	289.000	.000
F11	Pillai's Trace	.326	2.272	45.000	1465.000	.000

a. Exact statistic

6.4 How stakeholders describe ASB Bank Limited in terms of corporate reputation components

In Question 2 of the stakeholder survey questionnaire, each respondent was asked to look at a number of different ways to describe a company. They were prompted to think about 'the way you, as an ASB Bank Limited stakeholder (e.g., employee) see and think about ASB Bank Limited,' Stakeholder respondents were asked to express how strongly they agreed – or disagreed - that each description fits the way they think about ASB Bank Limited. For this a scale from 0 to 6 was employed, where 0 = Disagree strongly, 3 = Mixed feelings – not sure (a natural, neutral mid-point) and 6 = Agree strongly. A "don't know" item was included as choice as suggested by Rossiter (2002). This was not, therefore, a forced choice scale.

Respondents were reminded to read each item and circle the number to the right that best expressed their agreement that this is an accurate description of ASB Bank Limited – 'from your perspective as an ASB Bank Limited stakeholder'.

ANOVA was used to address RQ_7 (See Table 6-10 below):

RQ_7: Do different stakeholder groups evaluate the reputation of the same company differently?

Table 6-10:

ANOVA of Stakeholders' Evaluations of ASB Bank Limited

		Sum of Squares	DF	Mean Square	*F*	Sig.
Image	Between Groups	487.781	3	162.594	127.592	<.001
	Within Groups	352.987	277	1.274		
	Total	840.768	280			
Identity	Between Groups	130.026	5	26.005	19.759	<.001
	Within Groups	421.151	320	1.316		
	Total	551.177	325			
Mangmt Lead	Between Groups	43.018	5	8.604	6.252	<.001
	Within Groups	456.862	332	1.376		
	Total	499.880	337			
Perform	Between Groups	66.375	5	13.275	13.079	<.001
	Within Groups	380.618	375	1.015		
	Total	446.993	380			
Prod/ Serve	Between Groups	37.030	4	9.258	9.527	<.001
	Within Groups	295.394	304	.972		
	Total	332.425	308			
FinPerf	Between Groups	8.543	2	4.271	3.893	.022
	Within Groups	208.481	190	1.097		
	Total	217.023	192			
Ethics	Between Groups	32.285	5	6.457	5.960	<.001
	Within Groups	383.533	354	1.083		
	Total	415.818	359			
Corp Lead	Between Groups	219.616	5	43.923	46.201	<.001
	Within Groups	338.449	356	.951		
	Total	558.064	361			

As Table 6-10 shows, inspection of the group means for Question 2 by ANOVA reveals a large difference between at least some of the groups ($F = 127.592 - 3.893$, $p < .001$). This confirms that there is a difference between some of the means of the six stakeholder groups for question 2. The significance levels indicate this, and the *F* value indicates roughly how strong the effect is. These are large statistical differences.

RQ_7 was answered affirmatively by ANOVA which reveals large difference between groups as the results of the analysis of means for each of the nine components of corporate reputation across stakeholder segments showed evidence of differences between levels of agreement.

6.5 Stakeholder and overall evaluations of the reputation of ASB Bank Limited

Respondents were asked to provide a stakeholder-specific as well as an overall evaluation of the reputation of ASB Bank. In one question (Question 3A) stakeholders were asked 'How do you evaluate the corporate reputation of ASB Bank Limited in terms of (your specific stakeholder criteria)? Employees, for example, rated ASB Bank in terms of its employee relations; media in terms of its media relations; finance and investment specialists in terms of finance and investment, and so on. In a second question (Question 3B) all respondents were asked the same questions: 'How do you personally evaluate the overall corporate reputation of ASB Bank Limited?' A scale from 0 to 6 was used where 0 = Has the worst possible reputation, and 6 = Has the best possible reputation.

Inspection of the group means for Question 3A by ANOVA (see Table 6-11 below) reveals a large difference between at least some of the groups (F = 10.766, p <.001). Furthermore, Hay's Omega Square (which estimates the strength of the relationship in the multivariate analysis of variance and helps understand the mechanics of the formulas necessary for the computation of multivariate omega-squared) of ω^2 = .119, is, according to Cohen's categorization, a large effect (Cohen, 1997). This confirms that there is a difference between some of the means of the six stakeholder groups for both question 3A and 3B. The significance levels indicate this, and the F value indicates roughly how strong the effect is.

Table 6-11:

ANOVA Between Stakeholder-Specific and Overall Evaluations of the Reputation of ASB Bank Limited

		Sum of Squares	DF	Mean Square	*F*	Sig.
Q3A	Between Groups	38.988	5	7.798	10.776	.000
	Within Groups	269.915	373	.724		
	Total	308.902	378			
Q3B	Between Groups	33.777	5	6.755	11.604	.000
	Within Groups	223.559	384	.582		
	Total	257.336	389			

These are fairly large statistical differences with an Omega squared of about 0.119 and 0.128 respectively (Cohen categorizes an effect over .15 as large).

The Tukey's HSD (honestly significantly different) compares each stakeholder segment with every other to identify exactly what are those differences (see Table 6-12 below). Tukey's HSD analysis helps to identify homogenous subsets, and clusters among stakeholder groups based on their responses to Question 3A in which they were asked to rate the reputation of ASB Bank form their specific stakeholder perspective. As Table 6-12 shows, the Media response to Question 3A is different from all others. There is no difference between CEOs, Finance and Investment specialists, Communications specialists and customers, but CEO and Finance and Investment specialists are different not only to Media but also to Employees. Differences between the Media segment and other stakeholders segments stand out and are consistent with differences evident from analyses of responses to Questions 1 and 2.

Table 6-12:

Subsets Based on Responses from Question 3A: 'How do you evaluate the corporate reputation of ASB Bank Limited in terms of (your specific stakeholder criteria)?'

F4	**N**	**Subset for alpha = .05**		
		1	**2**	**3**
Media	63	**4.1111**		
CEOs	42		**4.6429**	
Finance and Investment Specialists	76		**4.6579**	
Communications Specialists	92		**4.7283**	**4.7283**
Customers	52		**5.0385**	**5.0385**
Employees	54			**5.1481**
Sig.		1.000	.118	.081

Similarly, Tukey's HSD analysis provides homogenous subsets (see Table 6-13 below), and

Table 6-13:

Subsets Based on Responses from Question 3B: 'How do you personally evaluate the overall corporate reputation of ASB Bank Limited?'

F4	N	Subset for alpha = .05		
		1	2	3
Media	69	**4.3188**		
Communications Specialists	92	**4.6739**	**4.6739**	
CEOs	46		**4.7174**	
Finance and Investment Specialists	76		**4.8289**	**4.8289**
Employees	56			**5.1786**
Customers	51			**5.1961**
Sig.		.105	.871	.085

clusters similar stakeholder groups together based on responses to Question 3B in which all respondents were asked to provide a rating for the overall corporate reputation of ASB Bank.

Table 6-13 indicates that the while there is no difference between media and communications specialists, media are different to all other segments. While there is no difference between communications specialists, CEOs and Finance, communications specialists and CEOs are different from employees and customers.

6.6 The drivers of stakeholder assessments of the corporate reputation of ASB Bank Limited

Given the differences observed across stakeholder group in evaluations of the overall reputation of ASB Bank, it is important to determine, for each stakeholder group, the weights accorded each predictor variable in arriving at the overall judgment of reputation. Or, to put it more simply, to determine what is driving the evaluation of the corporate reputation of ASB Bank for each stakeholder group. Multiple regression analysis, which is useful in analyzing the relationship between a single depended variable and several independent variables (Hair, Anderson, Tatham, & Black, 1995) was conducted to answers this question.. The technique is a widely used, versatile dependence technique used to analyze the relationship between a single dependent variable (e.g., an overall evaluation of a company's reputation) and several independent variables (e.g., non-related components or drivers of corporate reputation).

The assumptions of the multiple linear regression technique are that the variables are distributed reasonably normally and that the relationship in question is linear. This latter assumption was checked by reference to all partial plots graphs. It was expected that any relationship identified between independent variables and the dependent variable of overall stakeholder evaluation of reputation would be linear. A visual scan was conducted of the partial plots of the variables in the regression analyses, where no evidence of a curvilinear relationship was found.

Each stakeholder segment's overall evaluation (Question 3B) was regressed against their level of agreement that each of a range of statements in Question 2 was an accurate description of ASB Bank Limited from each stakeholder perspective. In all cases, for the regression analysis equation for each stakeholder segment, the VIF values are well below 5, indicating that the correlations between variables are not sufficient to cause multi-collineality problems.

The regression equation for the CEO data (see Table 6-14 below), where an overall rating of the reputation of ASB Bank in Question 3B is the dependent variable, is highly significant ($n = 57$; $F = 18.8$; $p < .001$, $r^2 = .69$). The main drivers for CEOs based on significance and on Beta values which show consistency are Products and Services, Identity, Performance, Ethical Management and Leadership and Corporate Leadership.

Table 6-14:

Regression Analysis for CEOs

Variable	Std. error	Beta value	T value	Sig.	VIF
Constant	.47			.43	
Identity	.37	**.35**	3.38	**<.001**	1.74
Management Leadership	.01	.02	-.27	.79	1.74
Performance	.01	**.33**	-2.62	**.01**	2.53
Products & Services	.01	**.55**	5.25	**<.001**	1.78
Ethical Management & Leadership	.08	**.27**	2.54	**.01**	1.85
Corporate Leadership	.10	**.18**	1.66	**.10**	1.20

The regression equation for communications specialists is highly significant ($n = 129$, $F = 9.90$, $p < .001$, $r^2 = .43$). In this equation identity, as Table 6-15 shows, Corporate Leadership, Image and Identity are the independent variables most relevant to communications specialists.

Table 6-15:

Regression Analysis for Communication Specialists

Variable	**Std. error**	**Beta value**	**T value**	**Sig.**	**VIF**
Constant	.35		5.72	<.001	
Image	.06	**.19**	2.31	**.02**	1.39
Identity	.08	**.20**	2.02	**.04**	2.11
Management Leadership	.07	.09	0.99	.32	1.83
Performance	.08	.11	1.14	.26	2.06
Corporate Brand	.08	.06	0.51	.61	2.45
Products & Services	.09	.12	1.22	.22	2.12
Financial Performance	.08	-.17	-1.68	.10	2.16
Ethical Management & Leadership	.08	.11	1.08	.28	2.07
Corporate Leadership	.08	**.19**	1.79	**<.001**	2.36

The regression equation for customers is significant (n = 62, F = 3.13, p = . 010 r^2 = .25). In this equation, as Table 6-16 shows, Performance is the independent variable most relevant to customers.

Table 6-16:

Regression Analysis for Customers

Variable	**Std. error**	**Beta value**	**T value**	**Sig.**	**VIF**
Constant	.54		5.78	<.001	
Identity	.08	.20	1.44	.16	1.44
Management Leadership	.05	.01	0.08	.94	1.30
Performance	.08	**.28**	0.08	**.06**	1.66
Products & Services	.14	.21	1.06	.30	2.84
Ethical Management & Leadership	.08	.11	0.72	.48	1.80
Corporate Leadership	.09	.22	1.63	.11	1.34

The regression equation for media specialists is highly significant (n = 87, F = 5.08, p < .001, r^2 = .34). In this equation Image, as Table 6-17 below shows, is the independent variable most relevant to media specialists.

Table 6-17:

Regression Analysis for Media Specialists

Variable	Std. error	Beta value	T value	Sig.	VIF
Constant	.42		5.11	<.001	
Image	.11	**.11**	3.88	**<.001**	3.49
Identity	.08	.10	0.16	.87	3.14
Management Leadership	.09	.07	1.30	.20	2.23
Performance	.14	.58	1.23	.22	2.16
Products & Services	.12	.03	0.69	.49	2.67
Ethical Management & Leadership	.12	.17	0.54	.59	2.02
Corporate Leadership	.11	.17	1.11	.27	2.73

The regression equation for employees is highly significant (n = 58, F = 5.84, p < .001, r^2 = .45). In this equation, as Table 6-18 shows, Products and Services is the independent variable most relevant to employees.

Table 6-18:

Regression Analysis for Employees

Variable	Std. error	Beta value	T value	Sig.	VIF
Constant	.85		2.43	.02	
Image	.11	.09	0.50	.62	2.78
Identity	.18	.19	1.05	.30	2.97
Management Leadership	.12	.33	1.68	.10	3.40
Performance	.21	.30	1.53	.13	3.47
Products & Services	.10	**.32**	2.31	**.02**	1.73
Ethical Management & Leadership	.12	.07	0.49	.63	2.06
Corporate Leadership	.14	.04	0.27	.79	1.56

The regression equation for finance and investment specialists is marginally significant (n = 85, F = 3.11, p > .001, r^2 = .22). In this equation, as Table 6-19 shows, and as might be expected for this group, Performance is the key independent variable driving reputation.

Table 6-19:

Regression Analysis for Finance and Investment specialists

Variable	Std. error	Beta value	T value	Sig.	VIF
Constant	.70		4.31	<.001	
Image	.07	.08	0.65	.52	1.36
Identity	.10	.06	0.42	.68	1.84
Management Leadership	.11	.20	1.47	.15	1.74
Performance	.07	**.33**	3.01	**<.001**	1.16
Ethical Management & Leadership	.08	.03	0.23	.81	1.35
Corporate Leadership	.11	.05	0.40	.69	1.30

Results of the linear regression analyses provide support for the consideration of RQ_8:

RQ_8: Do the drivers of stakeholders' overall evaluations of a company's reputation vary by stakeholder segment?

RQ_8 was answered affirmatively as the linear regression analyses showed that drivers of stakeholders' overall evaluations of a company's reputation are different for each stakeholder segment. (See Table 6-20 below.) There is a need to assess perceptions of corporate reputation as seen by various stakeholder segments.

It is worth discussing at this point the drivers of corporate reputation for each stakeholder segment. The plurality of drivers for CEOs supports what was observed in the NGT sessions in which this segment showed a broad base of direct involvement with the various facets of reputation management. A focus by Communications Specialists on Image, Identity and Corporate Leadership can be understood better when the broad profile of the sample for this segment is considered. The sample included company and organizational communications directors, senior management of advertising agencies and marketing communications academics. Similarly, a predilection for Image by the Media segment is not surprising. The

Table 6-20:

Drivers of Perceptions of Corporate Reputation for Each Stakeholder Segment

Stakeholder Segment	Drivers of Corporate Reputation
CEOs	Identity, performance, products and service, ethical management and leadership, corporate leadership
Communications specialists	Image, identity, corporate leadership
Customers	Performance
Media specialists	Image
Employees	Products and services
Finance and investment specialists	Performance

principal driver for Customers is Performance for which there was only one item in the Customers questionnaire (viz., "It is a company whose performance you can trust.") The principal driver for Employees is Products and Services for which there was only one item in the Employees questionnaire (viz., "It is a provider of quality goods and services.") The principal driver for Finance and investment specialists is Performance for which there was only one item in the Finance and Investment Specialists questionnaire (viz., "It has a record of success and of quality outcomes, including awards.")

There appears to be no evidence of a financial halo effect among the Finance and Investment Specialists or among any of the other segments. In the literature review, Section 2.5.2.1, an empirical analysis was cited in which it was suggested that the *Fortune* magazine AMAC items are highly correlated and that, besides financial data, there are other determinants of reputation (Fombrun & Shanley, 1990). The reason for the possibly distorting influence of financial performance is that only experts are questioned in the AMAC survey, and that their perceptions may differ considerably from other stakeholders' perceptions (Fryxell & Wang, 1994). This was considered support for to the need for a broader, more specific stakeholder perspective to be taken in the measurement of corporate reputation, as has been conducted in the current research.

The corporate reputation ontology provided in Chapter 4 provides details of the constituents of each of the drivers, or key components, of corporate reputation.

6.7 Conclusions

This chapter has reported the results of the data analysis for the quantitative phase of the research. A good response to the survey was achieved and the profile of the respondents was representative of each of the six stakeholder segments.

The analysis of the reliability of the research instrument showed that in all cases, for all six stakeholder segments, all items contribute toward a high Alpha value for the relevant variables. The independence of the factors was confirmed: in all cases they load cleanly into a single factor and are thereby considered suitable for subsequent regression analyses. With very few exceptions, analysis of eigenvalues and scree plots (see Appendix 1.12 for examples of scree plots from the factor analysis) of all the identified eigenvalues for all factors across all items indicates that all scale items appear to be reliable and valid.

6.7.1 The relative importance to stakeholder segments of the components of corporate reputation

The statistical tests indicate that values from one stakeholder group to another vary significantly and support the reference to stakeholder groups as segments. In other words, the components of the corporate reputation of an organization are perceived differently by each stakeholder segment.

MANOVA showed that the stakeholder populations from which samples were selected had different means for all nine components of corporate reputation (dependent variables). A conclusion of the Levene's Test was that the error variances of the dependent variable (each component of corporate reputation) are not equal across groups (stakeholder segments); population variances are not equal. Significant statistics provided by Pillai's trace indicated that stakeholder segment membership affects the ranking of the nine independent variables (the components of corporate reputation).

6.7.2 Stakeholder descriptions in terms of the components of the corporate reputation of ASB Bank Limited

Stakeholder-specific perspectives influence the way the various stakeholder segments express agreement about what is an accurate description of ASB Bank Limited. Descriptive analysis using means for each stakeholder segment computed from items representing each component for each of the seven components of corporate reputation provide additional evidence of differences between stakeholder segments' levels of agreement.

Not only are there differences in the number of components considered important by stakeholders; there are differences evident in the ratings for those components. This reinforces the belief that distinct stakeholder segments do exist, and that the management implications of such differences need to be considered. This result is consistent with the result of the Kruskal-Wallace test and the MANOVA conducted on responses to Question 1 in which stakeholders were asked to rank the nine components of corporate reputation. There were significant differences.

ANOVA conducted on group means for Question 2 confirms that there is a difference between some of the means of the six stakeholder groups. These are large statistical differences.

There are differences, therefore, between stakeholder segments not only generally (Question 1), but specifically also in relation to one specific company (Question 2).

6.7.3 Stakeholder segment and overall evaluation of the corporate reputation of ASB Bank Limited

ANOVA confirmed differences between the six stakeholder groups in terms of how they 1) evaluated the reputation of ASB Bank from their stakeholder perspective and how they 2) evaluated the reputation of ASB Bank overall. The significance levels indicated large statistical differences (Cohen, 1997) *Post hoc* analysis using Tukey's HSD (honestly significantly different), by comparing each stakeholder with every other showed differences between stakeholder segments and identified exactly what those differences are. For example, there are indications of distinct subsets and clusters of stakeholder segments based on their overall evaluations of the reputation of the ASB Bank; these will have significant management implications.

Some specific stakeholder segments stand out. Media, for example, appear to be different to all other segments. On the other hand, there appears to be no difference between CEOs, Finance and Investment specialists, Communications specialists and Customers; but CEOs and Finance and Investment specialists are different not only to Media but also to Employees. Differences between the Media segment and other stakeholders segments stand out and are consistent with what has been concluded about differences evident from analyses of responses to Questions 1 and 2.

6.7.4 Drivers of stakeholder assessments

Multiple linear regression analysis was conducted to determine what is driving the evaluation of the corporate reputation of ASB Bank for each stakeholder segment. In all cases, for each stakeholder segment, the VIF values are well below 5, indicating that the correlations between variables are not sufficient to cause multi-collineality problems. Regression equations for stakeholder segment data were highly significant. Results of the linear regression analyses indicate that the drivers of stakeholders' overall evaluations of a company's reputation are different for each stakeholder segment.

In conclusion, the results of this data analysis provide an affirmative response to the second part of the research objective: To develop a valid measurement tool for corporate reputation and its key components. A useful measurement tool has been developed for corporate reputation and its key components – and can be used across the various stakeholder segments.

It can be concluded further, based firstly on the results of text analysis and further supported by the results of the nominal groups, and now by the analysis of the results of the stakeholder survey, that an affirmative response can be given to the first part of the research question. An ontology of corporate reputation can be constructed: evaluations of corporate reputation are mediated by the perceptions of stakeholder segments who to think, feel (and behave) variously towards the organization.

Finally, it can be concluded that results of text analysis, and further supported by the results of the nominal groups, and now by the analysis of the results of the stakeholder survey, that an affirmative response can be given to the second part of the research question. A set of (stakeholder specific) relationships for corporate reputation and its key components have been provided.

6.7.5 Implications for theoretical and measurement issues identified in the literature

This section focuses on the implications that the results of this research have for the three central theoretical issues and the measurement approaches that arise from the literature on corporate reputation and those concepts associate with it and which are discussed in Section 2.6.

1. The first theoretical issue concerns internal and external perceptions of corporate reputation and those concepts associate with it. Is there any empirical basis for these differences, between for example staff (internal) or customers (external) (Chun & Davies, 2006)? Is for example identity perceived internally only, or is it perceived both internally as well as externally, but perceived differently?

