Corporate Reputation and the Multi-Disciplinary Field of Communication

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Corporate reputation’s development as a concept has been an interesting one to follow. Compared to most other communication concepts I am familiar with, it is one whose entry into the field began around the same time I was preparing to begin graduate work. Most of the other concepts I have enjoyed thinking about (organizational identity and identification, for instance) have rich histories with scholars and research that predate my time in the field.

When I was in high school and college, I enjoyed reading business histories and business reference books on organizational leadership and the best companies to work for. Peters and Waterman’s (1982) *In Search of Excellence* and Deal and Kennedy’s (1982) *Corporate Culture* were some of the early ones, and they happened to lead me into the study of organizational communication as an undergraduate. I also read various reference books on the best companies to work for so I could know where to look when pursuing summer internships, and I was fascinated by biographies written by company founders, entrepreneurs, and CEOs. Later in my career, I had the opportunity to work with business historian and entrepreneur Gary Hoover, founder of Hoover’s, Inc., in Austin, Texas, moving volumes of his business reference books online to the Internet and creating a searchable database of corporate histories updated on a daily basis.

The business books I read as an undergraduate were generally about topics other than corporate reputation, and I read them for other purposes: to learn about how to create visionary leadership, organizational excellence, and competitive corporate cultures, or simply how to get a job or an internship at one of these great companies. In these volumes, well-known companies and unknown companies were heralded in the anecdotes as case studies illustrating leadership, excellence, innovation, and employee and customer satisfaction. And with just one such mention, unknown companies were turned into corporate celebrities, offering best practices for wannabe entrepreneurs to master and held up as exemplars in textbooks for undergraduates in business, marketing, and communication who wanted to learn how to manage or communicate better. The focus, however, was never on the companies themselves, but on what the companies could offer or demonstrate in the way of codifiable knowledge about how things should be done.

Indeed, the companies mentioned, featured, or highlighted in the media during the 1980s...
were often used as examples to illustrate other points, topics, and ideas of concern: organizational excellence, corporate culture, innovation, or total quality management, for instance. The reputations of these companies (while the companies themselves might have disagreed) were not the focus of the articles or media attention.

In retrospect, these books helped create corporate reputations for the companies involved. Ironically, however, Waterman (1987) wrote later that many of the companies from *In Search of Excellence* were no longer in existence. But they had their heyday – and their reputations – for a time.

And in fact, it was in 1983 when *Fortune* Magazine produced a special topic issue devoted to the “Most Admired Companies of the Year.” Deephouse (2000) tells the story of how the special issue was not originally conceived as an annual issue and the methodology used in selecting and rating the firms was not very scientifically rigorous. Once the publication saw the sales of the special issue explode, however, *then* it began to take a more thoughtful, regimented, and methodical approach to the rankings. But scholarly interest in corporate reputation would not arise for several more years.

The scholarly article generally regarded as the tipping point that made corporate reputation a central topic of engagement was Fombrun and Shanley’s (1990) investigation of *Fortune’s* Most Admired Companies published in the *Academy of Management Journal* in 1990. Many other disciplines – economics, sociology, psychology, and marketing, for instance – had also engaged the concept, but they did have the same effect as this management article. Moreover, scholars of corporate social responsibility (CSR) (e.g., Chakravarthy, 1986; Conine and Madden, 1986; McGuire *et al.*, 1988) had also used the *Fortune* ratings. What made the Fombrun and Shanley study different was that the previous studies focused on a single dimension of reputation (CSR) rather than the overall concept, and Fombrun and Shanley focused on multiple dimensions of reputation.

The next major development in the scholarly business literature devoted to corporate reputation studies was Fombrun’s (1996) treatise, *Reputation: Realizing Value from the Company Image*, issued by the Harvard Business Press. Many of the ideas still gaining currency today within what is now a field devoted to corporate reputation have their roots in this volume.

The following year saw additional major developments. First, New York University Stern School of Business Professor Charles Fombrun and Erasmus University/Rotterdam School of Management Professor Cees van Riel launched an international and interdisciplinary conference on corporate reputation, identity, and competitiveness made up of scholars from business, management, finance, accounting, marketing, and a number of subfields within the communication discipline.

The conference gave rise to a second development that year, the publication of the academic/practitioner journal *Corporate Reputation Review*, which has now evolved into a full scholarly journal. In the inaugural issue, Fombrun and Riel (1997) reviewed six academic business-related disciplines that had paid attention to corporate reputation: economics, strategic management, marketing, organizational behavior, sociology, and accounting. Communication, however, was not among them.

