UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA

GORDON INSTITUTE
OF BUSINESS SCIENCE

University of Pretoria

Corporate reputation management: Reconciling identity-image gaps

Sallyanne Tromp
12115739

A research project submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Business Administration.

26 September 2012

Abstract

A good corporate reputation is extremely valuable, and confers substantial benefits to the organisation. In order to better manage their corporate reputation, companies need to align their corporate identity and corporate image. Where they do not align and there are gaps, company directors need to identify and reconcile those identity-image gaps.

In this research study, corporate reputation, and specifically image and identity, is investigated to understand whether there is gap between how the company views itself (corporate identity) and how it is viewed by its stakeholders (corporate image).

Directors' perceptions of gaps between corporate identity and corporate image were explored through a qualitative research methodology that focussed on collecting primary data using an exploratory, phenomenological approach. Ten depth interviews were conducted with directors of companies operating in South Africa, who were selected through convenience sampling.

A framework is proposed to assist the management of corporate reputation by reconciling identity-image gaps in companies. The core causes of these gaps are found in the company, the staff of the company, and in the external marketplace. Once these identity-image gaps are identified and acknowledged, mechanisms are proposed to reconcile the gaps through focusing on knowledge management, relationship management, communication, trust and implementation.

Keywords

- Corporate reputation
- Corporate identity
- Corporate image
- Directors

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any other degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Sallyanne Tromp

Date: 26 September 2012

Acknowledgements

To my supervisor, Nicola Kleyn: Thank you for your kindness, patience and support; they are appreciated more than I can express.

To my family: Thank you for believing in me and giving me the opportunity to complete my MBA, it has literally been a dream come true, for which I will always be so grateful.

To everyone who had a hand in ensuring my interviews went smoothly, and to my respondents: Thank you, I am so grateful for your assistance.

Contents

List of Tables

List of Figures

Chapter 1: Introduction to Research Problem

1.1 Introduction

"The most critical, strategic, and perhaps enduring asset that a corporation possesses is its reputation" (Cravens, Goad Oliver, & Ramamoorti, 2003, p. 201).

Corporate reputation (CR) is an intangible asset of immense value that is built up over time (Lewis, 2001). It is difficult to quantify a reputation and understand its exact impact on a business, however, it has been shown that a good reputation lends numerous advantages to an organisation (Boyd, Bergh, & Ketchen, 2010; Dowling, 2006; Firestein, 2006). Whetten and Mackey (2002) define CR simply as what the company is seen to be.

In a fast-changing world where companies can easily fall short of their promises to stakeholders, business needs to not only intuitively recognise the value of a sound reputation, they need to "systematically and purposefully" (Smaiziene & Jucevicius, 2010, p. 91) manage their reputations.

The management of CR has been linked in the literature to the concepts of corporate identity (CI) and corporate image (CIM) (Brown, Dacin, Pratt, & Whetten, 2006; He & Balmer, 2007; Melewar, Sarstedt, & Hallier, 2012). CI is defined by Balmer (2001) as "a key element, which gives a business identity its distinctiveness and relates to the attitudes and beliefs of those within the organisation" (p. 254). CIM can either be tangible or based on psychological dimensions such as feelings towards a company (Kennedy, 1977). CIM thus represents "the sum of beliefs, attitudes, and impressions that a person or group has of an object" (Barich & Kotler, 1991, p. 95):

Despite many articles looking to define and differentiate between CI and CIM (Abratt & Kleyn, 2012; Dutton & Dukerich, 1991), there is still theoretical inconsistency and Christensen and Askegaard (2001) have called for a better alignment of CI and CIM in terms of CR management.

1.1.1 The value of a good corporate reputation

While the corporate reputation literature is unclear on a universal definition, it is unanimous that the benefits of a good reputation offer substantial value to a company (Gardberg & Fombrun, 2002; Gotsi & Wilson, 2001; Walsh, Mitchell, Jackson, & Beatty, 2009; Whetten & Mackey, 2002).