Implications of this study for this theoretical issue:

Identity is a concept which the NGT results show to be relevant to all stakeholders, internal as well as external. This has been confirmed by quantitative analysis. Furthermore, identity is seen to be relevant to CEOs (external), Communications Specialists (external), but not to Employees (internal) as a driver the assessment of the ASB Bank Limited overall reputation. Interestingly, Identity ("Is a good place to work," "It has a clear vision, strategy and set of values," "It is a good employer that takes care of its employees.") was not for Employees the most important driver of their company's reputation. Products and Services was the most important driver, in reflection possibly of employees' appreciation for the contribution each of them makes to a financial services company.

2. Should corporate reputation be evaluated generally, or in a stakeholder-specific way? Chun and Davies (2006) have been seen to refer to these two perspectives as alignment and stakeholder. An alignment focus sees strong congruence for example between external brand image and internal views and values (de Chernatony, 1999, Hatch, 2001). A stakeholder perspective would expect to see differences between stakeholders.

Implications of this study for this theoretical issue:

There are observed differences in the number of components considered important by stakeholders and in the ratings for those components. This reinforces the belief that distinct stakeholder segments exist and a stakeholder-specific approach should be taken. There are differences between stakeholder segments not only generally (Question 1), but specifically also in relation to one specific company (Question 2).
Results of the linear regression analyses which indicate that the drivers of stakeholders' overall evaluations of a company's reputation are different for each stakeholder segment provide further support for a stakeholder-specific approach.

3. It has been noted that an 'analogous' and a 'differentiated' school of thought have emerged. For the analogous school corporate reputation is seen as being synonymous with corporate image. For the differentiated school corporate reputation and image are different, yet interrelated (e.g., reputation influences image). Gotsi and Wilson (2001) suggest that there is greater support for the differentiated school and highlight the need for an integrative approach. The thinking and definitions of Barich and Kotler (1991), Greyser (1999) and Dutton, et al. (1994) which tended to see reputation and image as synonymous, are examples of the analogous approach.

   Implications of this study for this theoretical issue:

   The results of the quantitative analyses confirm what was learned from the text analysis and from the NGT sessions, that concepts such as reputation, image and identity are not synonymous. They are different yet interrelated concepts. This would support the 'differentiated' school of thought.

   Interestingly, in the multiple linear regression, there is only one case in which both image and identity are the drivers of corporate reputation, and this is among Communications Specialists. The predilection among Communications Specialists for Image is understandable, yet both Image and Identity are subordinate to Corporate Leadership as the most important driver of the corporate reputation of ASB Bank Limited.

Similarly, three principle measurement approaches have been identified in the literature on corporate reputation measurement (Berens & van Riel, 2004):

1. The social expectations that people have regarding companies (Helm, 2005, Schwaiger, 2004).

2. The different corporate personality traits that people attribute to companies. (Chun, 2001, Davies, Chun, Vinhas da Silva, & Roper, 2003).

3. The level of trust or distrust people have for a company: the perception of a company's honesty, reliability and benevolence (e.g., Corporate Credibility scale of Newelle and Goldsmith, 2001).

The implications of this study for the three principle measurement approaches are:

The measurement approach developed effectively in this study is not limited to any one of the measurement approaches discussed above and in the literature review: social, corporate personality, or trust. The measurement approach which was developed initially though text analysis, then through the NGT and the development of an ontology of corporate reputation approximates what Chun and Davies (2006) have called hybrid. It reflects an approach which has sought at all levels to develop constructs, components, items and a survey methodology that has relevance for stakeholders. While the approach includes 'Six Pillars' of the Reputation Quotient (viz., Emotional appeal, Products and services, Financial performance, Vision and leadership, Workplace environment, Social and environmental responsibility) it also incorporates aspects of the approach used by Dowling (2004), Schwaiger (2004) and Helm (2005). Yet it was never the intent of this research to provide a synthesis. The principle driver has always been to develop a measurement approach, as discussed in section 1.6, that provides significance at the level meaning as well as explanation (Weber, 1947) and to follow as closely as possible the guidelines provided by the C-OAR-SE procedure (Rossiter, 2002)

7 Conclusions and Implications

Figure 7-1:

Structure of Chapter Seven

Section	Topic
7.1	Introduction
7.2	Main contributions to knowledge
7.3	Managerial implications
7.4	Limitations of the research
7.5	Implications for future research
7.6	Conclusions

7.1 Introduction

It has been noted earlier (Pp13-14) that the orientation of this research has been influenced by the *verstehen* sociology of Max Weber which seeks significance at the level of meaning as well as of explanation (Weber, 1947). The underlying methodology used in this study, as discussed earlier, needed to be appropriate to the nature of the defined reality relative to the project: the need to construct an ontology of corporate reputation and to build an effective measurement tool. It needs to be rigorous and to be sensitive to meanings concepts have for various stakeholders. Text analysis the meaning corporate reputation has for academics; the NGT explored the meaning corporate reputation and its key components have for various stakeholder groups. These qualitative steps help provide a theoretical platform on which a rigorous quantitative survey was conducted in order to explain and to confirm the drivers of a company's reputation in the eyes of its stakeholders; the relative importance of the components for stakeholders; how various stakeholder groups evaluate the reputation of the same company; the drivers of stakeholders' overall evaluations of a company's reputation.

This research focuses, in the literature review and text analysis, on perceptions and evaluations of corporate reputation, globally, by academics. In the qualitative, NGT phase the research focus is on perceptions and evaluations of corporate reputation generally, that is with no one specific company in mind, by members of stakeholder groupings in New Zealand. In the quantitative stakeholder survey phase the research focus is on perceptions and evaluations of the corporate reputation of one specific company, the ASB Bank Limited, by members of relevant stakeholder groupings. (See Pp. 135-138 below in which the criteria for selection of a company are discussed in full.)

The purpose of this thesis is to develop an ontology of corporate reputation and its key components and a valid and effective measurement tool. In this chapter an overview of the study is first presented, followed by an evaluation of the main contributions of the research to knowledge. The findings are then further discussed in terms of their implications for management. Finally the limitations of this investigation and areas for future research on the topic are outlined.

The objective of this research project is to develop an ontology of corporate reputation and a valid measurement tool for corporate reputation and its key components that reflect differences in perceptions by various stakeholder segments. The topic is important because, as an intangible asset, corporate reputation can make a contribution to the value of a company. There is a growing recognition that a significant proportion of a firm's market value lies in intangible, off-balance sheet assets rather than in tangible book assets (Srivastava, 1998). Despite this view there is a lack of agreement about how corporate reputation should be defined, about what are its key components and about how it should be measured. Very little research has been conducted that attempts to build an ontology of corporate reputation and to build measurement tools that reflect varying stakeholder perceptions.

The literature review showed that there have been positive contributions and a growth of interest in corporate reputation. A range of perspectives on corporate reputation has led to confusion and ambiguity (Caruana, 1997), and to a belief that corporate reputation is a process which focuses solely on what a company does and how it behaves (Balmer, 1998), rather than on what a company communicates through its actions and behaviour; or on a company's values and achievements and how these are perceived by its various stakeholder segments.

Some researchers have opted for avoiding definition altogether. They assume an understanding of the concept as a given and, from the literature, link together several attributes of corporate reputation to help provide a broad understanding of a conceptual framework. The review of the literature showed further that the relationship between corporate reputation and other key concepts (identified in this research as the components of corporate reputation) militated against the development of a comprehensive theoretical framework for corporate reputation. It was critical, if the research problem were to be addressed effectively, that a more coherent definition of the corporate reputation construct would be found and that this would be accomplished through the development of a corporate reputation ontology. This theoretical and informational need had to be addressed before a suitable measurement tool for corporate reputation could be developed.

While it has been acknowledged that an organization may have many and not just one reputation (Chun, 2005) within the expansive corporate reputation literature analyzed as part of this study, there was not a single reference to the marketing term "segmentation" related to stakeholders. References to segmentation related to consumer segments relevant to a company's various brands; such references were most like to be found in the corporate image literature.

Initial stages of this research soon made apparent the importance of stakeholders to evaluations of a company's reputation. The opportunity to focus more on stakeholder perceptions had been suggested in a recent paper that examined the influence of journalists evaluations on corporate reputation (Dowling, 2004). Nonetheless, there remains a dearth of literature in this area. While a lack of academic work on industrial market segmentation has been acknowledged (Bonoma & Shapiro, 1983), segmentation has been acknowledged as an important tool for market planning (Sudharshan & Winter, 1998) and as a means for developing well-reasoned strategic planning.

A need is acknowledged to take a stronger segmentation perspective on corporate reputation measurement across a full range of relevant stakeholders. Reputation measures such as *Fortune's* annual Most Admired Companies survey (Stein, 2003) and the Reputation Institute's Reputation Quotient (Fombrun, Gardberg, & Sever, 2000) are seen by the authors to be examples of methodologies that are based on social expectations. If the RQ is to explain if and how reputation is influenced by a firm's real or potential stakeholder relationships, which it does not do effectively, then there is a need to employ greater stakeholder segment specificity, particularly if measurement is to be of strategic value to a company's communications to stakeholders. It is the RQ's inability to take into account the context in which stakeholders use corporate reputation as a signal or as a set of information cues that is one of its greatest limitations (Puncheva & Zarkada-Fraser, 2004). Little information is provided by Fombrun, Gardberg, and Sever (2000) about the source of their 'six pillars' and of their elements. There is no reference to management or to ethical management; to honesty and integrity in communications; to dealing well with mistakes; to risk; nothing about a company's performance or history of involvement in litigation.

A triangulated research approach was adopted to achieve the research objective. A sequential approach consisting of content analysis of the corporate reputation literature using text analysis techniques and qualitative research among relevant stakeholder segments using the NGT was conducted. The quantitative research among stakeholders confirmed the importance of nine key components of corporate reputation which had been identified earlier through text analysis of the academic literature.

A theoretical construct was developed that showed the impact of the core components of corporate reputation on stakeholders' evaluations of a company's reputation. The theoretical construct was then tested through a national survey among six stakeholder segments of importance to the company (ASB Bank Limited) that served as the subject for the survey. The survey design measured stakeholder responses to questions about key components of corporate reputation, rankings of items relating to the reputation of a New Zealand company, and an overall rating of the company's reputation.

Survey results showed that stakeholders evaluated reputation in different ways. There were statistically significant differences in the ways stakeholder segments ranked the nine components of reputation in terms of the importance of their contribution to the corporate reputation of a company; there were significant differences across stakeholder groups in overall ratings of the reputation of the company; additionally, the drivers of evaluations of the reputation of the company differed by segment.

7.2 Main contributions to knowledge

7.2.1 The identification of the component constructs of corporate reputation

The results of the text analysis and of the NGT phases of the research identified nine key concepts as the components of corporate reputation (as shown in Figure 7-2 below). In the NGT sessions stakeholders thought of these nine key concepts as the 'ingredients' or 'components' of corporate reputation. Not all constructs are of the same importance to the various stakeholder segments. As indicated earlier in this chapter, there were statistically significant differences in the ways stakeholder segments ranked the nine components in terms of the importance of their contribution to the corporate reputation of a company. Some constructs are not relevant to particular stakeholder segments. For example, CEOs for whom ethical management and leadership, identity, corporate brand and corporate leadership were important, and Communications specialists for whom eight components were important: products and services, management leadership, ethical management and leadership, identity, corporate brand, image, performance and financial performance). There were significant differences across stakeholder groups in overall ratings of the reputation of the company; the drivers (independent variables) of evaluations of the reputation of the company (dependent variables) differed by stakeholder segment.

The first two phases of research were critical to clarification of the corporate reputation construct and to definition of the relationship between constructs. Both phases made significant contributions to what have been proposed as key outcomes of the research : to provide a better understanding of the contribution of image, identity, performance, corporate branding, products and services and legitimation to corporate reputation. With respect to these key outcomes, the following research questions were answered positively:

RQ_1: Are corporate reputation and corporate identity synonymous? Or are they distinct yet related concepts?

RQ_4: Are corporate image and corporate identity synonymous? Or are they distinct yet related concepts and components of corporate reputation?

RQ_2 and RQ_4 were found to receive positive affirmation. Corporate reputation and corporate identity have sometimes been confused, as has corporate identity with corporate image: it has been seen as the construed external image of the firm, or what a member believes outsiders think about the organization (Dutton, Dukerich, & Harquail, 1994). This research indicates that these concepts are not synonymous: they are distinct yet related.

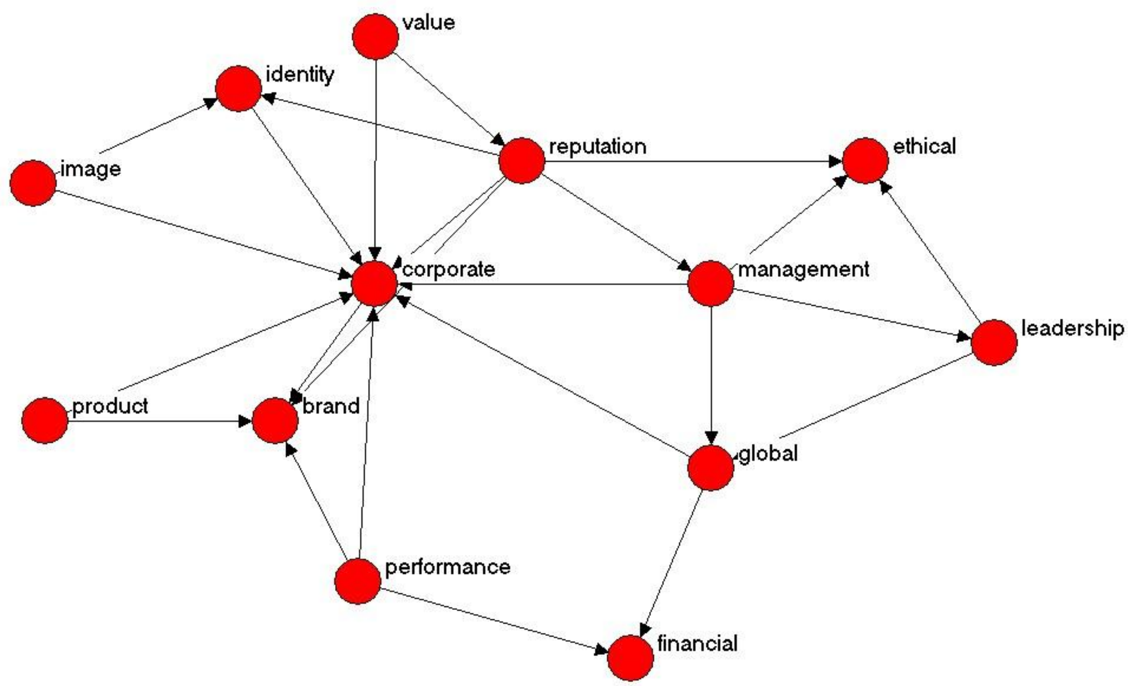
RQ_3: Are corporate reputation and corporate image synonymous? Or are they distinct yet related concepts?

This research indicates that corporate reputation and corporate image are not synonymous: they are distinct yet related concepts. The ontology that has been developed in Chapter 5 of this research provides insights into the nature of the relationship, as does Figure 7-2 below, an outcome of text analysis, which provides a graphical visualization of the structure of relationships between key concepts.

While earlier comprehensive reviews of the corporate reputation literature had made significant contributions to an understanding of the corporate reputation concept (Gotsi & Wilson, 2001), there had been no agreement as to how reputation and its key components should be defined (Deephouse, 2002). Knowledge about how the key components should be measured was inconsistent (Bromley, 2002). Reputation had been defined as one dimension of corporate image (Barich & Kotler, 1991); as synonymous with image and representing the total impression of a company (Dowling, 1993); as synonymous with image and credibility the central link between company behaviour and public confidence (Greyser, 1999); as the overt expression of a collective image (Bromley, 2001).

Figure 7-2

Graphical visualization of the structure of relationships between key concepts



RQ_2: Is corporate identity internal and not perceived or understood outside the organization?

It has been noted (Hatch & Schultz, 1997) that internal/external barriers are breaking down. Abratt (1989), who also recognised that the concepts of corporate identity and corporate image were often used interchangeably, sought to differentiate the concepts by use of his concept of the corporate identity/corporate image interface. Balmer (1997) used the interface concept in his work, and referred to Stuart's (1994) statement that the corporate identity/corporate image interface represents the moment of truth for an organisation: the point at which the corporate identity is externalised.

The development of the ontology through the text analysis and the NGT phases indicates that RQ_2 cannot be affirmed positively on the basis that the constituents of corporate identity are perceived and understood by stakeholders outside the organization.

RQ_5: Is legitimation a key component of corporate reputation?

There has been evidence of interest in the concept of corporate legitimation (Ahlstrom & Bruton, 2001, Kostova & Zaheer, 1999, Rao, 1994). Indeed, along with identity, image, brand, and management, legitimation emerged from the literature as important to a fuller understanding of corporate reputation. However, RQ_5 cannot be affirmed positively on the basis of what has been learned about stakeholders from the NGT sessions: legitimation, which has been discussed in detail in chapter 2 (section 2.4.4) does not appear to be a key component of corporate reputation.

In this research, the focus in the NGT phase among stakeholders was on the components or ingredients of corporate reputation. Legitimacy and legitimation did not emerge as a component or ingredient of corporate reputation. It could be argued that 'Achievements' ('It has a record of success and of quality outcomes, including awards'), one of the constituents of the component 'Performance', covers the certification tests Rao (1994) saw as legitimating. The relationship between corporate reputation and legitimacy and legitimation clearly merit further attention.

7.2.2 The development of a corporate reputation ontology

The second contribution to knowledge is the development of an ontology of corporate reputation based on the key components of reputation and on a stakeholder orientation (see Figure 7-3 below).

In recent years research on ontology has become increasingly widespread in the fields of information science and business. In these fields ontologies are important as they provide formal specifications, and methodologically tractable standardised definitions of terms used to represent knowledge in ways that will enhance communication. The approach taken in this project rests upon the definition of ontology as an explicit specification of a conceptualisation (Gruber, 1993). No previous research on corporate reputation has achieved this.

This study on corporate reputation has shown how a common ontology provides a unified communication framework. The network of dependences which operate within the ontology of corporate reputation have been applied to scale development and to the development of a measurement instrument for corporate reputation. The ontology has provided a context, a network of relationships, in which to handle terms whose ambiguity has been an obstacle to developing more effective measuring tools. The ontology developed in this research has sought to establish and to encourage, hopefully, the use of a shared vocabulary, of a set of definitions and of descriptions of relationships. Having been developed within the context of the C-OAR-SE (Rossiter, 2002) paradigm, it can serve as a vehicle for validation. Finally, there is the contribution the ontology can make to the provision of constructs for reputation modeling.

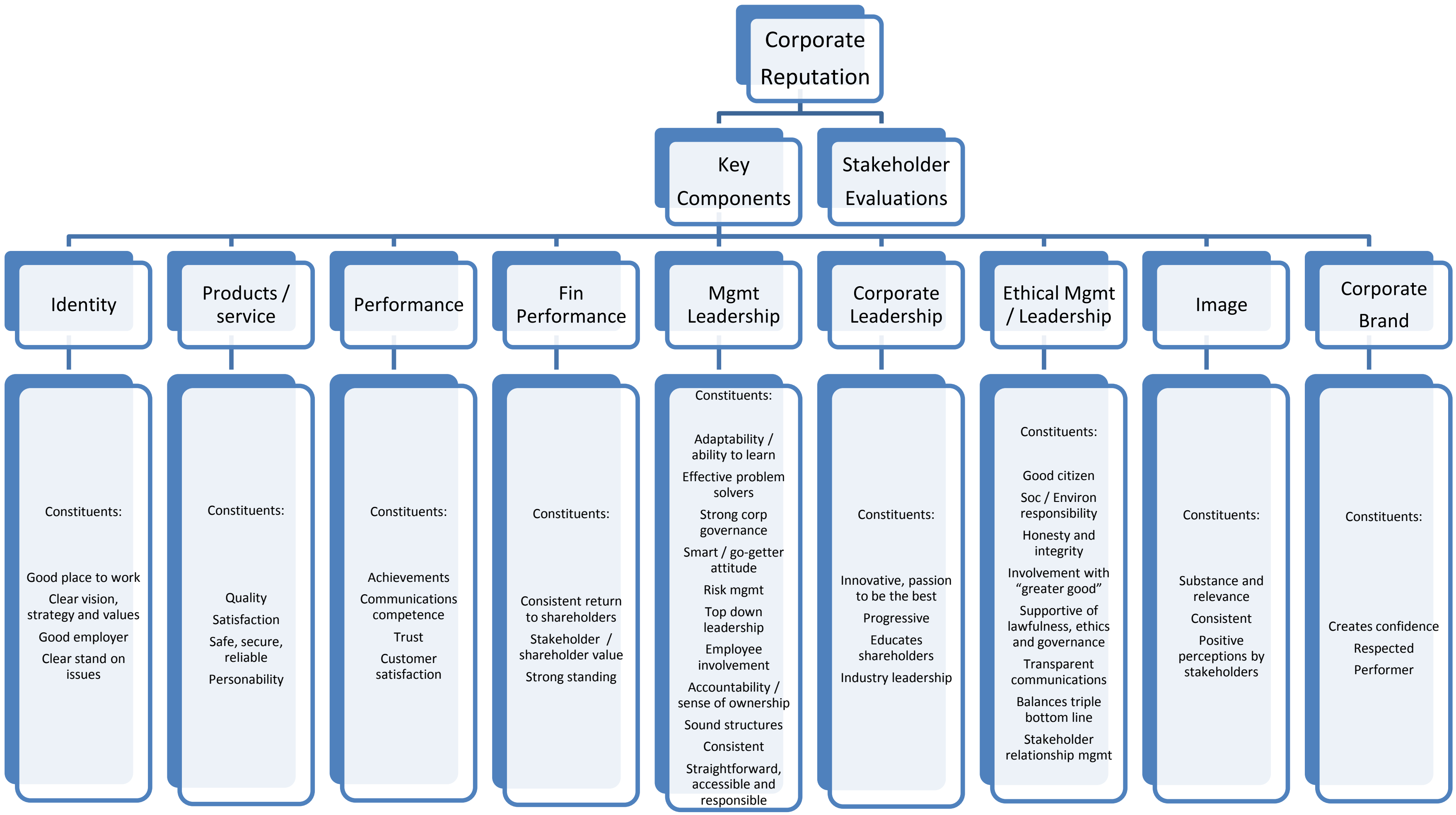
7.2.3 **The identification of a variations in stakeholder perceptions and of stakeholder segments**

In the corporate reputation literature, and that of its key components (376 articles) which were text analysed, stakeholders are spoken of in terms of stakeholder analysis, identification, perception, audience, capitalism, engagement, framework, identification, legitimacy, management, orientation, relations, relationship, salience, theory and responsiveness.