The third development, also that year, was van Riel’s (1997) argument that corporate communication, which at the time was viewed as an emerging field, should be responsible for corporate reputation as one of its duties. Van Riel (1995) had previously published *Principles of Corporate Communication*, but it was not until the international corporate reputation conference that management and communication researchers started to commingle.

Clearly, the wave of scholarly attention to corporate reputation can be credited to the business disciplines. The first work on corporate reputation began in public relations in the 1950s (Eells, 1959). Because the practice of public relations itself had such a poor reputation within the scholarly community and the concept of image had a poor image (Avenarius, 1993), the initial thinking on corporate reputation received little traction and was soon buried within the archives as scholars moved on to
other endeavors. Indeed, scholars’ devoting attention to helping organizations materialize more favorable images was frowned upon. For many, the concepts of organizational image and corporate reputation were conflated or treated as equivalents. But the separation and distinction of these two concepts (image = unflattering; reputation = more noble) over time enabled scholars to advance work on corporate reputation and scholars have not looked back.

As noted earlier, most of the literature on corporate reputation resides within the business schools, evidenced by the recently released *The Oxford Handbook of Corporate Reputation* (Barnett and Pollock, 2012) featuring scholarly developments from a number of business-related disciplines, including management, sociology, economics, finance, history, marketing, and psychology. The communication discipline is noticeably absent leaving many central questions about the concept unaddressed. This handbook by Barnett and Pollock may satisfy those who are content with an understanding of corporate reputation from a management or organizational perspective, but for those who want to understand corporate reputation in greater depth, communication perspectives must be included.

**Overview**

The purpose of the present book is to come to a deeper understanding of corporate reputation – the concept, its antecedents, its dimensions, its consequences, and its measurement, management, and valuation – from the perspective of communication, and then, from multiple disciplinary perspectives found within.

This chapter begins by examining corporate reputation from a uniquely communication perspective. The first section defines corporate reputation from a communication perspective, identifies and reviews a number of ways that corporate reputation is conceptualized in practice, and then using the most basic communication model, draws attention to corporate reputation as an object of communication. Reframing corporate reputation from the perspective of multiple communication elements (messages, noise, and feedback) helps to more clearly see what communication brings to the study of corporate reputation.

The first section of this handbook introduces and describes what a number of subfields within communication offer for the understanding of corporate reputation. In previous writings, I have outlined the developments and contributions to corporate reputation from a mass communication perspective (Carroll, 2004, 2011). Van Riel (1995, 1997) has made similar contributions from the perspective of corporate communication. Still others (e.g., Hutton et al., 2001) have done so from the perspective of public relations. What is still lacking, however, is a comprehensive view from the perspective of communication, which is itself a wide-ranging field and considered by many still to be multidisciplinary. This is one purpose of this compendium.

Not all disciplines need to study corporate reputation, but corporate reputation scholars would be remiss not to consider the full variety of contributions that the study of communication can make to the phenomenon. We consider a few.

The second section of the book reviews a number of prominent and emerging theories that are communication related that deepen our insights into corporate reputation. Some are established, some are recent. The list is not exhaustive.

The third section of the book outlines the various corporate reputation attributes that are typically studied, and then reviews the literature on them for what the field of communication offers. The most commonly studied corporate reputation attributes are covered. The section concludes with a chapter on message design.

The fourth section of the book proposes new directions for corporate reputation research – new domains, unchartered territories.

Finally, the fifth section of the book addresses questions of research methodology, evaluation, and valuation.

The final chapter extracts key points and questions arising from the previous handbook chapters and plots out a research agenda for
communication scholars interested in learning more about corporate reputation and offers corporate reputation scholars avenues through which to delve more deeply into communication literature. As much as I would like to claim that this is a definitive volume, at best it could be described as a snapshot of the state of the art on the study of corporate reputation from the field of communication.

**Corporate Reputation as an Object of Communication**

Corporate reputation as communication messages

Organizations can have multiple types of corporate reputations. The AC4ID Reputation Framework (Carroll et al., 2011, p. 467) identifies a number of them:

- The actual reputation (“what we really are”) consists of the current attributes of the company, privately held by individuals. These may be tacit and unexplored.
- The communicated reputation (“what we say we are”) whether through controllable media (advertising, marketing, public relations, or sponsorships) or uncontrollable media (word of mouth, news reports, commentary, or social media).
- The conceived (or perceived) reputation (“what we are seen to be”) is how the company is seen by various constituents.
- The construed reputation (“what we think others see”) is top management’s view of a(nother) stakeholder’s views (e.g., consumers’ or customers’) of the organization’s reputation.
- The covenanted reputation (“what the brand stands for”) refers to what the brand promises and the stakeholders expect.
- The ideal reputation (“what we ought to be”) consists of the optimum positioning of the organization in its market within a given time frame.
- The desired reputation (“what we wish to be”) is analogous to the ideal reputation, but it resides in the hearts and minds of organizational leaders.