Some of the benefits of a good reputation are noted below in Table 1.1:

Table 1.1: The value of a good reputation

The value of a good reputation	**Literature support**
A reduced uncertainty faced by stakeholders in evaluating firms as potential suppliers of needed products and services	Fombrun, 1996; Rindova, Williamson, Petkova, & Sever, 2005
Encourages stakeholder patronage, support, and increased purchases	Casalo, Flavian, & Guinaliu, 2007
Firms with a strong reputation are more easily forgiven by their stakeholders when they transgress	Dowling, 2006
Companies are able to charge a price premium for goods and services	Rindova *et al*., 2005
Positive relationship between a firm's reputation and financial performance	Eberl & Schwaiger, 2005; Rindova *et al*., 2005; Roberts & Dowling, 2002
Reduced transaction, capital and personnel costs for the company	Eberl & Schwaiger, 2005
An asset that is hard to imitate	Argenti & Druckenmiller, 2004; Boyd *et al*., 2010; Fombrun & van Riel, 2004; Gray & Balmer, 1998; Shamsie, 2003
Provides a sustainable competitive advantage	Boyd *et al*., 2010; Ponzi, Fombrun, & Gardberg, 2011; Roberts and Dowling, 2002; Shamsie, 2003
Facilitates brand extensions	Hem, de Chernatony, & Iversen, 2003
Encourages website commitment	Casalo at al., 2007
Allows companies to exploit information imbalances in their marketplace	Shamsie, 2003
Influences creditor and investor decisions	Fombrun, 1996
Influences potential employees' decisions regarding the companies for whom they wish to work	Fombrun, 1996

By understanding the economic and social benefits of a strong reputation base, decision-makers will be better positioned to manage reputations in line with the goals of the firm. Whether the business goal is to increase sales, attract and retain the right talent or attract investors, a strong CR will provide a good base (Reputation Institute, 2012).

1.2 Background to the Research Problem

1.2.1 The business imperative

The emergence of the latest King III report (IODSA, 2009) has, for the first time in corporate South Africa, mandated corporate reputation as a board agenda item. The Board of Directors is now required to measure and manage their reputation, as well as protect and enhance it in line with stakeholder expectations. This alludes to the Board's responsibility to measure and manage gaps in stakeholder perceptions and company performance in order to protect and grow a company's reputation (IODSA, 2009).

An excerpt from Section 8 follows:

> Principle:
> The board should appreciate that stakeholders' perceptions affect a company's reputation.
>
> Recommended practice:
> 1. The gap between stakeholder perceptions and the performance of the company should be managed and measured to enhance or protect the company's reputation.
> 2. The company's reputation and its linkage with stakeholder relationships should be a regular board agenda item.
> 3. The board should identify important stakeholder groupings.
>   (IODSA, 2009, p. 46-47).

While this is not legislation, it is an expected code of practice for all Johannesburg Stock Exchange listed companies and is intended for use by all organisations in South Africa, regardless of size.

1.2.2 Custodians of reputation

It is widely accepted that responsibility for vision, direction and reputation sits with the upper management of a company. In support, the Economist Intelligence Unit (2005) found that 84% of respondents cited responsibility for reputation lies with the Chief Executive Officer. 42% of respondents indicated that the next level of responsibility lies with the Board of Directors. Thus it is with the firm's executive team that the responsibility for reputation management lies.

However, given the other business responsibilities that executives are required to shoulder, most senior executives expressed that they did not have the spare capacity for taking on the responsibility of managing and building the firm reputation (Economist Intelligence Unit, 2005).

In light of the mandate from the King III for reputation management to take place at an executive level (IODSA, 2009); this research will target the perspectives of members of the executive team (chief executive officer and directors). As custodians of reputation, the executive team needs to protect and enhance the firm reputation by managing gaps between the stakeholders and the company.

1.3 Research Problem

The literature highlights that reputation can easily be lost if it is not managed properly (Rindova, Williamson, & Petkova, 2010). There have been numerous frameworks developed to manage or measure reputation, but each has its shortcomings, either methodologically or contextually (Ponzi, Fombrun, & Gardberg, 2011). It is suggested by the literature that in order to manage CR, organisations need to manage and align CI and CIM (Hatch & Schultz, 2001). However, research to date has not identified ways to accomplish this (Davies & Chun, 2002).

