Corporate Reputation: Building and Mantaining

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ABSTRACT: Within the context of a corporation, this research investigated how to construct and preserve a positive corporate reputation. Interview-based qualitative research methods were utilized to compile the information that was acquired from public relations experts working in the PR area. The purpose of this study is to investigate whether or not there are any connections between company reputation and stakeholder management. In addition, research has been carried out to discover the best way to develop communication strategies with the various sorts of stakeholders. In-depth primary research was conducted with a carefully selected respondent with the purpose of gaining an understanding of how businesses and other organizations construct and preserve their corporate reputations. The respondent was selected to ensure that the feedback obtained would be of a high quality and would reflect insight from a position that is rarely presented in public. In order to guarantee the reliability of the findings, conclusions were drawn based on the information obtained from the interviewee in addition to the findings of a number of other research and journal articles.

KEYWORDS: Stakeholder management; stakeholder communication; corporate reputation; internal stakeholder management.

1. Introduction

In the past, the concept of corporate reputation was typically seen as being more abstract by the majority of firms. There are a lot of companies that carry out the majority of their activities without giving any consideration to the effect that their decisions have on the reputation of the company. On the other hand, the rapid development of technology in recent years, particularly in the fields of information and communication, has necessitated a fundamental shift in the manner in which companies portray themselves in the realm of public discourse. With the press of a button, information and ideas can be freely disseminated. A single post on a social media platform has the potential to "make or break" the reputation of any individual. If an organization is able to uphold a positive reputation among its various stakeholders, it will have a much easier time accomplishing the goals that it has set for itself [1]. Because of this, it is up to enterprises to utilize these communication tools in order to monitor and uphold their reputations. In this post, we will address the relationship between an organization's stakeholders and its corporate reputation, as well as how good communication between an organization and its stakeholders can be leveraged to construct and maintain a powerful and favorable corporate reputation.

2. Literature Review

An organization's corporate reputation is strongly tied with its stakeholders. Corporate reputation is regarded as the overall regard in which the organization is being held by both its internal and external stakeholders based on the organization's actions in the past and also the future. This means that an organization's reputation is created by the perceptions that each stakeholder has towards an organization. For example, if you were the loyal customer of a sportswear brand that you felt made good products, and suddenly, claims broke out that they were actually running sweatshops involving children in the preparations of said good products, your perception of that sports brand would decrease drastically [1]. Although the sportswear organization might still produce excellent product quality, you would no longer be comfortable purchasing products from the organization until they address the claims. Vice versa, if you were a customer that happened to come across a clothing company that made very fashionable clothing, and after purchasing a few of their products, you found out that the company was actually one of the leading brands in eco-friendly clothing production, you would probably consider being a loyal customer of that company in the future. Through these examples, you can see how an organization's corporate reputation is very heavily influenced by its stakeholders. So far in these examples, I have only made examples of customers. However, stakeholders extend further than just the customers of an organization. Therefore, what are stakeholders?

Stakeholders include groups or individuals that are able to affect or are affected by the success of a company's objectives Through this definition, stakeholders could be an organization's customers, the government in which an organization is located, other organizations that have formed legal ties with said organization, competitors of an organization and even people that are living in close proximity to the organization's headquarters. Anyone who has the potential to be affected, even in the slightest way by an organization's activities can be classified as a stakeholder [2]. This study examined the art of building and mantaining corporate reputation within an organization.

However, it is important to note that engaging and communicating equally with all stakeholders to please each party is a near impossible task for an organization. Therefore, it is important to recognize and handle each stakeholder group in accordance to importance and specific interests. This means that an organization needs to analyze and identify the power and interest that a stakeholder group has towards the organization, before deciding on effective communication methods to use with each stakeholder group. The best way to go around with this is by using a power-interest matrix [3].

This power-interest matrix will help an organization decide which stakeholder group would they need to maximize their efforts on, and which stakeholder groups would they need to just keep informed on. This will enable an organization to properly plan out communication strategies with each stakeholder groups to improve corporate reputation, especially with stakeholders that can highly impact an organization.