The framework by Carroll et al. (2011) illustrates the fundamental role that communication plays in the conceptualizing, messaging, and interpretation of corporate reputation. A corporate reputation is broadly defined as a widely circulated, oft-repeated message of minimal variation about an organization revealing something about the organization’s nature. From an information-transfer perspective, the meaning of the widely shared, oft-repeated message of minimal variation resides with the sender. From a transactional-process perspective, the person or audience receiving the widely circulated, oft-repeated message of minimal variation constructs the meaning. Meanings include the thoughts in the mind of the sender and receiver as well as the interpretations each makes of the other’s messages. Thus, as messages with minimal variation, corporate reputations can carry meanings that can vary from person to person or be widely shared and oft-repeated, giving them an air of objectivity. What each of the ACI4D corporate reputation types have in common is that they contain messages about “who the organization is,” the difference being whether the source is the organization, stakeholders, or third parties and what channel they use. See Table 1.1 for a description.

Not all messages about organizations are about their corporate reputations. The challenge for organizations is to create sufficient communication channels, environments, and opportunities for unobtrusively receiving messages and cues about how their behaviors and policies affect those in their environment – whether from stakeholders, third parties, or research – and then categorizing, cataloging, and then distributing the incoming messages to the appropriate organizational members without creating information overload, so that the messages are appropriately classified as noise or feedback so that appropriate and reasonable organizational learning and growth can occur.
Table 1.1 Corporate reputations as communication messages, noise, and feedback.

<table>
<thead>
<tr>
<th>Reputation</th>
<th>Description</th>
<th>Source</th>
<th>Message reference</th>
<th>Receiver</th>
<th>Channel</th>
<th>Reputation as</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual “what we really are”</td>
<td>The impressions, perceptions, and experiences of individuals</td>
<td>Stakeholders</td>
<td>Organization</td>
<td>Stakeholders</td>
<td>Interpersonal</td>
<td>Message</td>
</tr>
<tr>
<td>Communicated “what we say we are”</td>
<td>Through controllable or uncontrollable media</td>
<td>Organization</td>
<td>Organization</td>
<td>Stakeholders</td>
<td>Controlled and uncontrolled media</td>
<td>Feedback</td>
</tr>
<tr>
<td>Conceived “what we are seen to be”</td>
<td>How company is seen by various stakeholders</td>
<td>Stakeholders</td>
<td>Organization</td>
<td>Stakeholders</td>
<td>Intrapersonal</td>
<td>Feedback</td>
</tr>
<tr>
<td>Construed “what we think others see”</td>
<td>Top management’s views of another stakeholder’s views</td>
<td>Organization</td>
<td>Stakeholders</td>
<td>Organization</td>
<td>Interpersonal</td>
<td>Feedback</td>
</tr>
<tr>
<td>Covenanted “what the brand stands for”</td>
<td>Brand promises stakeholders expect</td>
<td>Stakeholders</td>
<td>Organization</td>
<td>Stakeholders</td>
<td>Intrapersonal</td>
<td>Noise</td>
</tr>
<tr>
<td>Ideal “what we ought to be”</td>
<td>Optimum positioning of the organization</td>
<td>Top management</td>
<td>Industry and market research</td>
<td>Top management</td>
<td>Intrapersonal</td>
<td>Feedback</td>
</tr>
<tr>
<td>Desired “what we wish to be”</td>
<td>Hearts and minds of organizational leaders</td>
<td>Top management</td>
<td>Top management</td>
<td>Stakeholders</td>
<td>Interpersonal</td>
<td>Message</td>
</tr>
</tbody>
</table>

Note: Carroll et al. (2011) examine multiple types of corporate reputation based on Balmer’s (Balmer and Greyser, 2002; Balmer et al., 2009) work with organizational identity. The framework by Carroll, Greyser, and Schreiber is augmented here to illustrate the fundamental role that communication plays in the conceptualizing, messaging, and interpretation of corporate reputation and the multiple roles corporate reputation plays in feedback and noise management.
The goal is to move from learning of the messages to learning from the messages while the message source is a nonpublic or latent, and the issue is latent rather than manifest. During this formative stage, the message source may share an issue with an organization but have no self-awareness of how or whether the situation or potential they experience is shared by others. If this public perceives that corrective action is needed and not taken by the organization, the public may become apathetic or aware. If the public becomes aware and perceives that nothing is still done about their message, their message has the potential to go public and be often repeated, thus becoming part of the organization’s corporate reputation. Thus, the proper classification of messages as noise or feedback becomes important.