A marketing communications approach that acknowledges the importance of the stakeholder perspective in interpreting messages has become evident (Stutts & Barker, 1999). A belief that 'success is in the eye of the beholder and the hands of the evaluator' may have emerged from brand advertising (Drumwright, 1996). Such a perspective has been extended to the study of organizational identity (Rindova & Fombrun, 1998) and of corporate reputation (Thevissen, 2002). While the eye of the beholder metaphor was not

Figure 7-3:

The Ontology of Corporate Reputation Including the Constituents of Key Components



adopted by Dowling (2004) he appears to have extended the orientation to a specific empirical application by applying the stakeholder perspective to journalists' evaluations of corporate reputation. There is no evidence in the literature, however, of a multi-stakeholder approach having been taken to the evaluation and components of corporate reputation. This has significant bearing on the importance of the following two research questions, RQ_6 and RQ_7:

RQ_6: Do different stakeholder groups rank the importance of the components of corporate reputation differently?

RQ_7: Do different stakeholder groups evaluate the reputation of the same company differently?

RQ_6 has been affirmed positively. because, as discussed earlier, in the ranking of components of corporate reputation, these components were seen to be of varying importance across the multi-stakeholder sample.

Positive affirmation for RQ_7 demonstrates that when evaluating the reputation of a specific company across a range of items representing corporate reputation components, evaluations are different for all stakeholder groups. This positive affirmation has implications also for $RQ_{8:}$

RQ_8: Do the drivers of stakeholders' overall evaluations of a company's reputation vary by stakeholder segment?

RQ_8 Was affirmed positively as the linear regression analyses showed (See Table 7-1 below.) that the drivers of stakeholders' overall evaluations of a company's reputation are different for each stakeholder segment. Each stakeholder segment, therefore, is influenced by a different set of drivers to other stakeholder segments. There is a need, therefore, to assess perceptions of corporate reputation as seen by a company's various stakeholder segments.

There are no references in either the corporate reputation literature or that of its key components to segmentation as it may relate to collectivities of stakeholders defined on the basis of similarities or distinct differences from other stakeholder collectives. The stakeholder segments discussed in this research satisfy Kotler's (1980) requirement that, to be useful, segments must be measurable, accessible, and substantial. Each of the six segments addressed

Table 7-1:

Drivers of Perceptions of Corporate Reputation for Each Stakeholder Segment

Stakeholder Segment	Drivers of Corporate Reputation
CEOs	Identity, performance, products and service, ethical management and leadership, corporate leadership
Communications specialists	Image, identity, corporate leadership
Customers	Performance
Media specialists	Image
Employees	Products and services
Finance and investment specialists	Performance

in this study represent large, mostly homogeneous groups of influencers to whom it pays to target a communications programme (Kotler, 1986).

The proposition that the various stakeholder groupings comprise segments was further supported by quantitative statistical analysis. What each group shares, especially where it is a set of stakeholder attributes, and differentiates it from another group's, are the characteristics of a stakeholder segment. Hence, *a posteori,* the perception of a reputation is a shared perception within a targeted segment and differs from the perception of other segments. This suggests that, because not all stakeholder segments are of equal importance to an organization, the organization should look at the specific characteristics of stakeholder segments when making decisions regarding to whom it should target its message.

A further contribution to knowledge is the identification of the implications to a company of taking a marketing orientation towards building its reputation and towards building relationships with its various stakeholder segments. A marketing orientation lends itself to the study of corporate reputation when the latter is seen as a form of marketing communications (Balmer & Greyser, 2006). Balmer and Greyser (2006) have noted how it has been proposed (Kotler & Levy, 1969) that the marketing concept could cover any entity. It was later suggested that there be a marriage between marketing and public relations (Kotler & Mindak, 1978). Balmer and Greyser (2006) have seen this rapprochement as an accommodation of marketing at the corporate level. Kotler has referred to a company's marketing image which, he argued, improved attitudes towards an organisation by stakeholder groups (Barich & Kotler, 1991).

Marketing communications has been defined as 'marketer-originated messages, placed in various media, their purpose being to sell the brand by showing it, saying things about it, or both, in a manner that establishes the marketer's desired position for the brand in the minds of target consumers' (Rossiter & Bellman, 2005). In a principal paper on corporate marketing (Balmer, 2001) there is no mention of targeting. It is not until 2003 that Balmer begins to talk about target audiences, and here it is within the context of the corporate brand and the need to distinguish and differentiate the company in the minds of all its stakeholders: 'For product brands the focus is on customers and for corporate brands for stakeholders' (Balmer & Gray, 2003). The logical next step to stakeholder segmentation is not made. Segmentation is an integral part of marketing and of marketing communications, yet Barich and Kotler (1991) and Balmer and Gray (2003) refer only to 'stakeholder groups'. Among the expansive corporate reputation literature, and the academic articles related to its core components that were reviewed and analyzed as part of this study, there was not a single reference to the marketing term "segmentation" related to stakeholders. References to segmentation related to consumer segments relevant to a company's various brands; such references were most likely to be found in the corporate image literature.

The expansive corporate reputation literature has not so far acknowledged the value of segmentation either to definition or to measurement. The basic assumption of market segmentation is that segments actually do exist and that markets are not entirely homogeneous (Beane & Ennis, 1987). This study has shown that distinct stakeholder segments exist and that segment membership accounts, to a significant degree, for stakeholder evaluations of corporate reputation. Stakeholder segments possess the characteristics of measurability, accessibility, and substantiality (Kotler, 1980). Stakeholder segments display the characteristics of utility based on their representing the largest possible homogeneous group of influencers to whom it pays to target a corporate reputation communications programme (Kotler, 1986).

The five broad bases for corporate segmentation are said to include demographics, operating variables, purchasing approach, situational factors, and personal characteristics (Bonoma & Shapiro, 1983). While these bases may not present immediately a perfect fit with a stakeholder orientation, they are amenable to adaptation. The evaluation of market segments according to segment size and growth, segment structural attractiveness, and company objectives and resources (Kotler, 1986) can be applied. The benefit segmentation approach of Beane and Ennis (1987) is relevant to the analysis of stakeholder segments.

The evaluation of corporate reputation (a market-based asset) from a stakeholder perspective represents a further contribution to knowledge that this research makes. Balmer and Gray (2003) have addressed the need to distinguish and to differentiate the company in the minds of all its stakeholders. Yet it remains for the reader to deduce whether the reference here is to all stakeholders collectively or to all the various stakeholder segments individually.

The value of a consumer perspective has long been acknowledged in the marketing literature (Ohmae, 1991). While the concept of relevance (of a marketing activity) for the market has been discussed in the corporate brand literature (Aaker, 2004), it was not until Dowling published his work on journalists' evaluation of corporate reputations that the concept of relevance for a specific stakeholder group was discussed and researched. There had been references to a stakeholder perspective (Moir, 2001), to the stakeholder perspective on responding to reputational crises (Zyglidopoulos & Phillips, 1999), even to the irrelevance of stakeholders among some practitioners (Agle, Mitchell, & Sonnenfeld, 1999).

The orientation of this research and the use of the NGT to explore the relevance of corporate reputation of specific stakeholder segments have been extended into the design of the quantitative phase of research. In the quantitative phase of research the stakeholder *weltanschauung* has been built into each set of stakeholder-specific scale items and has been analyzed accordingly. As a result, the corporate reputation of a well-known company has been evaluated and measured from the perspective of each of six different stakeholder segments. The concept of relevance in marketing is central to the concept of customer relationship management, seen by some (Gronroos, 1994) as representing a new paradigm in marketing. A possible, additional, contribution of this research is towards the development of a stakeholder relationship management (SRM) paradigm; a paradigm within which relevance for the need states of specific stakeholder segments is central to effective reputation management. While the relationship between various stakeholder management modes has been discussed in the literature (Berman, Wicks, Kotha, & Jones, 1999), application of SRM as a concept has so far been limited to the commercial arena.

7.2.4 **A new application of the C-OAR-SE procedure**

The sixth contribution of this research to knowledge is by providing a new application of the C-OAR-SE procedure to a research topic that is of great interest to researchers (MSI, 2004). The C-OAR-SE procedure provides a general procedure for developing marketing measures (Rossiter, 2002). It emphasizes the need to ensure a measure represents the construct in a valid way and allows for reflective as well as formative perspectives, and for single- as well as multi-item scales.

The present study, which uses text analysis within a content analysis framework and the NGT for corporate reputation construct definition and for the identification of the core components of the construct, adopts the C-OAR-SE procedure as the theoretical base for its principle methodology for development and classification of measures. The C-OAR-SE procedure integrates the positivist philosophy with critical theory, which considers that reality is determined by social and political values and can incorporate subjectivist epistemology. This is consistent with the belief stated above that the philosophical orientation of this research has been influenced by the *verstehen* sociology of Max Weber (1947) which seeks to understand through the pursuit of significance at the level of meaning (subjective, rational) as well as of explanation (positive, empiricist). The triangulation of research methods incorporated in the research within the C-OAR-SE procedure ensures this. While it has been suggested that the procedure, while encouraging a refocus on the conceptualization of constructs, may create a gap by advocating against empirical validation of constructs (Finn & Kayande, 2005), this study has integrated such an empirical validation of constructs within the C-OAR-SE procedure. This research tends to support Rossiter's (2005) proposition that statistics be used to validate theory; that they should not be used to define the construct at the expense of rational thinking at earlier stages in construct definition (Rossiter, 2005).

This study, like that of Hwee (2004), has integrated the C-OAR-SE procedure into research design, and adds to Dowling's (2004) study of journalists' evaluation of corporate reputations in which Dowling uses formative rather than reflective measures. This is quite exceptional as the differentiation between formative and reflective measurement has been absent from the corporate reputation measurement literature (Davies, Chun, Vinhas da Silva, & Roper, 2004, Fombrun, Gardberg, & Sever, 2000, Fombrun, Gardberg, & Sever, 2000, Wartick, 2002). The model specification in this research is that the drivers of reputation are formative indicators and depend on no latent variables; hence, issues of construct validity are, as they are for Dowling (2004) and for Rossiter (2002), no longer relevant.

Chun (2005) has noted how many researchers, in addition to focusing their research on one stakeholder group, 'borrow their approaches from existing scales … without necessary conceptual clarification'. It is hope that the current study provides, through the incorporation of the C-OAR-SE procedure, the conceptual clarification required and the stakeholder relevance (influenced greatly by Weber's (1947) *verstehen* approach taken particularly in the qualitative NGT phase of research) that appears to be long overdue.

7.2.5 **Development of a valid measurement tool for corporate reputation**

Lastly, the research contributes to knowledge by providing a measurement tool. The text analysis, on which this research has been built, incorporated global concepts and produced the building blocks for the corporate reputation construct. Hence it can be applied across international markets. The quantitative survey research can be applied in any business setting, and in any marketplace where a company's reputation is a suitable case for study. This is important, as corporate reputation has been studied in China (Zimmerman & Zeitz, 2002), in Germany and the Netherlands (Thakor, 1996), in the UK (Worcester, 1997), in Australia (Dowling, 2004), in the United States (Logue, Rogalski, Seward, & Foster-Johnson, 2002) and in other markets.

It has been observed (Chun, 2005) how current measurement scales of reputation focus mainly on the views of a single stakeholder group. The measurement approach developed in this research is not limited to any one of the approaches discussed above and in the literature review: social, corporate personality, or trust; neither is it limited to a single stakeholder group. The measurement approach which was developed initially though text analysis, then through the NGT and the development of an ontology of corporate reputation approximates what Chun and Davies (2006) have called hybrid. It reflects an approach which has sought at all levels to develop constructs, components, items and a survey methodology that has relevance for stakeholders. While the approach includes 'Six Pillars' of the Reputation Quotient (viz., Emotional appeal, Products and services, Financial performance, Vision and leadership, Workplace environment, Social and environmental responsibility) it also incorporates aspects of the approach used by Dowling (2004) Schwaiger (2004) and Helm (2005). Yet it was never the intent of this research to provide a synthesis. The principle driver has always been to develop a measurement approach that provides significance at the level meaning as well as explanation (Weber, 1947) and to follow as closely as possible the guidelines provided by the C-OAR-SE procedure (Rossiter, 2002)

7.3 Managerial implications

This section evaluates implications of the research results in the context of the management of a company's reputation. It evaluates the implications of four outcomes of this research. Firstly, the opportunity to adopt a strategic approach to managing corporate reputation based on stakeholder segmentation. Secondly, the identification of the key drivers of corporate reputation, for each stakeholder segment, provides an opportunity to develop an approach to more effective stakeholder relationship management (SRM). Thirdly, the research output provides a tool for strategy planning and for tracking a company's reputation. The final research output of relevance to management is the provision of a research approach for exploring other stakeholder segments.

There is evidence of increased interest in the concept of reputation management. Some have seen this as a response to, for example, growing anti-business virulence that poses new strategic risks for corporations (Kartalia, 2000). The increased globalization of the marketplace, as well as the consequences of instant information exchange, are seen by the same author to intensify the importance of a company's reputation and call for reputation risk management that facilitates accurate and rapid identification of reputation risk incidents, and the subsequent proper management response.

7.3.1 A strategic approach to managing corporate reputation based on stakeholder segmentation

If management is a strategic activity, it would be to a company's strategic competitive advantage to manage and protect its reputations effectively. Indeed, the rise of reputation management has been seen (Argenti & Druckenmiller, 2004) to provide opportunities to provide more strategic corporate communication. The strategic, stakeholder-focused means for evaluating reputation among specific, key stakeholder segments which has been employed in this study provides one such tool.

Both the stakeholder orientation of this study and the methodology employed has implications for effective reputation and stakeholder relationship management. This research provides a means for management to target its corporate communications more effectively towards its stakeholder target audiences. The central proposition or focus or messages need to be relevant to each stakeholder segment's evaluations of the importance of components of corporate reputation. This need not imply a multiplicity of targeted messages. There is evidence of sub-groups of stakeholders for whom several components may be of similar importance. This suggests an opportunity for management of more strategic, better orchestrated stakeholder communications.

7.3.2 Identification of the key drivers of corporate reputation – for each stakeholder segment

The second managerial implication is related to the first in that it pertains to more effective communications to stakeholders that are focused on issues (components) that are of greater relevance to stakeholders. This research has shown strong relationships between stakeholder evaluations of corporate reputation and a set of drivers, which varies for each stakeholder segment (see Table 7-1 above), and which have been identified as the components of corporate reputation, hence as sources of corporate reputational value. The earlier conceptualizations of Fombrun et al (2000); those of Schwaiger (2004), Helm (2005) and of Fortune AMAC tend to focus on social expectations about a company (Berens & van Riel, 2004); those of Davies et al (2001) on corporate personality; and those of Newell and Goldsmith (2001) on corporate credibility or trust. None of these conceptualizations is stakeholder specific. Dowling's conceptualization drew on these and expanded them to include social accountability, corporate capability, media relations, market presence, and personality. The present research has taken Dowling's (2004) conceptualization, which incorporates the mediation of stakeholders, further.

This second management implication has relevance for the strategic (and reputational) value of the research. An improved understanding of the characteristics of stakeholder targets puts management in a stronger position to build valuable stakeholder relationships. The concept of stakeholder relationship management (SRM) is discussed further in the conclusions section of this chapter.

7.3.3 A tool for strategy planning and for tracking a company's reputation

A third implication for management is access to a tool that can be used for a base or strategic evaluation of the strength of its reputation vis à vis the competition, as well as for tracking a company's reputation over time. While the survey conducted as part of this research was based on evaluations of the reputation of a single company, the methodology can include a comparative evaluation across several companies.

7.3.4 A research approach for exploring other stakeholder segments

The unintended consequences of accidents, errors, management re-structuring, exigencies and other potential threats to a company's reputation could result in the need to communicate with a new group of stakeholders. Such a new group could consist of an NGO such as an environmental action group; a government or legislative body; a minority or special-interest group. The research procedure adopted during the second and third phases of this research (the NGT and the stakeholder survey) can be employed to explore such an eventuality. The approach could play an important part also in contingency planning.

7.4 Limitations of the research

The limitations of this research are addressed firstly by reviewing the purpose and delimitations of the research, then by discussing four specific limitations: Firstly, there was the concentration on academic literature in the text analysis stage. Secondly, the possible need for greater coverage across stakeholder groups (in NGT sessions). Thirdly, there may have been a need for further testing of the scale items. Lastly, only one service provider was included as the focus of the stakeholder survey; this may have had an impact and a second company might have been considered.

7.4.1 Purposes of Research

This study has focused on the production of applied knowledge relating to the construction of an ontology and to the measurement of corporate reputation with a stakeholder orientation. The purpose therefore is context-specific, as it is intended to have relevance for the management of a company's reputation among its various stakeholder audiences. A second purpose of this research has been to develop an understanding of the reputation development process as it relates to the components of corporate reputation and the role of stakeholders' selective perception of reputational messages and information. The research, then, has been highly focused on providing explanation and meaning as it related to the evaluation of a company's reputation by its stakeholders. In this sense, this research, as with all research projects, has limitations inherent in its perspective and orientation. Yet this limitation is symptomatic of value-free research which attempts to understand the meaning of social actions (Winch, 1990).

7.4.2 The concentration on academic literature at the text analysis stage

In the text analysis stage it was decided to analyze the academic literature only. A total of 378 practitioner items was also collected for the 2000-2005 period. These items included magazine, newspaper, web-site text and non-academic journals. Analysis of semantic structures and preliminary visual network analysis using word-by-article frequencies as source data, showed the practitioner data to be limited in its semantic range and depth. The single-minded journalistic focus of much of the material was on one or two concepts and hence represented neither the full range of concepts nor a full depth of understanding. It should, however, be acknowledged that their inclusion in the data set may possibly have influenced the results.

7.4.3 The possible need for greater coverage in the NGT stage

In the NGT phase it may have been beneficial to have identified a specific company to be the focus for the selection of stakeholders. The decision was made, in the absence of such a subject company, to conduct the NGT sessions among CEOs, consumers, editors of business publications, corporate communications directors, CEOs and directors of advertising agencies and media companies, and marketing academics. Yet in spite of this non-specificity and the absence of a subject company's employees and customers, the NGT sessions yielded a wealth of material, importantly insights into the corporate reputation construct and questionnaire items which were later coded by expert judges.

7.4.4 Survey response rates compared to goals for each stakeholder group

It has been observed that as a study increases its sample size (except in the case where an effect size is zero) it will obtain more significant results (Kramer & Rosenthal, 1999). This has been discussed earlier in Chapter 6. In this study circumstances required smaller Ns than might otherwise be desirable (Tanaka, 1987). Much can depend on the model, the kind of data collected and the purpose of the analysis (Oud, Jansen, & Haughton, 1999). The criteria established for this study, given the intention to use factor analysis, were to ensure a minimum sample size of 50 observations and to ensure at least five times as many observations as there are variables to be analyzed (Hair, Anderson, Tatham, & Black, 1995). This was adequate given the deductive nature of the enquiry and the confirmatory nature of much of the quantitative analysis. If a more empirical approach had been taken and, for example, structural equation modeling been employed, larger samples would have been required. Having said this, a final total number of data points of 490, given the high level of seniority of respondents, may be considered a useful achievement.

Data management procedures were applied in a systematic, coherent process of data collection, storage and retrieval for the purpose of high quality, accessible data, documentation of analysis, and retention of data (Miles & Huberman, 1994). This extended from text analysis through the NGT phase to the quantitative phase. During the latter phase the questionnaire and cover letter were sent to respondents by email. In this sense, all questionnaires were self-administered, which is not uncommon in the literature (Ericksen, 1996, Leisen, 2001, Melewar, Saunders, & Balmer, 2001). It is hoped that the derivation of items from the NGT sessions with stakeholders, the screening of questionnaires by an expert panel and the thorough pre-testing of the questionnaire that followed, have contributed towards the reliability of the data collection method.