Directors are uniquely positioned to offer insight into both CI and CIM due to the nature of their executive responsibilities. There is therefore an opportunity to solicit their views about both the inter-relatedness and the gaps between CI and CIM. This research will serve as a guide for directors to manage gaps in stakeholder and company perceptions, in line with more effectively managing and building reputation.

1.3.1 Research objectives

The research objectives for this study are to:

1. Critically review the relevant literature on corporate reputation, identity, and image
2. Empirically explore directors' perceptions of gaps between identity and image
3. Empirically investigate mechanisms used by directors to close identity-image gaps

1.3.2 Academic motivation

There is ample academic research that highlights the strategic advantages of a good corporate reputation (Firestein, 2006; Gardberg & Fombrun, 2002; Gotsi & Wilson, 2001; Walsh, Mitchell, Jackson, & Beatty, 2009; Whetten & Mackey, 2002).

However, there is much confusion and ambiguity in the literature around the concepts of CR, CI and CIM; indeed they are often used interchangeably (Barnett, Jermier, & Lafferty, 2006; Brown *et al.*, 2006; Hatch & Schultz, 1997; Wartick, 2002)

Despite early research into CIM by Kennedy (1977) and later Abratt (1989), there is still not a uniform definition of CIM, CI and CR and how these constructs inter-relate (Barnett *et al.*, 2006; Walker, 2010; Walsh *et al.*, 2009b). Further research into understanding the complex dimensions of CR is needed to supplement existing knowledge. By focusing specifically on the dimensions of CR, the reconciling of identity-image gaps, and the significance for CR management, the existing literature base will be augmented.

Davies, Chun, da Silva, and Roper (2001b) claim to be the first to identify and quantify the difference between internal and external perceptions of a firm. They postulated that internal perceptions are *identities*, while external perceptions are *images*. By building on their research, and the research of Davies and Chun (2002) and Vercic and Vercic (2007), the literature base on identity-image gaps will be expanded.

1.4 Conclusion

Despite a proliferation of research on the topics of reputation, image and identify; there is still disagreement in the literature and in the business world on what these concepts mean and their impact on a business.

This research attempts to unlock the gaps between firm and stakeholder views, and in doing so, enhance understanding of how to manage perception gaps for the benefit of a stronger reputation. The literature review will show that it is essential that firms build and manage their reputations, in order to harness sustainable competitive advantages and maintain a social licence to operate in a fast-changing and global environment.

The literature reviewed in the next chapter outlines a conceptual overview of the core constructs of CR, CI and CIM. It includes a look at the inter-relatedness of the constructs, before looking at managing CR, CI and CIM. Finally, the role of the director in management is considered.

In reviewing the existing literature, areas requiring further research or clarification of concepts were identified. These literature gaps are expressed in Chapter 3 as four research questions. The purpose of each question and its contribution to this research are also mentioned.

Next, Chapter 4 outlines the rationale for the research methodology that was chosen to best address the research questions. The actual research consisted of 10 depth interviews that were conducted with directors of companies operating in South Africa. The results of those interviews are displayed in Chapter 5 and interpreted in Chapter 6, in light of the existing literature.

Finally, Chapter 7 outlines a descriptive model that emerged from the research and looks at the implications of this model for both managers and academics. The chapter concludes by acknowledging the limitations of this research and recommending areas of future research.