The AC4ID Reputation Framework is grounded in the premise that when organizations are aware of these multiple reputations, they may use insights from the field of communication to

- appropriately categorize messages as feedback or noise;
- clarify and reduce the organization’s contribution to the noise they, their stakeholders, and third parties experience; and
- more adequately respond to feedback for organizational learning, growth, and development.

The following two sections examine corporate reputation from the perspective of communication noise and feedback.

Corporate reputations as communication noise

Noise is any stimulus that distracts from a message at hand. Noise affects the receiver’s ability to process the message and the sender’s ability to be heard. It can block, distort, negate, bias, change, or confuse the meaning of any message. Noise can also be a message itself, a message that interferes with the transmission and attendance to other messages.

When organizational members receive an incoming message, they assess its importance or relevance in light of personal or organizational goals or objectives and the importance of the message for the sender in light of the sender’s relationship with the organization. A message may be classified as physical noise if the message does not relate to these goals or if the message is not allocated to the correct person or department. Physical noise occurs when stimuli in the environment, such as sight or sound, draws people’s attention away from a message. In the example here, the messages of concern are those having to do with organizational goals or objectives. In cases where messages do relate to organizational goals or objectives, semantic noise may still interfere. Semantic noise refers to the distractions aroused by certain symbols that take our attention away from a message, for example, if the language used has different meanings for the sender and receiver, and thus the message is not given proper attendance. In both cases, the messages may have implication for the organization’s reputation if the sender perceives that improper action was taken.

The more common type of noise relating to corporate reputation is psychological noise. Psychological noise includes preconceived notions, expectations, prejudices, and other ingrained biases that affect the attendance to messages. Psychological noise limits people’s ability to attend to messages because everyone has perceptions of how things are and how they ought to be, including perceptions of what organizations are and how they should be.

There are several examples of corporate reputation that can serve as psychological noise. See Table 1.1. The construed reputation refers to top management’s views of another stakeholder’s reputation views. This largely intrapersonal message refers to “what we think others see.” Likewise, communicated reputation may function as autocommunication where organizational members are also the audiences (Christensen, 1997; Christensen and Cheney,
In both cases, these reputations may serve as noise that leads to the filtering, tuning out, or disconfirming incongruent incoming messages from stakeholders, which leads to organizational neglect or defensiveness and a misallocation of resources in response (Duke-rich and Carter, 2000).

On the other hand, stakeholders have their own views of corporate reputation that serve as noise. For example, the covenanted reputation – the brand promises stakeholders expect – serves as an intrapersonal message stakeholders hear when they are processing the firm’s actual or conceived reputations from other stakeholders, the communicated reputation from the organization, and the desired reputation from top management. If audience members consider the conceived reputation of the organization to be controversial or that it does not coincide with their beliefs about what the organization should be about (the covenanted reputation), the noise produced will have a large bearing on whether they will listen effectively to the organization’s communicated reputation. Moreover, listeners may unknowingly use selective hearing and selective retention to screen out statements that contradict their preconceived ideas about the organization and selectively attend only those messages that reinforce their preconceived notions. This in turn further alters the organization’s actual reputation, the impressions, perceptions, and experiences of individuals.

In addition, organizations can also think of their reputations as secondhand noise. Secondhand noise is put into the environment by others who are not involved in the communication exchange, and it affects other audiences and publics without the organization’s or their public’s consent. In this sense, second noise is like secondhand smoke, having negative impacts on people without anyone’s consent. Those putting forward their views in public may be disregarding the rights of others and claiming rights that may not be theirs to claim.

In sum, the challenge for organizations is to appropriately categorize messages as feedback or noise and to clarify and reduce the organization’s contribution to the noise they, their stakeholders, and third parties experience. The next section focuses on corporate reputation as feedback.

Corporate reputations as communication feedback

Feedback contains information about the value or influence of a particular message for an organization or its stakeholders. Feedback messages reveal how others view an organization’s past and present behavior or performance, not the future. Feedback may be shared with an organization or with other stakeholders.