While there is a potential for lower response rates from online surveys, introductory telephone calls were made to all potential respondents to canvas their interest. Other techniques were used to minimize non-response. Firstly, the audience was well targeted with respondents' email addresses coming directly from each respondent or from current lists. Secondly, each email invitation was personalized with a personal salutation. Thirdly, each email invitation was kept short and simple, with just one link - the one to the survey - the researcher's identity disclosed along with the purpose of the study. The survey's benefit and the length of the questionnaire were emphasized and a privacy statement provided. Fourthly, the first survey page was kept simple. Finally, anonymity and confidentiality were reassured. None of this was done unless prior approval had been given first hand, by phone, by each respondent.

7.5 Implications for future research

This research has focused on the meaning and measurement of corporate reputation and on the implications for researchers and practitioners of the stakeholder perspective that as emerged as the key independent variable in shaping evaluations of a company's reputation. Research results have identified the key components of corporate reputation for each stakeholder segment. Implications for future research can be explored along the following pathways: Firstly, the application of the measurement tool to other business sectors and to other markets. Secondly, given the importance of stakeholder perceptions to the development of stakeholder relationships, there is an opportunity to explore further the concept of stakeholder relationship management (SRM), a concept developed by the author of this research and which has not so far been discussed in the literature. Thirdly, the literature review and later the text analysis had identified the concept of legitimation as of relevance to a positive reputation. If legitimation is not, as has been suggested in this study, a component of corporate reputation, it would be worthwhile to look further at the relationship between corporate reputation and legitimation. Fourthly, the application of the ontology needs to be explored further; structural equation modeling may have a role to play in this.

7.5.1 The application of the measurement tool to other business sectors, to other markets and to other organizations

There are opportunities for researchers to apply the methodology in different ways, for example into different business sectors (this research focused on a leading company in the financial services sector). Or to extend the measurement approach towards organizations such as political parties, not-for-profit organizations and NGOs. Given the development of the corporate reputation construct, once a company's or an organization's stakeholders have been identified, where these may differ in definition and make-up from the six stakeholder segments represented in this research (for example government, shareholders, NGOs), NGT sessions could be conducted among the new stakeholder segments and relevant components, constituents and items identified. While this research has been conducted on a large company, future researchers may be interested in extending the methodology to smaller companies, including start-ups.

7.5.2 Stakeholder relationship management (SRM)

There are examples in the literature of the identification of individuals and 'focal organizations' relevant to reputation management (Brown, Dacin, Pratt, & Whetton, 2006). The current study has attempted to go beyond these limitations. The orientation of this research has been towards the relevance of corporate reputation for specific stakeholder segments. This orientation has enabled the corporate reputation of a well-known company to be evaluated and measured from the perspective of each of six different stakeholder segments. An implication for future research could be towards the development of a stakeholder relationship management (SRM) perspective; a perspective within which relevance for the need states of specific stakeholder segments is central to effective reputation management. The concept of the customer relationship management paradigm has been discussed (Gronroos, 1994). There is an opportunity to explore the usefulness of SRM, possibly incorporating the strategic questions adopted by Brown, Dacin, Pratt & Whetton, 2006, and extending it across a range of stakeholder segments and across a broader range of core components of corporate reputation.

7.5.3 Exploring the concept of legitimation as an outcome of a positive reputation

It had been suggested that legitimation is a key component of corporate reputation. Yet no support could be found for this on the basis of what has been learned about stakeholders from the NGT sessions in which legitimation did not emerge as a key component of corporate reputation.

There has been interest in the concept of corporate legitimation (Ahlstrom & Bruton, 2001, Kostova & Zaheer, 1999, Rao, 1994). While evidence in the literature has suggested that legitimation may be a component of corporate reputation, it is possible that may be the outcome of an enhanced reputation. The relationship between corporate reputation and legitimacy and legitimation clearly merit further attention.

7.5.4 Exploring further the ontology and a conceptual model using structural equation modeling

As indicated above, quantitative analysis in this research has been used primarily to confirm a set of theoretical assumptions developed through the first two phases of research. Researchers may be tempted to seek a more empirical, research driven source for evaluating the corporate reputation construct.

The value of Structural Equation Modeling (SEM) to research in marketing, management and organizations is well documented (Bloemer & de Ruyter, 1998, Hellier, Geursen, Carr, & Rickard, 2002, Patterson & Spreng, 1997). SEM could be useful to future researchers in corporate reputation by providing a straightforward method of dealing with multiple relationships simultaneously while providing statistical efficiency. SEM would also allow the researcher to assess relationships comparatively (Hair, Anderson, Tatham, & Black, 1995).

SEM characteristics such as its ability to estimate multiple and interrelated dependence relationships, and to represent unobserved concepts in these relationships and account for measurement error in the estimation process may be of value to such research.

7.5.5 A definition of corporate reputation

A working definition of corporate reputation was developed earlier in this study. Based on the review of the literature, on the results of more qualitative, *verstehen* orientated, text analysis and NGT research which form the basis of the ontology of corporate reputation, and then of the quantitative survey among six stakeholder segments, the definition (which assumes that corporate reputation has positive rather than a negative value to a company) is now proposed for future researchers:

Corporate reputation is that estimation of value, which, in its meaningful content, predisposes a relevant stakeholder segment to think, feel and to behave more positively towards the organization.

An estimation because reputation is a perception of value at a given time, a view shared by Balmer (1998); Bromley (2001); Fombrun (1996) and Jones (1997). Reputation is a resource with perceived, relative value (Hunt, 2000). Meaningful, because meaning strives for clarity and verifiable accuracy of insight and comprehension (Weber, 1947). This study has demonstrated, in its third and quantitative phase, the importance of the relevance of corporate reputation for specific stakeholder segments. Stakeholders think, feel and to behave more positively towards the organization based on the subjectively meaningful content of a company's actions (which includes communications). Positive thinking, feeling and behaviour towards a company as a result of its reputation management activities reinforce its perceived value.

7.6 Conclusions

The research aim has focused on the ability to develop an ontology (including a network of relationships) and a measurement tool for corporate reputation and its key components that reflect differences in perceptions of a company's reputation by various stakeholder segments. The results of the research are relevant theoretically and methodologically, and have relevance for academics and management.

The most important results of the research are three-fold: firstly, the development of an ontology and of an effective measuring instrument; then there is the confirmation of the importance of the different ways stakeholder segments evaluate a company's reputation and the independent variables that drive their evaluations; lastly there is the opportunity that has been opened up to begin to think about reputation management from a marketing communications perspective and in terms of segmentation and stakeholder relationship management.

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Appendices

Appendix Number:

Appendix 1.1 Text analysis dictionary

1. activity	37. effectiveness	73. public
2. advertising	38. employee	74. quality
3. advocacy	39. environment	75. recognition
4. affiliation	40. equity	76. regression
5. asset	41. ethics	77. relation
6. association	42. evaluation	78. representation
7. assumption	43. extension	79. reputation
8. attitude	44. external	80. reputational
9. audience	45. favorable	81. response
10. awareness	46. financial	82. responsibility
11. behavior	47. global	83. retailer
12. brand	48. ideal	84. salience
13. brands	49. identity	85. satisfaction
14. branding	50. image	86. service
15. business	51. imagery	87. skill
16. capital	52. impression	88. social
17. category	53. internal	89. socioeconomic
18. choice	54. investor	90. soundness
19. communication	55. involvement	91. source
20. community	56. knowledge	92. sponsorship
21. company	57. leadership	93. stakeholder
22. competitive	58. legitimacy	94. standardization

23. concept 24. congruence 25. congruity 26. consumer 27. consumption 28. corporate 29. country 30. credibility 31. crisis 32. culture 33. customer 34. development 35. dominant 36. economic	59. legitimation 60. loyalty 61. management 62. memory 63. multinational 64. offering 65. organisation 66. organizational 67. perception 68. performance 69. personality 70. preference 71. product 72. projection	95. standardisation 96. status 97. stewardship 98. strategic 99. strategy 100. strength 101. supplier 102. sustainable 103. symbolism 104. trust 105. usage 106. valid 107. value 108. visual

Appendix 1.2 Example of a text analysis algorithm

```
(************** Content-type: application/mathematica
**************

                    Mathematica-Compatible Notebook

This notebook can be used with any Mathematica-compatible
application, such as Mathematica, MathReader or Publicon. The data
for the notebook starts with the line containing stars above.

To get the notebook into a Mathematica-compatible application, do
one of the following:

* Save the data starting with the line of stars above into a file
  with a name ending in .nb, then open the file inside the
  application;

* Copy the data starting with the line of stars above to the
  clipboard, then use the Paste menu command inside the
application.

Data for notebooks contains only printable 7-bit ASCII and can be
sent directly in email or through ftp in text mode.  Newlines can
be
CR, LF or CRLF (Unix, Macintosh or MS-DOS style).

NOTE: If you modify the data for this notebook not in a
Mathematica-
compatible application, you must delete the line below containing
the word CacheID, otherwise Mathematica-compatible applications may
try to use invalid cache data.

For more information on notebooks and Mathematica-compatible
applications, contact Wolfram Research:
  web: http://www.wolfram.com
  email: info@wolfram.com
  phone: +1-217-398-0700 (U.S.)

Notebook reader applications are available free of charge from
Wolfram Research.
*******************************************************************
)

(*CacheID: 232*)


(*NotebookFileLineBreakTest
NotebookFileLineBreakTest*)
(*NotebookOptionsPosition[    114730,       2071]*)
(*NotebookOutlinePosition[    115527,       2098]*)
```

```
(*  CellTagsIndexPosition[    115483,       2094]*)
(*WindowFrame->Normal*)



Notebook[{

Cell[CellGroupData[{
Cell["The dic*dic matrix for analysis", "Subsection"],

Cell[BoxData[{
    RowBox[{
      StyleBox[\( (*Import\ the\ key\ words*) \),
        "Subsection"],
      "\n", \(keyword =

Import["\<C:\WINDOWS\Desktop\Mathmatica\\keydict05.txt\>"];\),
      "\[IndentingNewLine]",
      StyleBox[\( (*Import\ the\ document\ names*) \),
        "Subsubsection"]}], "\n", \(identname =

Import["\<C:\WINDOWS\Desktop\Mathmatica\Rep\\repnames.txt\>"];\)}],
\
"Input",
  CellLabel->"In[1]:="],

Cell[CellGroupData[{

Cell[BoxData[
    RowBox[{
      StyleBox[\( (*turn\ off\ error\ message*) \),
        "Subsection"], "\[IndentingNewLine]",
      RowBox[{\(Off[First::"\<first\>"];\), "\n",
        StyleBox[\( (*Getting\ text \[Rule] \(stream \[Rule]
file\)*) \),
          "Subsubsection"], "\n", \( (*the\ linkage\ distance\
ruler*) \),
        "\n", \(f[a_, b_] := a - b;\), "\n",
        StyleBox[\( (*set\ the\ cutoff\ distance*) \),
          "Subsubsection"], "\[IndentingNewLine]", \(cutoff =
20;\),
        "\n"}]}]], "Input",
  CellLabel->"In[3]:="],

Cell[BoxData[
    \(Null\^3\)], "Output",
  CellLabel->"Out[3]="]
}, Open  ]],

Cell[CellGroupData[{

Cell[BoxData[
    RowBox[{
```

```
      StyleBox[\( (*Keywords\ are\ put\ into\ file\
"\<keywords\>"*) \),
         "Subsection",
         FontVariations->{"CompatibilityType"->0}], "\n",
      RowBox[{\(str2 = StringToStream[keyword];\),
         "\[IndentingNewLine]", \( (*count\ the\ words\ in\ the\
text\ file\
*) \), "\n", \(ww = 0;\),
         "\n", \(While[\((Read[str2,
                   Word] != "\<EndOfFile\>")\),
\[IndentingNewLine]\t
             ww = ww + 1];\), "\n", \(ww;\), "\n",
         StyleBox[\( (*write\ words\ to\ file\ "\<w\>"*) \),
           FontWeight->"Bold"], "\n", \(str2 =
StringToStream[keyword];\),
         "\n", \(w = {};\),
         "\n", \(For[i = 1,
             i \[LessEqual]
               ww, \(i++\), \[IndentingNewLine]\(AppendTo[w,
                 Read[str2, Word]];\)\[IndentingNewLine]];\), "\n",
         StyleBox[\( (*w\ is\ the\ keyword\ text\ list*) \),
           "Subsubsection",
           FontVariations->{"CompatibilityType"->0}],
         "\n", \(w = ToLowerCase[w];\), "\n", \(Close[str2];\),
         "\n", \(keyword = w;\)}]}]], "Input",
  CellLabel->"In[4]:="],

Cell[BoxData[
    \(Null\^10\)], "Output",
  CellLabel->"Out[4]="]
}, Open  ]],

Cell[CellGroupData[{

Cell[BoxData[
    RowBox[{
      StyleBox[\( (*Identnames\ are\ put\ into\ file\
"\<Identname\>"*) \),
         "Subsection"], "\n",
      RowBox[{\(str2 = StringToStream[identname];\),
         "\n", \( (*count\ the\ words\ in\ the\ text\ file*) \),
         "\n", \(ww = 0;\),
         "\n", \(While[\((Read[str2,
                   Word] != "\<EndOfFile\>")\),
\[IndentingNewLine]\t
             ww = ww + 1];\), "\n", \(ww;\),
         "\n", \( (*write\ words\ to\ file\ "\<w\>"*) \),
         "\n", \(str2 = StringToStream[identname];\), "\n", \(w =
{};\),
         "\n", \(For[i = 1,
             i \[LessEqual]
               ww, \(i++\), \[IndentingNewLine]\(AppendTo[w,
                 Read[str2, Word]];\)\[IndentingNewLine]];\),
         "\n", \( (*w\ is\ the\ text\ list*) \), "\n",
```

```
        "\[IndentingNewLine]", \(Close[str2];\), "\n", \(identname
= w;\),
        "\[IndentingNewLine]", "\n",
        StyleBox[\( (*form\ the\ keyword\ x\ keyword\ matrix*) \),
          "Subsubsection"],
        "\[IndentingNewLine]", \( (*set\ the\ holding\ matrix\ for\
keyword\ \
x\ keyword\ matrix*) \), "\[IndentingNewLine]", \(lkw =
Length[keyword];\),
        "\[IndentingNewLine]", \(keykeywordmat =
            Table[0, {i, 1, lkw}, {j, 1, lkw}];\)}]}]], "Input",
  CellLabel->"In[5]:="],

Cell[BoxData[
    \(Null\^11\)], "Output",
  CellLabel->"Out[5]="]
}, Open  ]],

Cell[CellGroupData[{

Cell[BoxData[
    RowBox[{
      StyleBox[\( (*process\ the\ text\ files*) \),
        "Subsection"],
      StyleBox["\[IndentingNewLine]",
        "Subsection"],
      RowBox[{
        RowBox[{
          RowBox[{"For", "[",

            RowBox[{\(doc = 1\),
              ",", \(doc \[LessEqual] \ Length[identname]\), ",",
\(doc++\),
              ",", "\[IndentingNewLine]", "\n",

              StyleBox[\( (*initialise\ the\ individual\ doc\
matrix\ for\ \
keyxkey*) \),
                "Subsubsection"],
              "\[IndentingNewLine]", \( (*diagonal\ elements\ set\
to\ 0*) \),
               "\n",

              RowBox[{\(matkeykey = Table[0, {i, 1, lkw}, {j, 1,
lkw}]\), ";",
                 "\n", "\[IndentingNewLine]", \(Share[]\), ";",
"\n", "\n",
                StyleBox[\( (*get\ the\ document*) \),
                  "Subsubsection"], "\[IndentingNewLine]",
                StyleBox[\( (*identname\ is\ set\ to\ nn*) \),
                  "Input"], "\n", \(nn = identname[\([doc]\)]\),
";",
                "\n", \(nam2 =
```

```
                  StringJoin["\<C:\Documents and Settings\Stephen
Lloyd\My \
Documents\PhD\AcArticles\RepNew\\\>", nn]\), ";",
                "\n", \(nam2 = StringJoin[nam2, "\<.txt\>"]\), ";",
                "\[IndentingNewLine]",
                StyleBox[\( (*Print\ the\ doc\ name*) \),
                  "Text"], "\[IndentingNewLine]", \(Print[nam2]\),
";",
                "\n", \( (*Import\ the\ text\ file\ for\ analysis*)
\),
                "\n", \(filetext = Import[nam2]\), ";", "\n",

                StyleBox[\( (*filetext\ is\ put\ into\ file\
"\<filetext\>"*) \
\),
                  "Input"], "\n", \(str2 =
StringToStream[filetext]\), ";",
                "\[IndentingNewLine]", \( (*count\ the\ words\ in\
the\ text\ \
file*) \), "\n", \(ww = 0\), ";",
                "\n", \(While[\((Read[str2,
                        Word] != "\<EndOfFile\>")\),
\[IndentingNewLine]\t
                  ww = ww + 1]\), ";",
                "\n", \( (*write\ words\ to\ file\ "\<nn\>"*) \),
                "\n", \(str2 = StringToStream[filetext]\), ";",
                "\n", \(nn = {}\), ";",
                "\n", \(For[i = 1,
                  i \[LessEqual]
                    ww, \(i++\), \[IndentingNewLine]\(AppendTo[nn,
                      Read[str2, Word]];\)\[IndentingNewLine]]\),
";",
                "\n", \( (*nn\ is\ the\ text\ list*) \),
                "\n", \(nn = ToLowerCase[nn]\), ";", "\n",
\(Close[str2]\),
                ";", "\n", \(filetext = nn\), ";", "\n", "\n",

                StyleBox[\( (*strip\ the\ punctuation\ clutter\
from\ nn, \
                    the\ full\ text\ list*) \),
                  "Subsubsection"], "\n", \( (*prime\ a\ holder*)
\),
                "\[IndentingNewLine]", \(lisnn = {}\), ";",
                "\n", \(For[i = 1,
                  i \[LessEqual]
                    Length[filetext], \(i++\), \[IndentingNewLine]
(*check\ \
for\ endings\ *) \[IndentingNewLine]If[\((Last[\
                            Characters[
                              filetext[\([i]\)]]] \[Equal]
"\<,\>")\) || \
\((Last[\
                            Characters[
```

```
                              filetext[\([i]\)]]] \[Equal]
"\<;\>")\), \
\[IndentingNewLine] (*if\ so\ drop\ it*) \[IndentingNewLine]ld =
                      StringJoin[\
                        Drop[\ Characters[
                            filetext[\([i]\)]], \(-1\)\ ]]\ , \
\[IndentingNewLine]\(ld =
                        StringJoin[
                          Characters[
                            filetext[\([i]\)]]]\ ;\)]; \ \
\[IndentingNewLine]If[\((Last[\
                            Characters[
                              filetext[\([i]\)]]] \[Equal]
"\<.\>")\) || \
\((Last[\
                            Characters[
                              filetext[\([i]\)]]] \[Equal]
"\<:\>")\), \
\[IndentingNewLine] (*if\ fullstop\ drop\ it*)
\[IndentingNewLine]ld =
                      StringJoin[\
                        Drop[\ Characters[
                            filetext[\([i]\)]], \(-1\)\ ]]\ , \
\[IndentingNewLine] (*if\ no\ ignore*) \[IndentingNewLine]]; \ \
\[IndentingNewLine]If[\((First[\
                            Characters[
                              filetext[\([i]\)]]] \[Equal]
"\<[\>")\) || \
\((First[\
                            Characters[
                              filetext[\([i]\)]]] \[Equal]
"\<(\>")\), \
\[IndentingNewLine] (*if\ leftbracket\ drop\ it*)
\[IndentingNewLine]ld =
                      StringJoin[\
                        Drop[\ Characters[filetext[\([i]\)]],
                          1\ ]]\ , \[IndentingNewLine] (*if\ no\
ignore\
*) \[IndentingNewLine]]; \ \[IndentingNewLine]If[\((Last[\
                            Characters[
                              filetext[\([i]\)]]] \[Equal]
"\<)\>")\) || \
\((Last[\
                            Characters[
                              filetext[\([i]\)]]] \[Equal]
"\<]\>")\), \
\[IndentingNewLine] (*if\ rightbracket\ drop\ it*)
\[IndentingNewLine]ld =
                      StringJoin[\
                        Drop[\ Characters[
                            filetext[\([i]\)]], \(-1\)\ ]]\ , \
\[IndentingNewLine] (*if\ no\ ignore*) \[IndentingNewLine]]; \ \
\[IndentingNewLine] (*update\ holder*)
\[IndentingNewLine]AppendTo[lisnn,
```

```
                    ld];\[IndentingNewLine]]\), ";",
                "\n", \(lisnn = ToLowerCase[lisnn]\), ";", "\n",
"\n",
                StyleBox[\( (*strip\ the\ core\ from\ filetext\
list*) \),
                  "Subsubsection"],
                "\[IndentingNewLine]", \(core = {"\<a\>",
"\<about\>", "\<all\
\>", "\<also\>", "\<always\>", "\<an\>", "\<(and\>", "\<and\>", \
"\<another\>", "\<are\>", "\<are,\>", "\<as\>", "\<ask\>",
"\<asking\>", \
"\<at\>", "\<be\>", "\<because\>", "\<being\>", "\<bit\>",
"\<but\>", \
"\<by\>", "\<can\>", "\<cannot\>", "\<can't\>", "\<come\>",
"\<do\>", "\<does\
\>", "\<doing\>", "\<done\>", "\<enough\>", "\<example.\>",
"\<example,\>", "\
\<example,)\>", "\<(for\>", "\<for\>", "\<from\>", "\<get\>",
"\<gets\>", \
"\<give\>", "\<has\>", "\<have\>", "\<have.\>", "\<have,\>",
"\<[help]\>", \
"\<help\>", "\<helps\>", "\<here\>", "\<heretofore,\>", "\<how\>",
\
"\<huge\>", "\<i\>", "\<if\>", "\<in\>", "\<into\>", "\<(is\>",
"\<is\>", \
"\<is)\>", "\<isn't\>", "\<(it\>", "\<it\>", "\<it:\>",
"\<it.\"\>", \
"\<it's\>", "\<its\>", "\<itself\>", "\<just\>", "\<like\>",
"\<look\>", \
"\<looking\>", "\<make\>", "\<may\>", "\<me\>", "\<meet\>",
"\<more\>", \
"\<most\>", "\<most?\>", "\<much\>", "\<must\>", "\<need\>",
"\<needs\>", \
"\<no\>", "\<not\>", "\<not,\>", "\<(now\>", "\<now\>", "\<of\>", \
"\<often\>", "\<on\>", "\<one\>", "\<or\>", "\<other\>",
"\<others\>", "\<our\
\>", "\<ourselves\>", "\<out\>", "\<over\>", "\<own\>",
"\<provide,\>", \
"\<put\>", "\<same\>", "\<say\>", "\<see\>", "\<seeing\>",
"\<should\>", \
"\<so\>", "\<some\>", "\<someone\>", "\<something\>",
"\<somewhat\>", "\<such\
\>", "\<text:\>", "\<than\>", "\<that\>", "\<that.\>",
"\<that's\>", \
"\<\"(the\>", "\<(the\>", "\<the\>", "\<their\>", "\<them\>",
"\<them.\>", \
"\<themselves.\>", "\<(then\>", "\<there\>", "\<these\>",
"\<they\>", \
"\<they'll\>", "\<they're\>", "\<thing\>", "\<things.\>",
"\<things,\>", \
"\<think\>", "\<this\>", "\<those\>", "\<to\>", "\<together\>", \
"\<together.\>", "\<trying\>", "\<two\>", "\<under\>", "\<us\>",
"\<us.\>", "\
```

```
\<want\>", "\<wanted:\>", "\<wavelength\>", "\<way\>", "\<we\>",
"\<we're\>", \
"\<(what)\>", "\<what\>", "\<what's\>", "\<(when)\>", "\<when\>", \
"\<where\>", "\<which\>", "\<who\>", "\<whole\>", "\<why\>",
"\<will\>", \
"\<with\>", "\<without\>", "\<would\>", "\<years\>", "\<you\>",
"\<your\>"}\),
                 ";", "\n", \(lisbare = {}\), ";",
                "\n", \(For[i = 1,
                  i \[LessEqual]
                    Length[filetext], \(i++\), \
\[IndentingNewLine]\(If[\((Count[core, filetext[\([i]\)]] == 0)\),
                      AppendTo[lisbare,
                        filetext[\([i]\)]\ ],
];\)\[IndentingNewLine]]\), ";",
                 "\n", \(filetext = \(z = lisbare\)\), ";", "\n",
                StyleBox["\[IndentingNewLine]",
                  "Subsection"],

                StyleBox[\( (*What\ is\ the\ word\
\(\(frequency\)\(?\)\)*) \
\),
                  "Subsubsection"], "\[IndentingNewLine]",
                StyleBox[\(lisw = \(wf = keyword\)\),
                  FontWeight->"Bold",
                  FontSlant->"Plain"],
                StyleBox[";",
                  FontWeight->"Bold",
                  FontSlant->"Plain"],
                "\n", \( (*How\ often\ does\ each\ term\
\(\(appear\)\(?\)\)\
*) \), "\n", \(tot = {}\), ";",
                "\n", \(For[i = 1,
                  i \[LessEqual]
                    Length[keyword], \(i++\),
\[IndentingNewLine]\(AppendTo[
                      tot, {\ keyword[\([i]\)],
                        Count[filetext,

keyword[\([i]\)]]}];\)\[IndentingNewLine]]\), ";",
                "\n",
                StyleBox[\( (*tot\ is\ the\ keyword\ frequency*)
\),
                  "Subsubsection"], "\n", "tot", ";",
"\[IndentingNewLine]",
                "\n",

                StyleBox[\( (*freqkey\ is\ f\ of\ keywords\ in\
this\ doc*) \
\),
                  "Subsubsection"], "\n", \(freqkey = {}\), ";",
                "\n", \(For[i = 1,
                  i \[LessEqual]
```

```
                    Length[tot], \(i++\),
\[IndentingNewLine]\(AppendTo[
                      freqkey, tot[\([i, 2]\)]\
];\)\[IndentingNewLine]]\),
                "；", "\n", "freqkey", "；", "\[IndentingNewLine]",
                StyleBox["\[IndentingNewLine]",
                  "Subsection"], "\[IndentingNewLine]",
                StyleBox[\( (*seek\ the\ word\ pairings*) \),
                  "Subsection"], "\n", "\n",
                RowBox[{"For", "[",

                  RowBox[{\(p = 1\), ",", \(p \[LessEqual]
Length[keyword]\),
                    ",", \(p++\), ",", "\[IndentingNewLine]", "\n",

                    StyleBox[\( (*find\ the\ position\ of\ the\
first\ word\ \
in\ the\ text*) \),
                      "Subsubsection"], "\n",

                    RowBox[{\(list1 =
                        Flatten[Position[filetext,
keyword[\([p]\)]]]\), ";",
                      "\n", \(list = {}\), ";",
                      "\n", \(For[i = 1,
                        i \[LessEqual]
                          Length[list1], \(i++\),
\[IndentingNewLine]\(If[
                            list1[\([i]\)] < cutoff,
                            AppendTo[list, list1[\([i]\)]],
                            AppendTo[list,
0]];\)\[IndentingNewLine]]\), ";",
                      "\n", \(list1 = list\), ";", "\n",
                      RowBox[{"For", "[",

                        RowBox[{\(q = p + 1\),
                          ",", \(q \[LessEqual] Length[keyword]\),
                          ",", \(q++\), ",", "\n",

                          RowBox[{\(If[\((list1 \[Equal] {} ||
                                  Count[list1, 0] \[Equal]
Length[list1])\),
                              Continue[]]\), ";", "\n",
"\[IndentingNewLine]",


                            StyleBox[\( (*find\ the\ position\ of\
the\ \
second\ word\ in\ the\ text*) \),
                              "Subsubsection"],
                            "\n", \(list2 =
                              Flatten[Position[filetext,
keyword[\([q]\)]]]\),
                             ";", "\n", \(list = {}\), ";",
```

```
                            "\n", \(For[i = 1,
                              i \[LessEqual]
                                Length[
                                  list2], \(i++\),
\[IndentingNewLine]\(If[
                                  list2[\([i]\)] < cutoff,
                                  AppendTo[list,

list2[\([i]\)]]];\)\[IndentingNewLine]]\),
                             ";", "\n", \(list2 = list\), ";",
"\n",
                            "\[IndentingNewLine]", \(If[\((list2
\[Equal] {} ||
                                  Count[list2, 0] \[Equal]
Length[list2])\),
                              Continue[]]\), ";", "\n",
"\[IndentingNewLine]",


                            StyleBox[\( (*Otherwise, \
                                calculate\ distances\ between\ all\
possible\ \
word\ pairings*) \),
                              "Subsubsection"],
                            StyleBox["\[IndentingNewLine]",
                              "Subsubsection"],
                            StyleBox["\[IndentingNewLine]",
                              "Subsubsection"],
                            StyleBox[\(fcw1 = \(fcw2 = 0\)\),
                              "Text"],
                            StyleBox[";",
                              "Text"],
                            StyleBox["\[IndentingNewLine]",
                              "Subsubsection"],
                            "\n", \(wp =
                              Sort[Flatten[
                                  Outer[f, list1, list2]], #2 < #1
&]\), ";",
                            "\n", \( (*get\ positive\ word\
\(pairings : \
                                    w1\) \[Rule] w2*) \),
                            "\n", \(pwp = Select[wp, # > 0 &]\),
";",
                            "\n", \( (*get\ negative\ word\
\(pairings : \
                                    w2\) \[Rule] w1*) \),
                            "\n", \(nwp = \(-\((Select[wp, # <= 0
&])\)\)\),
                            ";", "\n", \( (*frequency\ of\ word1*)
\),
                            "\n", \(fw1 = Length[list1]\), ";",
                            "\[IndentingNewLine]", \( (*frequency\
of\ word2\
*) \), "\n", \(fw2 = Length[list2]\), ";",
```

```
                              "\n", \( (*frequency\ of\ co -
                                  word\ appearance*) \),
                              "\[IndentingNewLine]", \( (*w1 \[Rule]
w2*) \),
                              "\n", \(If[\((pwp >
                                    0)\), \[IndentingNewLine]fcw1 =
                                  Sum[Count[pwp, i], {i, 1, cutoff}],
                                fcw1 = 0]\), ";",
                              "\n", \(matkeykey[\([p, q]\)] = fcw1\),
";",
                              "\[IndentingNewLine]",
                              "\n", \(If[\((fw1 == 0)\), fcw1 = 0,
Null]\), ";",
                               "\n", \(matkeykey[\([p]\)] =
                                ReplacePart[matkeykey[\([p]\)], fcw1,
q]\), ";",
                               "\n", \( (*w2 \[Rule] w1*) \),
                              "\[IndentingNewLine]",
\(If[\((Length[nwp] >
                                    0)\), \[IndentingNewLine]fcw2 =
                                  Sum[Count[nwp, i], {i, 1, cutoff}],
                                fcw2 = 0]\), ";",
                              "\n", \(If[\((fw2 == 0)\), fcw2 = 0,
Null]\), ";",
                               "\n", \(matkeykey[\([q]\)] =
                                ReplacePart[matkeykey[\([q]\)], fcw2,
p]\),
                              ";"}]}], "\n", "]"}], ";"}]}], "\n",
"]"}], ";",
                  "\n", \( (*normalize\ by\ #  words*) \),
                  "\n", \(keykeywordmat =
                    keykeywordmat + N[matkeykey/Length[filetext],
4]\), ";"}]}],
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";"}],
            "\[IndentingNewLine]"}]}]], "Input",
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      "Possible spelling error: new symbol name \"\!\(list\)\" is
similar to \
existing symbols \!\({List, lisw}\)."\)], "Message",
  CellLabel->"From In[6]:="],


(*******************************************************************
*
End of Mathematica Notebook file.
*******************************************************************
)
```

