ISMO Special Issue on Corporate Reputation

Guest Editorial by:

TC Melewar, Middlesex University London, UK

Bang Nguyen, East China University of Science and Technology, Shanghai, China

SF Syed Alwi-, Brunel University London, UK

Jyoti Navare, Middlesex University London, UK

Recent studies have incorporated concepts from the strategic management literature and organization studies to the management of corporate brands in order to attain favorable branding outcomes such as improved corporate reputation. Due to the complex challenges presented by globalization and technological change towards organizations, we propose that researchers and practitioners alike must adopt a more branding oriented mindset and emphasize more systematically the corporate reputation concept as part of the broader organization management strategy. For example, as researchers are exploring diverse factors pertinent to the efficacy of branding, prior studies have examined the associations between brand reputation and performance order to improve employee commitment, reduce staff turnover, and increase productivity. At the same time, reputation is shown to create value for key stakeholders, shaping the perceptions of shareholders, and influencing decision-making and choices.

However, there is a lack of organization and management research that examines how the role of corporate reputation and its varying aspects influence critical organizational outcomes such as customer trust or brand positioning. This represents

research gaps in studying the combining effects of institutions and organizational capabilities, which influence branding and corporate reputation. In our special issue, we aim to further the discourse of the 'organizational capability-corporate reputation'-link by associating firms' organizational capabilities with corporate reputation. We include extant and state-of-the-art research in the management and organization context, and in doing so, extend the literature with a more brand-oriented approach to a setting that has both practical and theoretical importance, namely, the corporate reputation of organizations. We publish five papers in this special issue, covering specific issues related to corporate reputation and branding.

The first paper, by Ali, Jin, Wu and Melewar, entitled *How Does Reputation Win Trust? A Customer-Based Mediation Analysis*, investigates the relationship between customer-based corporate reputation (CBR) and customer trust, and in particular, the mediating role of customer perceived risk in this relationship. The authors propose and test a model comprising of four components: cognitive CBR, affective CBR, customer perceived risk, and customer trust in the fast-food services industry in Pakistan. The results of the study suggest that the cognitive and affective dimensions of CBR behave differently in developing customer trust. That is, affective CBR has direct positive relationship with customer trust, whereas, customer perceived risk and affective CBR mediate the relationship between cognitive CBR and customer trust. The authors note that the study may encourage future researchers to further explore the affective component of CBR, and, mediators in the relationship of reputation with its outcomes.

The second paper, entitled *Investigating the Uses of Corporate Reputation and its Effects on Brand Segmentation, Brand Differentiation and Brand Positioning: Evidence from the Taiwanese Pharmaceutical Industry*, written by Chen, Nguyen, Melewar and Dennis, advances current knowledge on building a brand strategy that includes corporate reputation. The authors employ three theories – value creation, strategic resources and corporate communication – to study the effects of the *uses* of corporate reputation and its effect on brand segmentation, brand differentiation and brand positioning. In the context of the Taiwanese pharmaceutical industry, the authors provide evidence to demonstrate the relative impacts of the uses of corporate reputation on a brand image strategy and find that the inclusion of medicine price is crucial, as it negatively moderates the impact of the overall uses of corporate reputation on overall brand image strategy. As one of the few studies that tests 'reputation-and-branding-building'-models outside the USA and Europe, the research contributes empirically to corporate reputation concept and calls for further development in the field.

The paper, entitled *Exploring Consumer Association between Corporate Reputation, Corporate Sustainability and Product Attributes within Utilitarian Market Contexts,* by Garry and Harwood, develops a conceptual framework of corporate reputation (CR) and corporate sustainability (CS) strategy and examines the interrelationship and cognitive associations between CR, CS strategy and a firm's product attributes among consumer stakeholders. The authors explore consumer stakeholder cognitive associations between CR, CS and product attributes within a utilitarian context. The findings reflect the specificity of consumers' associations between CS and market context, revealing that participants do not associate the telecommunications industry

with CS despite many firms having a clear and positive web based communications strategy. Tangential proxies used in other market contexts such as point-of-sale communication, package design and information communicated on the package would appear to be also pertinent within this context particularly if standardized and adopted on an industry wide basis. The authors note that contemporary consumers assess, evaluate and differentiate firms based not only on their CR, but also on their CS strategy, hence important implications exist for both researchers and practitioners.

The fourth paper, entitled *An Evaluation of the Effects of Corporate Reputation on Employee Engagement: The Case of a Major Bank in South Africa*, by Shirim and Kleyn, assesses the evaluation of the effects of corporate reputation on employee engagement. The authors explore the impact of employee perceptions of corporate reputation on employee engagement and measure the impact of employees' perceptions of corporate reputation on their engagement with the corporation, while controlling for the state of their psychological contract with the organization. The results of the model confirmed that corporate reputation perceptions are an important predictor of employee engagement. The authors also found that psychological contract breach is negatively related with both the perceptions of reputation by employees and their engagement, demonstrating the importance of managing employee perceptions of corporate reputation both directly and indirectly through the management of the psychological contract. As employee engagement and corporate reputation are little researched in the organizational resources context, it is hoped that more research is developed to show the influence on competitive performance and profitability.

The final paper, entitled *Systems Thinking: A Method for Reducing Reputation Risk*, by Brønn and Brønn, argues for a holistic approach to reputation risk, an approach best represented by systems thinking. The systems thinking methodology is concerned with developing and testing operational explanations of organizational behavior and as such requires an understanding of the 'whole' through the relationships between 'organizational pieces'. The authors use the PZB service quality model (named for its creators Parasuraman, Zeithaml and Berry) as a framework to illustrate the inter-relationship between internal organizational pieces where stakeholder expectations, if unknown, misinterpreted or simply ignored can create gaps that provide potential hot spots for reputation risk. In addition, the authors also argue that the complexity of the relationships illustrated by the PZB model coupled with the nature of reputation make recent arguments for establishing a chief reputation officer or a single function in charge of reputation unrealistic and untenable.

We hope these papers will encourage further discussion and debate in this interesting research field linking corporate reputation with organization management studies. We would like to thank the Editor of International Studies of Management and Organization, for providing us with an excellent platform for presenting our research studies. We sincerely hope you will enjoy reading these papers.

TC Melewar

Bang Nguyen

SF Syed Alwi

Jyoti Navare