3. Finding and Discussion

Now that we have identified stakeholders of an organization, we can move on to the next topic which is how an organization can perform effective communication with its stakeholders to build and maintain a strong and positive corporate reputation. To learn more about effective

communication, The author conducted an interview with a public relations practitioner that worked in the field of electronic sports (e-sports). As the interviewee was also one of the three founders of the e-sports organization, which was just founded recently, the interviewee had to shoulder the burden of being the public relations manager of the organization as well. Within the first two months of the organization being founded, an issue had already appeared. Being an organization that competes in a player-versus-player based video game, the organization had already signed contracts with 4 players to fill in the 5-player roster that was needed to compete. Therefore, the organiation was looking to sign one more player. They were scouting out a specific Russian player and were looking to add him to the roster. However, because they needed to compete in a tournament, they failed to communicate to their stakeholders that the scouted player, was not a signed player of the organization, but rather, a tryout player. After the tournament, the organization decided not to accept the scouted potential as a player and therefore announced that they would be dropping him from the roster. Many of the organization's stakeholders were displeased at this news, as they assumed that the organization had signed the player into their official roster and had dishonored the contract. The interviewee stressed that in an organization, communicating clearly and precisely with stakeholders is a must. Any form of miscommunication, or in the organization's case, a lack of information, could lead to an issue within the organization.

The interviewee also said that an organization, especially a growing organization, needs to find ways to engage in delicate relationships with its stakeholders. As an e-sports organization, one of their main stakeholders were fans of the team. The interviewee stressed that it was essential for organizations to maintain and manage feedback from these stakeholders. Satisfaction from the community is not what drives relationship building, but rather a strong organizational reputation that is properly mantained by proper communication with the community [4]. According to previous study, a long-term engagement is needed between organizations and their stakeholders to maintain effectiveness of performance and to ensure mutual trust can be generated between the organization and its stakeholders. For organizations to be able to generate and maintain trust with their stakeholders, they need to constantly monitor feedback from their stakeholders to be able to plan out their communication strategies accordingly [5]. According to the interviewee, social media platforms are strong platforms that can be utilized greatly by organizations to monitor feedback from different stakeholders. Social media is also a strong platform to interact with an organization's stakeholders. Instead of traditional one-way communication, two-way communication can be fully utilized on social-media platform to interact and manage stakeholder groups. As mentioned above, stakeholder groups should be separated into a power-interest category. Stakeholder groups in the high power and high interest category are the stakeholder groups in which two-way communication is a must! An organization should monitor and manage stakeholder groups in this category closely to build strong mutual trust between the organization and these stakeholders. Social media is a good platform in which two-way communication can be fully utilized between an organization and its stakeholders. However, social media can also be a strong tool to monitor feedback from stakeholders. Especially stakeholders which are categorized as low power and low interest in the organization. These stakeholders can be monitored easily through the usage of social media. Therefore, social media is a strong tool that can enhance communication towards stakeholders in both ends of the power-interest matrix. The interviewee stressed that especially in today's world, it is a must

for all organizations to be able to operate social media and utilize social media to communicate with their stakeholders.

Finally, the interviewee also stated that most organizations tend to focus too much on managing and monitoring external stakeholders, that they tend to neglect the internal stakeholders. Internal stakeholders are the stakeholders that directly contribute to the organization or stakeholders that drives decisions made by the organizations [6]. Examples of internal stakeholders are stakeholders such as employees, organizational board members, company owners and many more. Internal stakeholders are an integral part of a company. Like it or not, employees and workers are crucial in maintaining the success and most importantly, the corporate reputation of an organization! No matter the amount of resources that an organization puts into marketing or maintaining a good public relations team to enhance corporate reputation, if an organization's internal stakeholders are displeased with any mistakes or unlawful acts made from the organization, the organization will topple from within [5]. After all, the internal stakeholders are the foundation of an organization. A good organization must have the responsibility of forming a positive working culture in the workplace for its employees, that succesfuly refelcts on the mission of the organization [7]. The interviewee states that his organization actually spends a substantial number of resources in making sure that their players and employees are well taken care of. They constantly conduct meetings to bond with their players and also raise issues that the players feel the organization could address. This way, the organization is able to maintain the satisfaction of its internal stakeholders, thus, ensuring that its internal stakeholders are able to completely trust in the organization and work with the organization [8].

4. Conclusion

Simply put, for an organization to achieve a positive and strong corporate reputation, stakeholder management and corporate reputation must go hand in hand. As each stakeholder has different power and interest in the organization, an organization must first analyze its different stakeholders and decide which stakeholders belong to which group. A power-interest matrix would be the best solution to this! After analyzing and identifying different stakeholders, the organization must then model its communication methods accordingly and decide which communication methods to employ for each stakeholder. Social media is a strong platform which can help an organization enhance its interactivity and communication with its different stakeholders. Lastly, internal stakeholders are an integral part in maintaining a strong corporate reputation! Organizations must make sure to always communicate clearly and ensure that their internal stakeholders are satisfied with the organization's actions and decisions!

Competing Interest

All authors declared no competing interest.

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