Appendix 1.3 Example of an email invitation to the NGT sessions and post-NGT ackowledgement

Dear Mark,

Thanks for agreeing to join us for our nominal group session on Friday, June 10th in the Board Room of WhybinTBWA, L2/11 Mayoral Drive Auckland City at 12.30PM. A sandwich lunch will be provided.

Our topic is Corporate Reputation and its components.

I am confident you will find the Nominal Group Technique (NGT) interesting and useful in your business, and that you will find both the topic and quality of our discussion worthwhile.

The nominal group technique (NGT) uses a structured format to obtain multiple inputs from several people on a particular problem or issue. The process prevents the domination of discussion by a single person, encourages members to participate, and results in a set of prioritized solutions or recommendations. Voting is anonymous; there are opportunities for equal participation of group members.

NGT can be one more tool for organizations to use in helping improve their ability to make sound decisions.

Look forward to seeing you at 12.30PM on June 10th

Best regards,

Stephen Lloyd

From:	David Walden <david.walden@whybintbwa.co.nz>	Wednesday - September 7, 2005 8:43 AM
To:	"Stephen Lloyd" <stephen.lloyd@aut.ac.nz>	
Subject:	Re: Thanks	
Attachments:	Mime.822 (2370 bytes)	[View] [Save As]

Pleasure, good luck with the project.

David

On Sep 6, 2005, at 8:21 PM, Stephen Lloyd wrote:

Dear David,

Thanks again for joining us at the session on Corporate Reputation. I enjoyed meeting up and appreciate your contribution. I hope you feel like got something out of it.

I will let you know how the project develops.

Best regards,

Stephen

Senior Lecturer, Advertising & Marketing
Auckland University of Technology
T 649-921-9999 Ex 5815
M 027-441-6946

Appendix 1.4   Example of an initial coding sheet from an NGT session

CEOs

Ethical Management
20 Integrity: open, honest, fair in all it does
5 A good place to work – rewarding and advancing competencies
15 Good employer/good citizen – supporting community
1 Involvement in other aspects of the industry – "good will"/ "greater good"

Product
12 Client satisfaction for product, service and support
9 Quality of product

Performance
6 Success/quality of outcomes – awards
6 Communication – conditions of working with suppliers and customers
3 Adaptability – ability to understand "total agenda" – aspires to engage positively to understand brief
1 Understand stakeholder (clients, partners, advisers, employees, owners) wants and needs

Leadership
8 Leadership – seen as being as leader – innovative, passionate, the best

Identity
2 Clear vision/strategy and set of values communicated to stakeholders – linked to performance (e.g., GE product safety)

Credibility of CEO
Respect and satisfaction from stakeholder groups – maintained over time – continually raising the bar
Reliability of company's products and performance – supplier relationships
Sustained, visible earnings and growth performance
How you manage problems and crises - fixes cock-ups
Perception vs. reality – builds identity, visibility (e.g., safety record), and simplicity in communications
Acting within the law – not seen as exploiting the litigious
Monitoring/responding to feedback – listening for feedback ("what is our real reputation?")
Comprehensive offering – every individual in the business, across locations, is involved
The nature of the industry you're in

Appendix 1.5 Example of an expert's coding sheet after all NGT sessions

AUCKLAND UNIVERSITY OF TECHNOLOGY
TE WĀNANGA ARONUI O TAMAKI MAKAU RAU

FACULTY OF BUSINESS

PhD Project

<u>Coding Sheets</u>

The following pages each contain a table. Each table contains a list of items in the left hand column. Each of the twelve columns to the right is headed by a descriptor.

For each of the items on the left, please select the ONE descriptor that best CLASSIFIES that particular item by placing an 'X' in the appropriate box.

When you have worked your way through all the items, each one will have ONE 'X' to its right to show which descriptor best classifies that particular item.

Two of the descriptors may require definition so that we all use each of them in the appropriate way.

By *Identity* we mean:

> The set of values and principles employees and managers associate with a company
>
> What the organisation is, or stands for, that makes it different

By *Image* we mean:

> The image associated with the name of a corporation.
>
> A conceptualization that is projected by the company and its communications and which is perceived by stakeholders and members of the public.

Thank you.

1.6 Pilot study questionnaire

Stephen Lloyd
Lecturer, Faculty of Business

Greetings,

I am conducting an independent study on Corporate Reputation (from an investor's point of view?) as part of my PhD research and would appreciate it if you would complete this questionnaire, from your perspective as an investment and finance specialist.

Stephen, are you sending this to investment and finance specialists or are you asking your respondents to answer the question from that perspective?

Your answers will be treated confidentially and your privacy will be protected. Your answers will be collected electronically and analyzed statistically. No reference to you individually will be made without your express consent. While this survey is being conducted on the reputation of one particular company – Air New Zealand – this remains a confidential, independent survey.

I appreciate your time and cooperation.

Yours sincerely,

Stephen Lloyd

Question 1:

How would you personally – from your perspective as an investment and finance specialist (Refer my second comment) – rank the following characteristics in terms of the *importance* of their contribution to a company's reputation.

I think that it might be worth stressing / clarifying that this is not a consumer perspective on reputation but an investment perspective on reputation.

(Give each item a ranking from 1 to 9 – no two characteristics can have the same ranking.) Assuming that 1 = most important......?

Characteristic	**Description**	**Rank from 1-9**
Image	*How the company is seen.*	7
Identity	*What the company stands for, including its vision and culture.*	8
Management leadership	*Management that is smart and adaptable, that manages risk and is strongly structured.*	2
Performance	*Achievements, competencies, quality outcomes and awards.*	6
Corporate brand	*Recognizable signals, symbols and properties which are associated with the company.* Difficult to distionguish between this one and the first one.	4
Products and services	*Quality, soundness, safety of products and*	3

	services.	
Financial performance	*Strong financial standing, consistent returns.*	1
Ethical management and leadership	*Honesty and integrity, community involvement and environmental responsibility.*	9
Corporate leadership	*The company is seen as a leader in its field.* Difficult to distionguish between this one and the first one.	5

Note the font differences in the right hand column.

Question 2:

We are now going to look at a number of different ways to describe a company. Thinking about *the way you see and think about Air New Zealand as an investment and finance specialist*, I would like you to express how strongly you agree – or disagree – that each description fits the way you think about Air New Zealand.

For this we will use a scale from 0 to 6 where:

0 = Disagree strongly
1 = Disagree somewhat
2 = Disagree slightly
3 = Mixed feelings – not sure
4 = Agree slightly
5 = Agree somewhat
6 = Agree strongly
DK = Don't know

Too many options? 5 (0-4) + DK?

Please read each description below and circle the number to the right that best expresses your agreement that this is an accurate description of Air New Zealand – *from your perspective as an investment and finance specialist.*

Complete for all the following descriptions.

Consider using table rows (a row per per statement) to ensure that the left column lines up with the right one.

Its culture supports being a good employer and a good	0	1	2	3	4	5	6	DK
place to work. How about it's a good employer and								
place to work?	0	1	2	3	4	5	6	DK
Its company structure, principles and executives are								
supportive of lawfulness, ethics and governance. Bit	0	1	2	3	4	5	6	DK
obscure – perhaps as a result of the mixing of order?								
It values highly the safety, security and reliability of	0	1	2	3	4	5	6	DK
products for customers and employees.								
It provides the best quality products and services it								
can.	0	1	2	3	4	5	6	DK
It provides person~~al~~-to-person service with real	0	1	2	3	4	5	6	DK
people.								
It provides a sound offering on brand performance and	0	1	2	3	4	5	6	DK
delivery. Not sure what this means.	0	1	2	3	4	5	6	DK
It provides a consistent return to shareholders.								
It knows how to deal with mistakes – the "moment of								
truth when they show how they really feel about you."	0	1	2	3	4	5	6	DK
	0	1	2	3	4	5	6	DK
It keeps up to date with what's going on. Do you mean								
tactically or technologically, or both?	0	1	2	3	4	5	6	DK
It is transparent in its interactions and communications								
with stakeholders.	0	1	2	3	4	5	6	DK
It is involved in other aspects of the industry, in "good								
will" and the "greater good". How about, "It engages in								
the industry in an unselfish way"?"	0	1	2	3	4	5	6	DK
It is aware of the need to balance the triple bottom	0	1	2	3	4	5	6	DK
line.	0	1	2	3	4	5	6	DK
It is an innovative and progressive company.	0	1	2	3	4	5	6	DK
It is a respected corporate brand.	0	1	2	3	4	5	6	DK
The people running the business have a go-getter	0	1	2	3	4	5	6	DK
attitude – always chasing to improve.	0	1	2	3	4	5	6	DK
What it says is consistent with what it does – it "walks								

the talk”.								
You know where the company stands on issues.	0	1	2	3	4	5	6	DK
Its management has strong corporate governance.	0	1	2	3	4	5	6	DK
Its management demonstrates speed and honesty in resolving conflicts, identifying problems and finding	0	1	2	3	4	5	6	DK
solutions.	0	1	2	3	4	5	6	DK
Its management demonstrates a willingness and ability to learn, to change and to evolve.	0	1	2	3	4	5	6	DK
Its management is competent at managing the risk of innovation.	0	1	2	3	4	5	6	DK
Its leadership demonstrates accountability and a sense of ownership.	0	1	2	3	4	5	6	DK
Its image and how it is perceived ~~perception~~ have real	0	1	2	3	4	5	6	DK
substance and are relevant to stakeholder aspirations. Very broad coverage.	0	1	2	3	4	5	6	DK
A positive public image is held of its corporate culture.	0	1	2	3	4	5	6	DK
Does the public regard it to have a good corporate culture?	0	1	2	3	4	5	6	DK
It is a provider of quality goods and service that deliver customer satisfaction.	0	1	2	3	4	5	6	DK
It is a progressive company.	0	1	2	3	4	5	6	DK
It is a good employer that takes care of its employees.	0	1	2	3	4	5	6	DK
It is a good citizen that is supporting the community.	0	1	2	3	4	5	6	DK
The company is seen as being as leader – innovative, passionate, the best.	0	1	2	3	4	5	6	DK
The CEO is of strong standing – bold and willing enough to front issues, good or bad.	0	1	2	3	4	5	6	DK
Positive perceptions of the company are held by stakeholders including staff.	0	1	2	3	4	5	6	DK
Its management is sensitive to changes in attitudes and the social climate.	0	1	2	3	4	5	6	DK
Its management is adaptable.	0	1	2	3	4	5	6	DK
Its management involves employees in the setting of company objectives.	0	1	2	3	4	5	6	DK
Its management has the ability to understand the “total agenda” and to engage positively to “understand the brief”.	0	1	2	3	4	5	6	DK
It is a company whose performance you can trust.	0	1	2	3	4	5	6	DK
It is a company brand that creates confidence.	0	1	2	3	4	5	6	DK
It honours guarantees and warranties in a non-								

confrontational way.	0	1	2	3	4	5	6	DK
It has sound management structures.	0	1	2	3	4	5	6	DK
It has a track record of delivering on its promises: "saying what they will do – and doing what they say".	0	1	2	3	4	5	6	DK
It has a strong financial standing.	0	1	2	3	4	5	6	DK
It has a smart management with a "high batting average and is consistently out-batting risks".	0	1	2	3	4	5	6	DK
It has a record of success and of quality outcomes, including awards.	0	1	2	3	4	5	6	DK
It has a consistent image.								
It has a clear identity and sense of purpose about values, internally and externally.	0	1	2	3	4	5	6	DK
It educates its shareholders.	0	1	2	3	4	5	6	DK
It demonstrates the style of performance in every aspect: people, service, product quality, competence.	0	1	2	3	4	5	6	DK
It demonstrates consistent corporate behaviour – internally and externally.	0	1	2	3	4	5	6	DK
It demonstrates consistency of strategy and industry leadership.	0	1	2	3	4	5	6	DK
It demonstrates a high level of integrity in stakeholder dealings and problem solving.	0	1	2	3	4	5	6	DK
It demonstrates a business performance that provides stakeholder value and value to shareholders.	0	1	2	3	4	5	6	DK
It delivers customer satisfaction for products, service and support.	0	1	2	3	4	5	6	DK
It communicates well the conditions of working with its suppliers and customers.	0	1	2	3	4	5	6	DK
It builds quality in stakeholder relationships by treating people (e.g., shareholders) well.	0	1	2	3	4	5	6	DK
It is a good place to work.	0	1	2	3	4	5	6	DK
It demonstrates strong top down leadership.	0	1	2	3	4	5	6	DK
It demonstrates straightforward, accessible and responsible leadership.	0	1	2	3	4	5	6	DK
It demonstrates social and environmental responsibility.	0	1	2	3	4	5	6	DK
It demonstrates honesty and integrity such as in disclosing board interests.	0	1	2	3	4	5	6	DK

Thank you. Now one final question.