Feedback is critical for organizational learning, growth, and development, but it should be for learning, not just of learning. For organizations to improve their performance, they have to break the “doing” by considering what is working and what is not. Feedback is usually about the gap between an actual level and some reference level. Feedback helps the organization adjust its current and future behavior to improve organizational performance, decision making, communication, and public relationships, and in the end, increase its likelihood of survival.

When organizations treat messages as feedback, the organization is provided with information about how its identities, messages, actions, or policies are received, often deviating from the intentions of the organization. Deviation is not inherently bad. Argyris and Schon (1978) describe deviation-counteracting feedback as that which enlightens organizations to pursue, continue, or adhere to an established message, action, policy, or strategy that is in line with public norms and expectations. In such a case, organizations continue ahead.

On the other hand, deviation-amplifying feedback encourages the organization to better explain its messages, actions, policies, and strategies, or to consider and pursue corrective alternatives, thereby bringing the organization in line with public norms and expectations. Organizations should care about these feedback loops, because the feedback has the potential to become their reputations if organizations do not respond at all, if they do not explain
Reputation as feedback or noise

The last major observation to point out in this section is that messages about corporate reputation can be either feedback or noise, depending on the choice the receiver makes, whether it is the organization or a stakeholder group. When stakeholders read or hear about an organization’s actual reputation from other stakeholders in controlled or uncontrolled media, they make a choice as to whether they view the message as noise or feedback. Likewise, when organizations hear from stakeholders about how the company is seen, they too may decide whether the messages are noise or feedback. If the messages come from research, organizations are likely to view the messages as feedback. On the other hand, if the messages are informal and unsolicited, organizations may view the messages as noise to their own peril. Lastly, failing to give organizations feedback sends a nonverbal signal itself. It leads to mixed messages, false assessment by observers, confusion, and lack of trust.

In sum, organizations also need to be aware of the impact that messages have for corporate reputation. They must appropriately categorize messages as feedback or noise; clarify and reduce the organization’s contribution to the noise they, their stakeholders, and third parties experience; and more adequately respond to feedback for organizational learning, growth, and development.

Understanding how to manage corporate reputation as noise and feedback, as well as having effective strategies and techniques for dealing with them, can help organizations improve their communication, relationships, and reputations.

The rest of the volume

The first section of this handbook introduces and describes what a number of subfields within communication offer for the understanding of corporate reputation. In Chapter 2, Cees B.M. van Riel examines public opinion. In Chapter 3, Sherry J. Holladay examines interpersonal communication. In Chapter 4, Robyn Remke themselves adequately, or they do not pursue corrective alternatives.

Examples of corporate reputation that serve as feedback for an organization are the conceived, covenanted, and ideal reputations. See Table 1.1. The conceived reputation tells organizations how they are currently seen by their various stakeholders, while the covenanted reputation tells organizations what stakeholders expect. These forms of feedback are usually arrived at by stakeholder research. On the other hand, the organization’s ideal reputation is based on feedback from financial analysts, consultants, regulatory and legislative entities. This feedback comes from in-depth interviews, archival research, competitive intelligence, and so on, which helps determine the optimum positioning of the organization.

Feedback provides meaningful information to more than just the focal organization. Stakeholders regularly incorporate feedback from other stakeholders into their views of organizations, and not without consequence. For instance, third parties with no organizational relationship history use reputational feedback to decide whether they want a relationship. Those with existing organizational relationships use reputation as feedback to authenticate and validate their own relationships with the organization. Then finally, third parties such as regulatory or legislative entities may also use public feedback to decide how and when to penalize organizations through financial penalties, monitoring, compliance programs, regulation, legislation, or investigations. Employees may experience turnover, while activists and consumer groups may recommend protests or boycotts.

Organizations face several challenges when it comes to incorporating feedback. They must create an accessible and available climate where messages can be received unobtrusively, without altering their intended meaning, and without resulting in information overload. Moreover, organizations should strive to incorporate feedback in an open, observable, and timely way while it is at the latent stage and strive to avoid creating publics galvanized around the feedback.


In Section 5, “Communication Research and Evaluation,” starting with Chapter 44, Don W. Stacks, Melissa D. Dodd, and Linjuan Rita Men examine measurement and evaluation. Then in Chapter 45, Yungwook Kim and Jungeun Yang examine corporate reputation’s link to return on investment (ROI). Then finally, in Chapter 46, I outline a research agenda for future communication research in corporate reputation studies.

Notes

1 This framework is based on Balmer’s (Balmer and Greyser, 2002; Balmer et al., 2009) work on multiple identities.

References