Question 3:

Looking back over the descriptions you have been looking at above, what elements of Corporate Reputation come to mind that may be important to you and which are not included among the statements above. (Please list as many elements as you wish.)

Thank you for your participation. Your responses and comments are extremely helpful and will be treated confidentially.

Appendix 1.7 Key components, constituents and items after expert's coding of NGT data

Components	Constituents	Items
Performance	Achievements Communications competence Trust Customer satisfaction Style of performance CRM	It has a record of success and of quality outcomes, including awards. It communicates well the conditions of working with its suppliers and customers. It is a company whose performance you can trust. It has a track record of delivering on its promises: "saying what they will do – and doing what they say". It is a provider of quality goods and service that deliver customer satisfaction. It demonstrates "style" in every aspect of its performance. It honours guarantees and warranties in a non-confrontational way.
Financial performance	Consistent return to shareholders Stakeholder/shareholder value Strong standing	It provides a consistent return to shareholders. It demonstrates a business performance that provides stakeholder value and value to shareholders. It has a strong financial standing.
Products/services	Quality Satisfaction Safe, secure, reliable Personability	It is a provider of quality goods and services. It provides the best quality products and services it can. It delivers customer satisfaction for products, service and support. It values highly the safety, security and reliability of products for customers and employees. It provides person-to-person service with real people.
Management leadership	Adaptability/ability to learn Effective problem solvers Strong corporate governance	Management is adaptable to changes in attitudes and the social climate. Management demonstrates a willingness and ability to learn, to change and to evolve. Management demonstrates speed and honesty in solving conflicts, identifying problems and finding solutions. Management has the ability to understand the "total agenda" and to engage positively to "understand the brief". Management has strong corporate governance. The people running the business have a go-getter attitude – always chasing to improve.

	Smart/go-getter attitude Risk management Top down leadership Employee involvement Accountability / sense of ownership Sound structures Consistent Straightforward, accessible and responsible	Management is competent at managing the risk of innovation. It has a smart management with a good record of capitalizing on risk. It demonstrates strong top down leadership. The CEO is of strong standing - bold and willing enough to front issues, good or bad. Management involves employees in the setting of company objectives. Its leadership demonstrates accountability and a sense of ownership. It has sound management structures. It demonstrates consistent corporate behaviour – internally and externally. It demonstrates straightforward, accessible and responsible leadership.
Corporate leadership	Innovative, passion to be the best Progressive Educates shareholders Industry leadership	It is an innovative company. The company is seen as being a leader – innovative, passionate, the best. It is a progressive company. It keeps up to date with what's going on tactically and technologically. It educates its shareholders. It demonstrates consistency of strategy and industry leadership.
Ethical management and leadership	Good citizen Social/Environmental responsibility Honesty and integrity Involvement with "greater good" Supportive of lawfulness, ethics and governance Transparent communications Balances triple bottom line Stakeholder relationship	It is a good citizen that is supporting the community. It demonstrates social and environmental responsibility. It demonstrates honesty and integrity such as in disclosing board interests. It demonstrates a high level of integrity in stakeholder dealings and problem solving. It is involved in other aspects of the industry, in "good will" and the "greater good". Its company structure, principles and executives are supportive of lawfulness, ethics and governance. It is transparent in its interactions and communications with stakeholders. It is aware of the need to balance the triple bottom line. It builds quality in stakeholder relationships by treating people (e.g., shareholders) well.

	management	
Identity	Good place to work Clear vision, strategy and values Good employer Clear stand on issues	Is a good place to work. It has a clear vision, strategy and set of values. It has a clear identity and sense of purpose about values, internally and externally. It is a good employer that takes care of its employees. You know where the company stands on issues.
Image	Substance and relevance Consistent Positive perceptions by stakeholders	Its image and perception have real substance and are relevant to stakeholder aspirations. It has a consistent image. Positive perceptions of the company are held by stakeholders including staff.
Corporate brand	Creates confidence Respected Performing brand	It is a company brand that creates confidence. It is a respected corporate brand. It is a well performing brand.

Appendix 1.8: Items used in the study and those used in other studies of corporate reputation

Current Study	***Fortune* Study**	**Fombrun et al. (2000) 'Six Pillars'**	**Newell and Goldsmith's (2001)**	**Dowling (2004)**	**Schwaiger (2004)**	**Helm (2005)**
Performance It has a record of success and of quality outcomes, including awards. It communicates well the conditions of working with its suppliers and customers. It is a company whose performance you can trust. It has a track record of delivering on its promises: "saying what they will do – and doing what they say". It is a provider of quality goods and service that deliver customer satisfaction. It demonstrates "style" in every aspect of its performance. It honours guarantees			**Expertise** The XYZ Corporation has a great amount of experience The XYZ Corporation is skilled in what they do The XYZ Corporation has great expertise The XYZ Corporation does not have much experience		Customer orientation	Corporate success Customer orientation

and warranties in a non-confrontational way.						
Financial performance It provides a consistent return to shareholders. It demonstrates a business performance that provides stakeholder value and value to shareholders. It has a strong financial standing.	Long-term investment value. Financial soundness. Use of corporate assets.	**Pillar 3: Financial performance** Has a strong record of profitability. Looks like a low risk investment. Tends to outperform its competitors. Looks like a company with strong prospects			Financial performance	Financial performance
Products/services It is a provider of quality goods and services. It provides the best quality products and services it can. It delivers customer satisfaction for products, service and support. It values highly the safety, security and reliability of products for customers and employees. It provides person-to-	Quality of products or services.	**Pillar 2: Products and services** Stands behind its products and services. Develops innovative products and services. Offers high quality products and services. Offers products and services that are a good value for the money			Reliability Credibility Quality of employees Quality of products and services	Quality of products Value for money products

person service with real people.						
Management leadership Management is adaptable to changes in attitudes and the social climate. Management demonstrates a willingness and ability to learn, to change and to evolve. Management demonstrates speed and honesty in solving conflicts, identifying problems and finding solutions. Management has the ability to understand the "total agenda" and to engage positively to "understand the brief". Management has strong corporate governance. The people running the business have a go-getter attitude – always chasing to improve. Management is	Quality of management	**Pillar 4: Vision and leadership** Has excellent leadership. Has a clear vision for its future. Recognizes and takes advantage of market opportunities.		**Corporate capability** Strong leadership Quality/reliable products & services Innovative Well managed Strong financial performance. Low risk investment. Winning strategy. Good growth prospects.	Quality of management	Qualification of management

competent at managing the risk of innovation. It has a smart management with a good record of capitalizing on risk. It demonstrates strong top down leadership. The CEO is of strong standing - bold and willing enough to front issues, good or bad. Management involves employees in the setting of company objectives. Its leadership demonstrates accountability and a sense of ownership. It has sound management structures. It demonstrates consistent corporate behaviour – internally and externally. It demonstrates straightforward, accessible and						

responsible leadership.						
Corporate leadership It is an innovative company. The company is seen as being a leader – innovative, passionate, the best. It is a progressive company. It keeps up to date with what's going on tactically and technologically. It educates its shareholders. It demonstrates consistency of strategy and industry leadership.	Innovativeness			**Market presence** Well known, familiar. Know what they stand for. Leader in its field. Powerful presence in the marketplace.	Market leadership	
Ethical management and leadership It is a good citizen that is supporting the community. It demonstrates social and environmental responsibility. It demonstrates	Community, and environmental responsibility	**Pillar 6: Social and environmental responsibility** Supports good causes. Is an environmentally friendly company. Maintains high standards in the way it treats people	**Trustworthiness** I trust the XYZ Corporation. The XYZ Corporation makes truthful claims. The XYZ Corporation is honest I do not believe what	**Social accountability** Ethical. Fair and honest. Good community citizen. Genuine	Social responsibility. Ethical behavior. Fair attitude towards competitors. Transparency and openness.	Commitment to charitable and social issues. Commitment of protecting the environment. Treatment of

honesty and integrity such as in disclosing board interests. It demonstrates a high level of integrity in stakeholder dealings and problem solving. It is involved in other aspects of the industry, in "good will" and the "greater good". Its company structure, principles and executives are supportive of lawfulness, ethics and governance. It is transparent in its interactions and communications with stakeholders. It is aware of the need to balance the triple bottom line. It builds quality in stakeholder relationships by treating people (e.g., shareholders) well.			the XYZ Corporation tells me.			employees. Credibility of advertising claims.
Identity Is a good place to	Ability to attract,	**Pillar 5: Workplace environment**				

work. It has a clear vision, strategy and set of values. It has a clear identity and sense of purpose about values, internally and externally. It is a good employer that takes care of its employees. You know where the company stands on issues.	develop, and keep talented people,	Is well managed. Looks like a good company to work for. Looks like a company that would have good employees.				
Image Its image and perception have real substance and are relevant to stakeholder aspirations. It has a consistent image. Positive perceptions of the company are held by stakeholders including staff.		**Pillar 1: Emotional appeal** Have a good feeling about the company. Admire and respect the company. Trust the company a great deal.		**Personality** Exciting. Arrogant. Interesting. Well liked. Very Australian. Warm and friendly.	Attractiveness.	
Corporate brand It is a company brand that creates confidence. It is a respected						

corporate brand. It is a well performing brand.						
				Media relations Ready access to senior managers. Open dealings with journalists. Supportive of journalists' needs.		
				Corporate reputation Believe the company/trustworthy. Admired and respected. Confident about future actions.		

Appendix 1.9: Components and items by stakeholder group

CEO (*n* = 61) Components	**CEO Items**
Identity	Is a good place to work It has a clear vision, strategy and set of values It is a good employer that takes care of its employees
Ethical Mgmt & Leadership	It is a good citizen that is supporting the community It demonstrates honesty and integrity such as in disclosing board interests It is involved in other aspects of the industry , in "good will" and the "greater good"
Products/services	It is a provider of quality goods and services
Performance	It communicates well the conditions of working with its suppliers and customers It has a record of success and of quality outcomes, including awards
Management Leadership	Management is adaptable to changes in attitudes and the social climate Management have the ability to understand the "total agenda" and to engage positively to "understand the brief".
Corporate leadership	The company is seen as being as leader – innovative, passionate, the best.

Customer (n = 67) Components	**Customer Items**
Products/services	It delivers customer satisfaction for products, service and support It provides personal-to-person service with real people
Ethical Mgmt & Leadership	It builds quality in stakeholder relationships by treating people (e.g., shareholders) well It demonstrates a high level of integrity in stakeholder dealings and problem solving
Performance	It is a company whose performance you can trust.
Identity	Is a good place to work It is a good employer that takes care of its employees
Management Leadership	The people running the business have a go-getter attitude – always chasing to improve It keeps up to date with what's going on tactically and technologically

Communications (*n* = 131) Specialist Components	**Communications Specialist Items**
Performance	It has a track record of delivering on its promises: "saying what they will do – and doing what they say" It honours guarantees and warranties in a non-confrontational way It is a company whose performance you can trust
Ethical Mgmt & Leadership	Its company structure, principles and executives are supportive of lawfulness, ethics and governance It is a company that builds trust in its activities over time through honesty and integrity It is aware of the need to balance the triple bottom line It is a good citizen that is supporting the community. It demonstrates social and environmental responsibility. It demonstrates honesty and integrity such as in disclosing board interests It is transparent in its interactions and communications with stakeholders
Products/services	It is a provider of quality goods and service that deliver customer satisfaction

	It values highly the safety, security and reliability of products for customers and employees It delivers customer satisfaction for products, service and support
Identity	You know where the company stands on issues It is being a good employer that takes care of its employees It is a good place to work It has a clear identity and sense of purpose about values, internally and externally
Image	Positive perceptions are held by stakeholders including staff Its image and perception have real substance and are relevant to stakeholder aspirations A positive public image is held of its corporate culture
Management Leadership	It has sound management structures It demonstrates consistent corporate behaviour – internally and externally It demonstrates straightforward, accessible and responsible leadership The CEO is of strong standing - bold and willing enough to front issues, good or bad
Financial performance	It has a strong financial standing It demonstrates a business performance that provides stakeholder value and value to

	shareholders
Corporate leadership	The company is seen as being a leader – innovative, passionate, the best. It is a progressive company It is an innovative company It demonstrates consistency of strategy and industry leadership
Corporate Brand	It is a company brand that creates confidence It is a respected corporate brand

Employee (*n* = 58) Components	**Employee Items**
Identity	Is a good place to work It has a clear vision, strategy and set of values It is a good employer that takes care of its employees
Ethical Mgmt & Leadership	It is a good citizen that is supporting the community It demonstrates honesty and integrity such as in disclosing board interests
Products/services	It is a provider of quality goods and services
Performance	It communicates well the conditions of working with its suppliers and customers It has a record of success and of quality

	outcomes, including awards It is a company whose performance you can trust
Management Leadership	It has a smart management with a good record of capitalizing on risk Management involves employees in the setting of company objectives Management demonstrates a willingness and ability to learn, to change and to evolve Its leadership demonstrates accountability and a sense of ownership
Corporate leadership	The company is seen as being as leader – innovative, passionate, the best.
Image	Positive perceptions of the company are held by stakeholders including staff

Finance and Investment (*n* = 85) Components	Investment and Finance Items
Performance	It has a record of success and of quality outcomes, including awards
Financial performance	It provides a consistent return to shareholders
Identity	You know where the company stands on issues It has a clear vision, strategy and set of values It is a good employer that takes care of its employees
Ethical Mgmt & Leadership	Its company structure, principles and executives are supportive of lawfulness, ethics and governance It is aware of the need to balance the triple bottom line It is transparent in its interactions and communications with stakeholders
Management Leadership	Management demonstrates speed and honesty in solving conflicts, identifying problems and finding solutions Management has strong corporate governance Management is competent at managing the risk of innovation
Corporate leadership	It is an innovative company It educates its shareholders
Image	Its image and perception have real substance

	and are relevant to stakeholder aspirations

Media (*n* = 122) Components	**Media Items**
Performance	It is a company whose performance you can trust It delivers client satisfaction for product, service and support It has a track record of delivering on its promises: “saying what they will do – and doing what they say” It demonstrates “style” in every aspect: of its performance It shows care in managing customer relations: gets back to you on queries and acknowledges you
Financial performance	It demonstrates a business performance that provides stakeholder value and value to shareholders It provides a consistent return to shareholders
Ethical Mgmt & Leadership	It is a good citizen that is supporting the community It demonstrates a high level of honesty and integrity in stakeholder dealings and problem solving It is transparent in its interactions and communications with stakeholders

	It demonstrates social and environmental responsibility
Image	Its image and perception have real substance and are relevant to stakeholder aspirations It has a consistent image. Positive perceptions held by stakeholders including staff
Identity	It has a clear vision, strategy and set of values It is a good employer that takes care of its employees You know where the company stands on issues
Management Leadership	The CEO is of strong standing - bold and willing enough to front issues, good or bad It demonstrates strong top down leadership Management involve employees in the setting of company objectives Management demonstrates a willingness and ability to learn, to change and to evolve Its leadership demonstrates accountability and a sense of ownership
Corporate leadership	It demonstrates consistency of strategy and industry leadership
Product/services	It is a provider of quality goods and services

Appendix 1. 10 Memorandum of understanding between ASB Bank Limited and Stephen Lloyd

MEMORANDUM OF UNDERSTANDING BETWEEN ASB AND STEPHEN LLOYD

I. PARTIES

This document constitutes an agreement between ASB and Stephen Lloyd, a PhD student and lecturer at AUT University, Auckland.

II. PURPOSE

There is an opportunity for ASB and Stephen Lloyd to work together to develop insights into the corporate reputation of ASB as perceived by its stakeholders. To secure this opportunity, the Parties will collaborate on a Corporate Reputation survey.

Stephen Lloyd, study Director, has separately designed, developed, and pre-tested the research tool, methods, and procedures that would assist ASB in assessing its corporate reputation among key stakeholders.

The results of the research will be available to ASB for internal and external marketing purposes. There may also be an opportunity for The Parties to prepare separately a joint Project Report that documents the conclusions of the research, and to implement further quantitative and qualitative tracking studies on the reputation of ASB.

C. The Principles

The Parties will abide by the following principles:

1. Corporate reputation components

This Agreement promotes the use of a shared definition of corporate reputation which has been developed by Stephen Lloyd based on text analysis using original algorithms and proprietary software programmes. The Agreement calls for the implementation of a study incorporating such a shared definition.

2. Questionnaire items

This Agreement promotes the use of items developed by Stephen Lloyd.

3. The sample

The following stakeholder segments have been identified for inclusion in the study (proposed sample size is shown in parentheses):

- The investment and finance community (80);
- CEOs (70);
- The media (125);
- Communications practitioners (150);
- Customers of ASB (50);
- Employees of ASB (85).

Note: sample sizes vary due to variations in the number of items used in each stakeholder questionnaire. We are working on the basis of five respondents per item.

4. Representation.

This Agreement is intended to result in the implementation of a survey among stakeholders of the corporate reputation of ASB and in the analysis of survey results. This Agreement is intended to foster the development of new measurement tools for the measurement and assessment of corporate reputation among difference stakeholder segments. This will promote the ability of a company to manage more effectively its reputation though stakeholder communications that reflect better insights into stakeholder values and perceptions. Such tools and processes as are used in the survey would be available, under a separate agreement, for use in further research with Stephen Lloyd relating to ASB.

III. <u>MUTUAL INTEREST OF THE PARTIES</u>

Both ASB and Stephen Lloyd have a mutual interest in the development of a new measurement approach to corporate reputation that reflects the differing perspectives of stakeholder segments. The Parties will jointly implement the survey among stakeholders.

IV. <u>RESPONSIBILITIES OF THE PARTIES</u>

A. <u>General</u>.

1. The Parties agree to jointly participate in the Corporate Reputation survey for the testing of a measurement tools, methods, and procedures that would help a company better manage its corporate reputation.

2. The Parties agree that the measurement tool, methods and procedures developed for this project remain the property of Stephen Lloyd.

3. Before the termination of this Agreement, the Parties may collaborate on a Corporate Reputation Project Report that will document the evaluation of the reputation of ASB.

4. The Parties agree to execute the following responsibilities in accordance with the Principles and Purpose of this Agreement as set forth in section II.

B. ASB: ASB agrees to perform the following activities and provide the following resources in support of the Corporate Reputation Survey:

> 1. Provide expertise and advice on methods and administrative procedures for conducting research among its customers and employees, including a database containing contact details (name and email address).
>
> 2. Provide Stephen Lloyd with the freedom to publish materials based on this study in such a way as not to negatively impact the corporate reputation of ASB.
>
> 3. Provide assurance that the identity and confidentiality of stakeholder participants will not be in any way compromised.

C. Stephen Lloyd. Stephen Lloyd agrees to perform the following activities and provide the following resources in support of the Corporate Reputation Survey:

> 1. Direct the survey based on the research, design, development and testing of procedures conducted to-date.
>
> 2. Implement the research programme based on procedures and timelines developed to-date and utilizing a web-based 'smart' questionnaire.
>
> 3. Collaborate with ASB on improvement to the design, development, and testing procedures that may become apparent after implementation of the agreement.
>
> 4. Provide assurance that the identity and confidentiality of employees and customers of ASB shall not be compromised in any way.

D. Prohibitions.

1. ASB shall not act as the author of the study or its findings. Nothing, however, in this Agreement is intended to prevent ASB from using the results.

2. Neither Party shall act unjustifiably or arbitrarily to injure particular persons or entities or particular categories of persons or entities.

3. Both Parties shall act in a non-arbitrary and reasonable manner with respect to design, development, and testing of the Corporate Reputation evaluation and measurement procedures.

V. EQUITABLE APPORTIONMENT OF COSTS

The costs of this activity, as currently defined and discussed, are covered by Stephen Lloyd's PhD research budget. The Parties shall review these estimated costs in light of possible additional expenditures that may arise from requests by ASB for work not covered in the current budget.

VI. PERIOD OF AGREEMENT AND MODIFICATION/TERMINATION

This Agreement will become effective when signed by both parties. The Agreement will terminate on January 31, 2007, but may be amended at any time by mutual agreement of the parties.

(SIGNED)

(DATE)

(NAME & CONTACT DETAILS)

(SIGNED)

(DATE)

(NAME & CONTACT DETAILS)

1.11 Example of post 'phone invitation, and confirmation of participation in the survey

From:	"Stuart Walbridge" <stuart.walbridge@riskmatize.com>	Monday - October 16, 2006 6:31 PM
To:	"'Stephen Lloyd'" <stephen.lloyd@aut.ac.nz>	
Subject:	RE: Corporate Reputation - follow up	
Attachments:	Mime.822 (2322 bytes)	[View] [Save As]

Done!

-----Original Message-----
From: Stephen Lloyd [mailto:stephen.lloyd@aut.ac.nz]
Sent: Monday, 16 October 2006 9:05 a.m.
To: Stephen Lloyd
Subject: Corporate Reputation - follow up

Thank you for participating in my PhD research on corporate reputation.
This is greatly appreciated.

If you have not so far been able to participate, and I hope you will,
simply click the following link:

http://www.fuzzyontology.co.uk/slloyd/financial_intro.html

Yours sincerely,

Stephen Lloyd

Senior Lecturer, Advertising & Marketing
Auckland University of Technology
T 649-921-9999 Ex 5815
M 027-441-6946

Appendix 1.12 Example of stakeholder survey cover letter and questionnaires (hard copy of an online letter and questionnaire) for each stakeholder sample

Stephen Lloyd
Lecturer, Faculty of Business

Greetings,

I am conducting an independent study on Corporate Reputation as part of my PhD research and would appreciate it if you would complete this questionnaire, from your perspective as a CEO, senior manager or business proprietor.

All information you provide will be strictly confidential and your privacy will be protected. Your answers will be collected electronically and analyzed statistically. No public reference will be made to you individually without your express consent.

While this survey is being conducted on the reputation of one particular company – ASB Bank Limited – this remains a confidential, independent survey.

Once you have completed the questionnaire kindly return it to me with the attached consent form relating to your agreement to take part in this research. A stamped addressed envelope is attached.

I appreciate your time and cooperation.

Yours sincerely,

Stephen Lloyd

<u>CEO Questionnaire</u>

Question 1:

How would you personally – from your perspective as a CEO, senior manager or business proprietor – rank the following characteristics in terms of the *importance* of their contribution to a company's reputation? (Give each item a ranking from 1 to 9, where 9 is the most important and 1 is the least important. No two characteristics can have the same ranking.)

Characteristic	Description	Rank from 1-9
Image	*The sum of impressions and expectations of an organisation built up in the minds of its stakeholders and public.*	
Identity	*What the company stands for, including its vision and culture.*	
Management leadership	*Management that is smart and adaptable, that manages risk and is strongly structured.*	
Performance	*Achievements, competencies, quality outcomes and awards.*	
Corporate brand	*Recognizable signals, symbols and properties which are associated with the company.*	
Products and services	*Quality, soundness, safety of products and services.*	

Financial performance	*Strong financial standing, consistent returns.*	
Ethical management and leadership	*Honesty and integrity, community involvement and environmental responsibility.*	
Corporate leadership	*The company is a leader in its field.*	

Question 2:

We are now going to look at a number of different ways to describe a company. Thinking about *the way you, as a CEO, senior manager or business proprietor, see and think about ASB Bank Limited*, I would like you to express how strongly you agree – or disagree – that each description fits the way you think about ASB Bank Limited.
For this we will use a scale from 0 to 6 where:

0 = Disagree strongly
1 = Disagree somewhat
2 = Disagree slightly
3 = Mixed feelings – not sure
4 = Agree slightly
5 = Agree somewhat
6 = Agree strongly
DK = Don't know

Please read each description below and circle the number to the right that best expresses your agreement that this is an accurate description of ASB Bank Limited – *from your perspective as a CEO, senior manager or business proprietor.*

Complete for all the following descriptions.

Management is adaptable to changes in attitudes and the social climate.	0	1	2	3	4	5	6	DK
The company is seen as being a leader – innovative, passionate, the best.	0	1	2	3	4	5	6	DK
Management has the ability to understand the "total	0	1	2	3	4	5	6	DK

agenda" and to engage positively to "understand the brief".								
It is involved in other aspects of the industry, in "good will" and the "greater good".	0	1	2	3	4	5	6	DK
It is a provider of quality goods and services.	0	1	2	3	4	5	6	DK
It communicates well the conditions of working with its suppliers and customers.	0	1	2	3	4	5	6	DK
It demonstrates honesty and integrity such as in disclosing board interests.	0	1	2	3	4	5	6	DK
It has a clear vision, strategy and set of values.	0	1	2	3	4	5	6	DK
It has a record of success and of quality outcomes, including awards.	0	1	2	3	4	5	6	DK
It is a good citizen that is supporting the community.	0	1	2	3	4	5	6	DK
It is a good employer that takes care of its employees.	0	1	2	3	4	5	6	DK
It is a good place to work.	0	1	2	3	4	5	6	DK

Question 3:

Finally we would like you to think about the overall Corporate Reputation of ASB Bank Limited.

For this we will use a scale from 0 to 6 where:

0 = Has the best possible reputation
1 = Has a very good reputation
2 = Has a fairly good reputation
3 = Has neither a good nor a bad reputation
4 = Could have a better reputation
5 = Has a reputation that needs attention
6 = Has a bad reputation
DK = Don't know

Please read each of the questions below and circle the number to the right that best expresses your evaluation of the reputation of ASB Bank Limited.

(a) How do you evaluate the corporate reputation of ASB Bank Limited *in terms of its senior management effectiveness*?

0 1 2 3 4 5 6 DK

(b) How do you personally evaluate the *overall* corporate reputation of ASB Bank Limited?

0 1 2 3 4 5 6 DK

Thank you for your participation. Your responses and comments are extremely helpful and will be treated confidentially. Your completion and return of this questionnaire amounts to consent to participate in the study.

Communications Professionals Questionnaire

Question 1:

How would you personally – *from your perspective as a communications specialist* – rank the following characteristics in terms of the *importance* of their contribution to a company's reputation? (Give each item a ranking from 1 to 9, where 9 is the most important and 1 is the least important. No two characteristics can have the same ranking.)

Characteristic	Description	Rank from 1-9
Image	*The sum of impressions and expectations of an organisation built up in the minds of its stakeholders and public.*	
Identity	*What the company stands for, including its vision*	

	and culture.	
Management leadership	*Management that is smart and adaptable, that manages risk and is strongly structured.*	
Performance	*Achievements, competencies, quality outcomes and awards.*	
Corporate brand	*Recognizable signals, symbols and properties which are associated with the company.*	
Products and services	*Quality, soundness, safety of products and services.*	
Financial performance	*Strong financial standing, consistent returns.*	
Ethical management and leadership	*Honesty and integrity, community involvement and environmental responsibility.*	
Corporate leadership	*The company is a leader in its field.*	

Question 2:

We are now going to look at a number of different ways to describe a company. Thinking about *the way you, as a communications specialist, see and think about ASB Bank Limited*, I would like you to express how strongly you agree – or disagree – that each description fits the way you think about ASB Bank Limited.

For this we will use a scale from 0 to 6 where:

0 = Disagree strongly
1 = Disagree somewhat
2 = Disagree slightly
3 = Mixed feelings – not sure

4 = Agree slightly
5 = Agree somewhat
6 = Agree strongly
DK = Don't know

Please read each description below and circle the number to the right that best expresses your agreement that this is an accurate description of ASB Bank Limited – *from your perspective as a communications specialist.*

Complete for all the following descriptions.

It has a track record of delivering on its promises: "saying what they will do – and doing what they say".	0	1	2	3	4	5	6	DK
It honours guarantees and warranties in a non-confrontational way.	0	1	2	3	4	5	6	DK
Its company structure, principles and executives are supportive of lawfulness, ethics and governance.	0	1	2	3	4	5	6	DK
It is a company whose performance you can trust.	0	1	2	3	4	5	6	DK
It is aware of the need to balance the triple bottom line.	0	1	2	3	4	5	6	DK
It is a good citizen that is supporting the community.	0	1	2	3	4	5	6	DK
It demonstrates social and environmental responsibility.	0	1	2	3	4	5	6	DK
It demonstrates honesty and integrity such as in disclosing board interests.	0	1	2	3	4	5	6	DK
It is transparent in its interactions and communications with stakeholders.	0	1	2	3	4	5	6	DK
It is a provider of quality goods and services.	0	1	2	3	4	5	6	DK
It values highly the safety, security and reliability of products for customers and employees.	0	1	2	3	4	5	6	DK
You know where the company stands on issues.	0	1	2	3	4	5	6	DK
It is a good place to work.	0	1	2	3	4	5	6	DK
It has a clear identity and sense of purpose about values, internally and externally.	0	1	2	3	4	5	6	DK
Positive perceptions of the company are held by stakeholders including staff.	0	1	2	3	4	5	6	DK
Its image and perception have real substance and are relevant to stakeholder aspirations.	0	1	2	3	4	5	6	DK

It has sound management structures.	0	1	2	3	4	5	6	DK
It demonstrates consistent corporate behaviour – internally and externally.	0	1	2	3	4	5	6	DK
It demonstrates straightforward, accessible and responsible leadership.	0	1	2	3	4	5	6	DK
The CEO is of strong standing – bold and willing enough to front issues, good or bad.	0	1	2	3	4	5	6	DK
It has a strong financial standing.								
It demonstrates a business performance that provides stakeholder value and value to shareholders.	0	1	2	3	4	5	6	DK
The company is seen as being a leader – innovative, passionate, the best.	0	1	2	3	4	5	6	DK
It is a progressive company.	0	1	2	3	4	5	6	DK
It is an innovative company.	0	1	2	3	4	5	6	DK
It demonstrates consistency of strategy and industry leadership.	0	1	2	3	4	5	6	DK
It is a company brand that creates confidence.	0	1	2	3	4	5	6	DK
It is a respected corporate brand.	0	1	2	3	4	5	6	DK
It delivers customer satisfaction for products, service and support.	0	1	2	3	4	5	6	DK
It is a good employer that takes care of its employees.	0	1	2	3	4	5	6	DK

Question 3:

Finally we would like you to think about the overall Corporate Reputation of ASB Bank Limited.

For this we will use a scale from 0 to 6 where:

0 = Has the best possible reputation
1 = Has a very good reputation
2 = Has a fairly good reputation
3 = Has neither a good nor a bad reputation
4 = Could have a better reputation
5 = Has a reputation that needs attention
6 = Has a bad reputation
DK = Don’t know

Please read each of the questions below and circle the number to the right that best expresses your evaluation of the reputation of ASB Bank Limited.

(a) How do you evaluate the corporate reputation of ASB Bank Limited *in terms of its communications*?

0 1 2 3 4 5 6 DK

(b) How do you personally evaluate the *overall* corporate reputation of ASB Bank Limited?

0 1 2 3 4 5 6 DK

Thank you for your participation. Your responses and comments are extremely helpful and will be treated confidentially. Your completion and return of this questionnaire amounts to consent to participate in the study.

ASB Customers Questionnaire

Question 1:

How would you personally – *from your perspective as an ASB customer* – rank the following characteristics in terms of the *importance* of their contribution to a company's reputation? (Give each item a ranking from 1 to 9, where 9 is the most important and 1 is the least important. No two characteristics can have the same ranking.)

Characteristic	Description	Rank from 1-9
Image	*The sum of impressions and expectations of an organisation built up in the minds of its stakeholders and public.*	
Identity	*What the company stands for, including its vision and culture.*	
Management leadership	*Management that is smart and adaptable, that manages risk and is strongly structured.*	
Performance	*Achievements, competencies, quality outcomes and awards.*	
Corporate brand	*Recognizable signals, symbols and properties which are associated with the company.*	
Products and services	*Quality, soundness, safety of products and*	

	services.	
Financial performance	*Strong financial standing, consistent returns.*	
Ethical management and leadership	*Honesty and integrity, community involvement and environmental responsibility.*	
Corporate leadership	*The company is a leader in its field.*	

Question 2:

We are now going to look at a number of different ways to describe a company. Thinking *about the way you, as an ASB customer,* see and think about ASB Bank Limited, I would like you to express how strongly you agree – or disagree – that each description fits the way you think about ASB Bank Limited.

For this we will use a scale from 0 to 6 where:

0 = Disagree strongly
1 = Disagree somewhat
2 = Disagree slightly
3 = Mixed feelings – not sure
4 = Agree slightly
5 = Agree somewhat
6 = Agree strongly
DK = Don't know

Please read each description below and circle the number to the right that best expresses your agreement that this is an accurate description of ASB Bank Limited – *from your perspective as an ASB customer.*

Complete for all the following descriptions.

It is a provider of quality goods and services.	0	1	2	3	4	5	6	DK
It provides person-to-person service with real people.	0	1	2	3	4	5	6	DK
It builds quality in stakeholder relationships by treating people (e.g., shareholders) well.	0	1	2	3	4	5	6	DK

It demonstrates a high level of integrity in stakeholder dealings and problem solving.	0	1	2	3	4	5	6	DK
It is a company whose performance you can trust.	0	1	2	3	4	5	6	DK
It is a good place to work.	0	1	2	3	4	5	6	DK
The people running the business have a go-getter attitude - always chasing to improve.	0	1	2	3	4	5	6	DK
It keeps up to date with what's going on tactically and technologically.	0	1	2	3	4	5	6	DK
It delivers customer satisfaction for product, service and support.	0	1	2	3	4	5	6	DK
It is a good employer that takes care of its employees.	0	1	2	3	4	5	6	DK

Question 3:

Finally we would like you to think about the overall Corporate Reputation of ASB Bank Limited.

For this we will use a scale from 0 to 6 where:

0 = Has the best possible reputation
1 = Has a very good reputation
2 = Has a fairly good reputation
3 = Has neither a good nor a bad reputation
4 = Could have a better reputation
5 = Has a reputation that needs attention
6 = Has a bad reputation
DK = Don't know

Please read each of the questions below and circle the number to the right that best expresses your evaluation of the reputation of ASB Bank Limited.

(a) How do you evaluate the corporate reputation of ASB Bank Limited *in terms of its customer relations*?

0 1 2 3 4 5 6 DK

(b) How do you personally evaluate the *overall* corporate reputation of ASB Bank Limited?

0 1 2 3 4 5 6 DK

Thank you for your participation. Your responses and comments are extremely helpful and will be treated confidentially. Your completion and return of this questionnaire amounts to consent to participate in the study.

ASB Employees Questionnaire

Question 1:

How would you personally – *from your perspective as an employee* – rank the following characteristics in terms of the *importance* of their contribution to a company's reputation? (Give each item a ranking from 1 to 9, where 9 is the most important and 1 is the least important. No two characteristics can have the same ranking.)

Characteristic	Description	Rank from 1-9
Image	*The sum of impressions and expectations of an organisation built up in the minds of its stakeholders and public.*	
Identity	*What the company stands for, including its vision and culture.*	
Management leadership	*Management that is smart and adaptable, that manages risk and is strongly structured.*	
Performance	*Achievements, competencies, quality outcomes and awards.*	
Corporate brand	*Recognizable signals, symbols and properties which are associated with the company.*	
Products and services	*Quality, soundness, safety of products and services.*	

Financial performance	*Strong financial standing, consistent returns.*	
Ethical management and leadership	*Honesty and integrity, community involvement and environmental responsibility.*	
Corporate leadership	*The company is a leader in its field.*	

Question 2:

We are now going to look at a number of different ways to describe a company. Thinking about *the way you, as an ASB Bank Limited employee, see and think about ASB Bank Limited*, I would like you to express how strongly you agree – or disagree – that each description fits the way you think about ASB Bank Limited.

For this we will use a scale from 0 to 6 where:

0 = Disagree strongly
1 = Disagree somewhat
2 = Disagree slightly
3 = Mixed feelings – not sure
4 = Agree slightly
5 = Agree somewhat
6 = Agree strongly
DK = Don't know

Please read each description below and circle the number to the right that best expresses your agreement that this is an accurate description of ASB Bank Limited – *from your perspective as an ASB Bank Limited employee.*

Complete for all the following descriptions.

It is a company whose performance you can trust.	0	1	2	3	4	5	6	DK
It is a good place to work.	0	1	2	3	4	5	6	DK
It is a provider of quality goods and services.	0	1	2	3	4	5	6	DK
The company is seen as being a leader – innovative, passionate, the best.	0	1	2	3	4	5	6	DK

Positive perceptions of the company are held by stakeholders including staff.	0	1	2	3	4	5	6	DK
Management involves employees in the setting of company objectives.	0	1	2	3	4	5	6	DK
Management demonstrates a willingness and ability to learn, to change and to evolve.	0	1	2	3	4	5	6	DK
Its leadership demonstrates accountability and a sense of ownership.	0	1	2	3	4	5	6	DK
It has a smart management with a good record of capitalizing on risk.	0	1	2	3	4	5	6	DK
It is a good employer that takes care of its employees.	0	1	2	3	4	5	6	DK
It is a good citizen that is supporting the community.	0	1	2	3	4	5	6	DK
It has a record of success and of quality outcomes, including awards.	0	1	2	3	4	5	6	DK
It has a clear vision, strategy and set of values.	0	1	2	3	4	5	6	DK
It demonstrates honesty and integrity such as in disclosing board interests.	0	1	2	3	4	5	6	DK
It communicates well the conditions of working with its suppliers and customers.	0	1	2	3	4	5	6	DK

Thank you. Now one final question.

Question 3:

Finally we would like you to think about the overall corporate reputation of ASB Bank Limited.

For this we will use a scale from 0 to 6 where:

0 = Has a bad reputation
1 = Has a reputation that needs attention
2 = Could have a better reputation
3 = Has neither a good nor a bad reputation
4 = Has a fairly good reputation
5 = Has a very good reputation

6 = Has the best possible reputation
DK = Don't know

Please read each of the questions below and circle the number that best expresses your evaluation of the reputation of ASB Bank Limited.

(a) How do you evaluate the corporate reputation of ASB Bank Limited *in terms of its employee relations*?

0 1 2 3 4 5 6 DK

(b) How do you personally evaluate the *overall* corporate reputation of ASB Bank Limited?

0 1 2 3 4 5 6 DK

<u>Investment and Finance Specialist Questionnaire</u>

Question 1:

How would you personally – *from your perspective as an investment and finance specialist* – rank the following characteristics in terms of the *importance* of their contribution to a company's reputation? (Give each item a ranking from 1 to 9, where 9 is the most important and 1 is the least important. No two characteristics can have the same ranking.)

Characteristic	**Description**	**Rank from 1-9**
Image	*The sum of impressions and expectations of an organisation built up in the minds of its stakeholders and public.*	
Identity	*What the company stands for, including its vision and culture.*	
Management leadership	*Management that is smart and adaptable, that manages risk and is strongly structured.*	
Performance	*Achievements, competencies, quality outcomes and awards.*	
Corporate brand	*Recognizable signals, symbols and properties which are associated with the company.*	
Products and services	*Quality, soundness, safety of products and*	

	services.	
Financial performance	*Strong financial standing, consistent returns.*	
Ethical management and leadership	*Honesty and integrity, community involvement and environmental responsibility.*	
Corporate leadership	*The company is a leader in its field.*	

Question 2:

We are now going to look at a number of different ways to describe a company. Thinking about the way you, *as an investment and finance specialist,* see and think about ASB Bank Limited, I would like you to express how strongly you agree – or disagree – that each description fits the way you think about ASB Bank Limited.

For this we will use a scale from 0 to 6 where:

0 = Disagree strongly
1 = Disagree somewhat
2 = Disagree slightly
3 = Mixed feelings – not sure
4 = Agree slightly
5 = Agree somewhat
6 = Agree strongly
DK = Don't know

Please read each description below and circle the number to the right that best expresses your agreement that this is an accurate description of ASB Bank Limited – *from your perspective as an investment and finance specialist.*

Complete for all the following descriptions.

It has a record of success and of quality outcomes, including awards.	0	1	2	3	4	5	6	DK
It provides a consistent return to shareholders.	0	1	2	3	4	5	6	DK

You know where the company stands on issues.	0	1	2	3	4	5	6	DK
It has a clear vision, strategy and set of values.	0	1	2	3	4	5	6	DK
It is a good employer that takes care of its employees.	0	1	2	3	4	5	6	DK
Its company structure, principles and executives are supportive of lawfulness, ethics and governance.	0	1	2	3	4	5	6	DK
It is aware of the need to balance the triple bottom line.	0	1	2	3	4	5	6	DK
It is transparent in its interactions and communications with stakeholders.	0	1	2	3	4	5	6	DK
Management demonstrates speed and honesty in solving conflicts, identifying problems and finding solutions.	0	1	2	3	4	5	6	DK
Management has strong corporate governance.	0	1	2	3	4	5	6	DK
Management is competent at managing the risk of innovation.	0	1	2	3	4	5	6	DK
It is an innovative company.	0	1	2	3	4	5	6	DK
It educates its shareholders.	0	1	2	3	4	5	6	DK
Its image and perception have real substance and are relevant to stakeholder aspirations.	0	1	2	3	4	5	6	DK
It is a good place to work.	0	1	2	3	4	5	6	DK
It is a progressive company.	0	1	2	3	4	5	6	DK

Thank you. Now one final question.

Question 3:

Finally we would like you to think about the overall Corporate Reputation of ASB Bank Limited.

For this we will use a scale from 0 to 6 where:

0 = Has the best possible reputation
1 = Has a very good reputation
2 = Has a fairly good reputation
3 = Has neither a good nor a bad reputation
4 = Could have a better reputation
5 = Has a reputation that needs attention

6 = Has a bad reputation
DK = Don’t know

Please read each of the questions below and circle the number to the right that best expresses your evaluation of the reputation of ASB Bank Limited.

(a) How do you evaluate the corporate reputation of ASB Bank Limited *in terms of finance and investment*?

0 1 2 3 4 5 6 DK

(b) How do you personally evaluate the *overall* corporate reputation of ASB Bank Limited?

0 1 2 3 4 5 6 DK

Thank you for your participation. Your responses and comments are extremely helpful and will be treated confidentially. Your completion and return of this questionnaire amounts to consent to participate in the study.

Media Professionals Questionnaire

Question 1:

How would you personally – *from your perspective as a media professional* – rank the following characteristics in terms of the *importance* of their contribution to a company’s reputation? (Give each item a ranking from 1 to 9, where 9 is the most important and 1 is the least important. No two characteristics can have the same ranking.)

Characteristic	Description	Rank from 1-9
Image	*The sum of impressions and expectations of an organisation built up in the minds of its*	

	stakeholders and public.	
Identity	*What the company stands for, including its vision and culture.*	
Management leadership	*Management that is smart and adaptable, that manages risk and is strongly structured.*	
Performance	*Achievements, competencies, quality outcomes and awards.*	
Corporate brand	*Recognizable signals, symbols and properties which are associated with the company.*	
Products and services	*Quality, soundness, safety of products and services.*	
Financial performance	*Strong financial standing, consistent returns.*	
Ethical management and leadership	*Honesty and integrity, community involvement and environmental responsibility.*	
Corporate leadership	*The company is a leader in its field.*	

Question 2:

We are now going to look at a number of different ways to describe a company. Thinking about *the way you, as a media professional, see and think about ASB Bank Limited*, I would like you to express how strongly you agree – or disagree – that each description fits the way you think about ASB Bank Limited.

For this we will use a scale from 0 to 6 where:

0 = Disagree strongly
1 = Disagree somewhat
2 = Disagree slightly
3 = Mixed feelings – not sure
4 = Agree slightly
5 = Agree somewhat
6 = Agree strongly
DK = Don't know

Please read each description below and circle the number to the right that best expresses your agreement that this is an accurate description of ASB Bank Limited – *from your perspective as a media professional.*

Complete for all the following descriptions.

It is a company whose performance you can trust.	0	1	2	3	4	5	6	DK
It delivers customer satisfaction for products, service and support.	0	1	2	3	4	5	6	DK
It has a track record of delivering on its promises: "saying what they will do – and doing what they say".	0	1	2	3	4	5	6	DK
It demonstrates a business performance that provides stakeholder value and value to shareholders.	0	1	2	3	4	5	6	DK
It is a good citizen that is supporting the community.	0	1	2	3	4	5	6	DK
It demonstrates a high level of integrity in stakeholder dealings and problem solving.	0	1	2	3	4	5	6	DK
It is transparent in its interactions and communications with stakeholders.	0	1	2	3	4	5	6	DK
Its image and perception have real substance and are relevant to stakeholder aspirations.	0	1	2	3	4	5	6	DK
It has a clear vision, strategy and set of values.	0	1	2	3	4	5	6	DK
It provides a consistent return to shareholders.	0	1	2	3	4	5	6	DK
It has a consistent image.	0	1	2	3	4	5	6	DK
It is a good place to work.	0	1	2	3	4	5	6	DK
You know where the company stands on issues.	0	1	2	3	4	5	6	DK
The CEO is of strong standing – bold and willing enough to front issues, good or bad.	0	1	2	3	4	5	6	DK
Management involves employees in the setting of company objectives.	0	1	2	3	4	5	6	DK

It is a good employer that takes care of its employees.	0	1	2	3	4	5	6	DK
Management demonstrates a willingness and ability to learn, to change and to evolve.	0	1	2	3	4	5	6	DK
Its leadership demonstrates accountability and a sense of ownership.	0	1	2	3	4	5	6	DK
It is a provider of quality goods and services.	0	1	2	3	4	5	6	DK
It demonstrates straightforward, accessible and responsible leadership.	0	1	2	3	4	5	6	DK
Positive perceptions of the company are held by stakeholders including staff.	0	1	2	3	4	5	6	DK
It demonstrates strong top down leadership.	0	1	2	3	4	5	6	DK
It demonstrates "style" in every aspect of its performance.	0	1	2	3	4	5	6	DK
It demonstrates social and environmental responsibility.	0	1	2	3	4	5	6	DK
It demonstrates consistency of strategy and industry leadership.	0	1	2	3	4	5	6	DK

Thank you. Now one final question.

Question 3:

Finally we would like you to think about the overall Corporate Reputation of ASB Bank Limited.

For this we will use a scale from 0 to 6 where:

0 = Has the best possible reputation
1 = Has a very good reputation
2 = Has a fairly good reputation
3 = Has neither a good nor a bad reputation
4 = Could have a better reputation
5 = Has a reputation that needs attention
6 = Has a bad reputation
DK = Don't know
Please read each of the questions below and circle the number to the right that best expresses your evaluation of the reputation of ASB Bank Limited.

(a) How do you evaluate the corporate reputation of ASB Bank Limited *in terms of its media relations*?

0 1 2 3 4 5 6 DK

(b) How do you personally evaluate the *overall* corporate reputation of ASB Bank Limited?

0 1 2 3 4 5 6 DK

Thank you for your participation. Your responses and comments are extremely helpful and will be treated confidentially. Your completion and return of this questionnaire amounts to consent to participate in the study.

Appendix 1.13 Factor Analysis of Full Data Set

Correlation Matrix

		Image	Identity	Man_Lead	Perform	C#_Brand	ProdServe	FinPerf	Ethics	C#_Lead
Correlation	Image	1.000	.336	.236	.283	.131	.276	.078	.236	.568
	Identity	.336	1.000	.516	.505	.197	.505	.323	.523	.445
	Man_Lead	.236	.516	1.000	.446	.226	.462	.341	.406	.372
	Perform	.283	.505	.446	1.000	.202	.604	.376	.502	.461
	C#_Brand	.131	.197	.226	.202	1.000	.270	.376	.201	.314
	ProdServe	.276	.505	.462	.604	.270	1.000	.414	.491	.501
	FinPerf	.078	.323	.341	.376	.376	.414	1.000	.361	.279
	Ethics	.236	.523	.406	.502	.201	.491	.361	1.000	.367
	C#_Lead	.568	.445	.372	.461	.314	.501	.279	.367	1.000
Sig. (1-tailed)	Image		.000	.000	.000	.014	.000	.097	.000	.000
	Identity	.000		.000	.000	.000	.000	.000	.000	.000
	Man_Lead	.000	.000		.000	.000	.000	.000	.000	.000
	Perform	.000	.000	.000		.000	.000	.000	.000	.000
	C#_Brand	.014	.000	.000	.000		.006	.000	.031	.002
	ProdServe	.000	.000	.000	.000	.006		.000	.000	.000
	FinPerf	.097	.000	.000	.000	.000	.000		.000	.000
	Ethics	.000	.000	.000	.000	.031	.000	.000		.000
	C#_Lead	.000	.000	.000	.000	.002	.000	.000	.000	

Communalities

	Initial	Extraction
Image	1.000	.749
Identity	1.000	.569
Man_Lead	1.000	.473
Perform	1.000	.578
C#_Brand	1.000	.335
ProdServe	1.000	.617
FinPerf	1.000	.634
Ethics	1.000	.503
C#_Lead	1.000	.668

Extraction Method: Principal Component Analysis.

Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings(a)
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1 Image	4.013	44.588	44.588	4.013	44.588	44.588	3.465
2 C#_Lead	1.113	12.369	56.958	1.113	12.369	56.958	3.182
3 FinPerf	.963	10.701	67.659				
4 ProdServe	.631	7.012	74.671				
5 Perform	.564	6.268	80.939				
6 Identity	.537	5.971	86.910				
7 Ethics	.428	4.753	91.663				
8 Man_Lead	.397	4.408	96.071				
9 C#_Brand	.354	3.929	100.000				

Extraction Method: Principal Component Analysis.
a When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

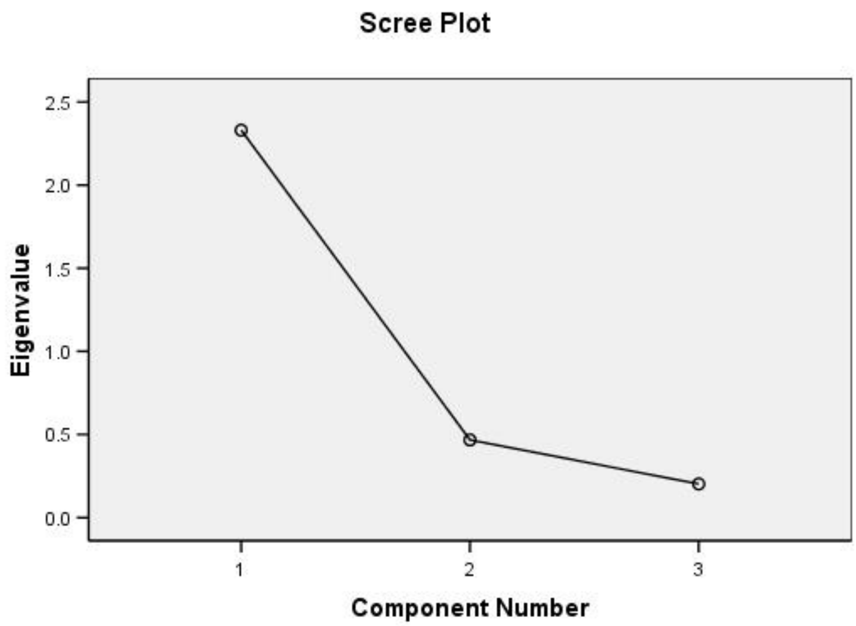
Component Correlation Matrix

Component	1	2
1	1.000	.528
2	.528	1.000

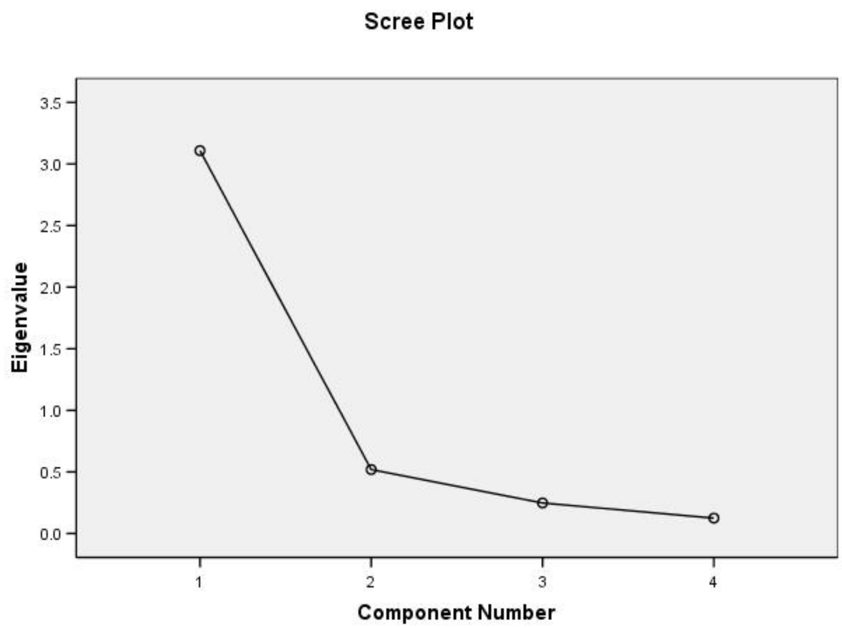
Extraction Method: Principal Component Analysis.
Rotation Method: Promax with Kaiser Normalization.

Appendix 1.14 Examples of scree plots from the factor analysis.

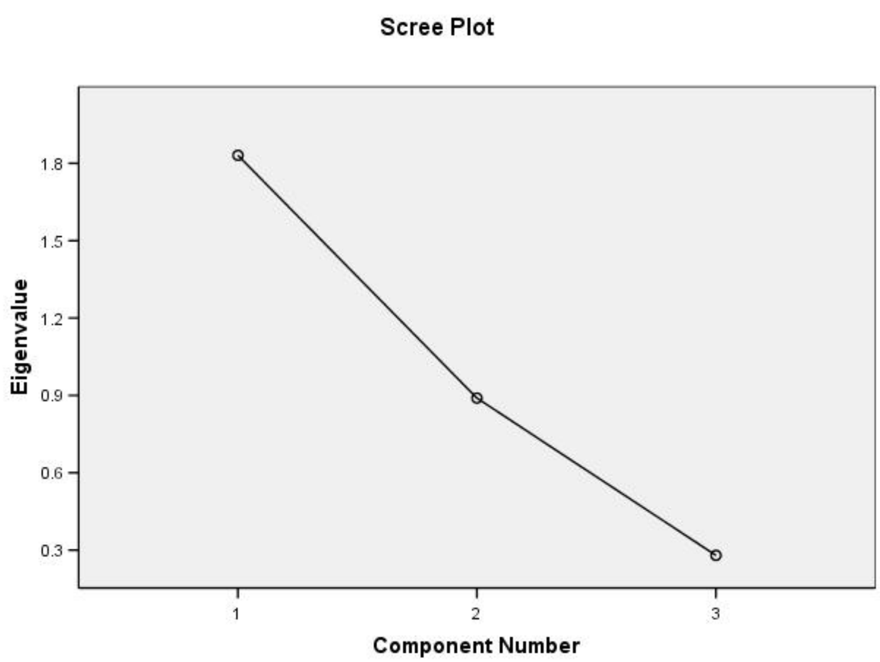
CEOs: Ethical Management and Leadership



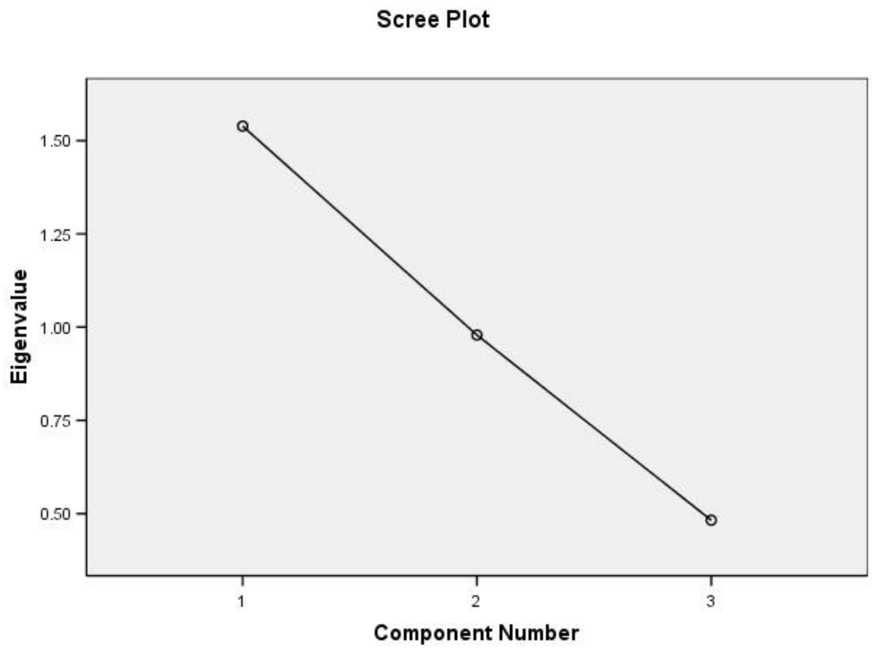
Communications Specialists: Corporate Identity



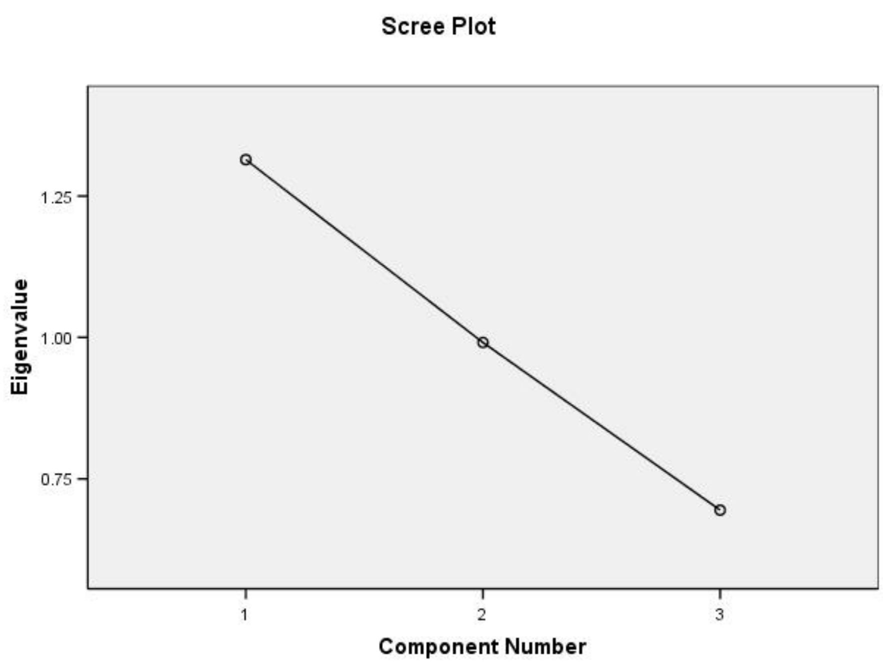
Customers: Products and Services



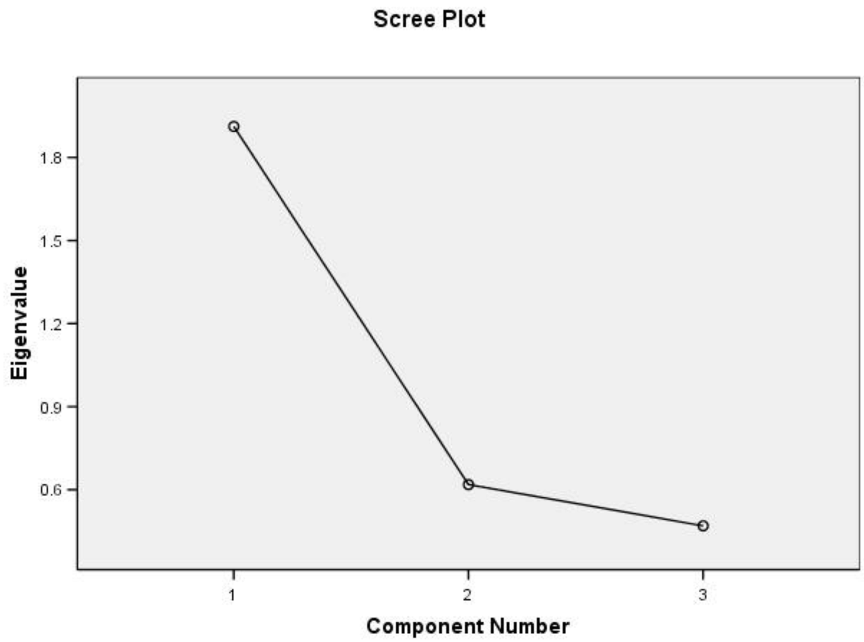
Employees: Performance



Finance and Investment Specialists: Management Leadership



Media: Corporate Image


Scree Plot
Eigenvalue
1.8
1.5
1.2
0.9
0.6
1
2
3
Component Number