Chapter 2: Literature Review

2.1 Introduction

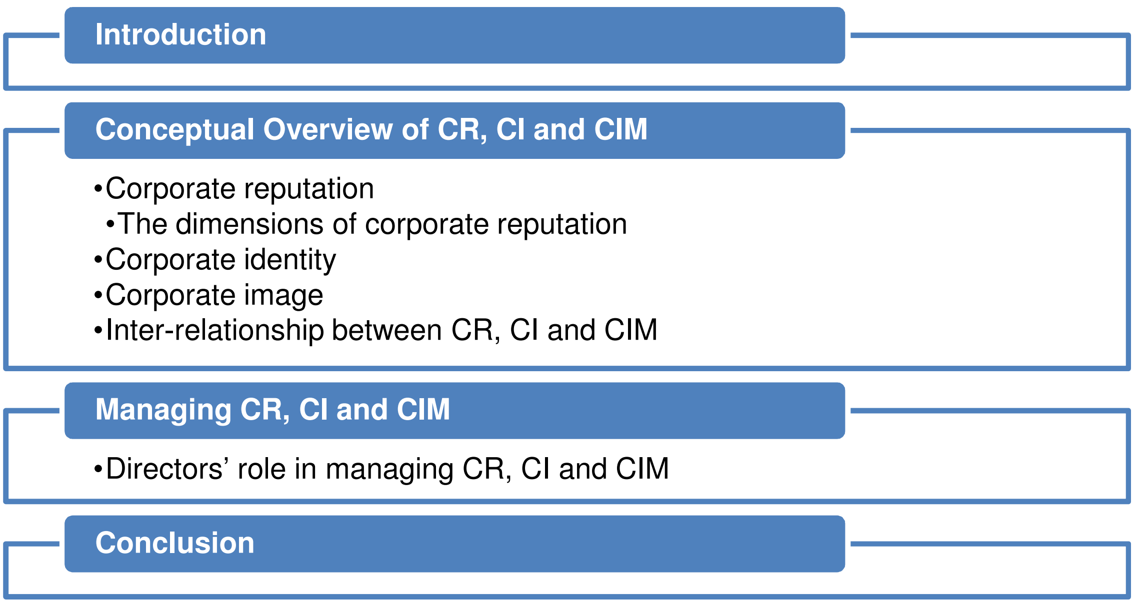
The previous chapter introduced the concept of an identity-image gap in the management of corporate reputation. It outlined the relevance of the subject for business in South Africa, as well as the academic motivation for this research. The research objectives posed sought to explore directors' perceptions of the gap and mechanisms used by directors to close identity-image gaps.

In order to address these objectives, a critical review of the relevant literature on corporate reputation (CR), corporate identity (CI) and corporate image (CIM) was undertaken.

As the management of CR is so central to this research, this chapter commences by seeking an understanding of CR and its dimensions. It follows with an exploration of CI and CIM and looks at the inter-relatedness of the constructs. Next, an investigation into the management of CR, CI and CIM is outlined; looking specifically at the role of directors.

The framework in Figure 2.1 below, illustrates the structure of the literature review.

Figure 2.1: The literature review framework



2.2 Conceptual Overview of CR, CI and CIM

2.2.1 Corporate reputation

Corporate reputation has enjoyed considerable exposure in the literature, with various authors and schools of thought arguing for different perspectives to understand CR and its impact on a firm (Fombrun, 1996; Rindova *et al.,* 2010). Reputation has also been investigated and deconstructed using various theories: "institutional theory, RBV [resource-based view], signalling theory, stakeholder theory, social identity theory, game theory, social cognition, economic theory, mass communication theory, impression management and upper echelons, transaction cost economics and quality competition, attribution theory" (Walker, 2010, pp. 375-376).

Regardless of the theoretical approach or the author undertaking the investigation, a general consensus is that CR is a valuable asset that must be managed properly to best serve the organisational goals (Boyd *et al.,* 2010; Ponzi *et al.,* 2011).

The search for a comprehensive definition of CR has grown over the decades and continues to gain interest among academics and practitioners (Ponzi *et al*., 2011). However, the literature suggests there is not one definition of corporate reputation (Abratt, 1989; Barnett *et al*., 2006; Brown *et al*., 2006) but rather that each stakeholder group has its own definition, as each perceives the company in a unique manner and builds a reputation construct from that perception (Bonini, Court, & Marchi, 2009; Bromley, 2001; Dowling, 1993). This is summarised by Whetten and Mackey (2002) who argue that reputation is simply what the company is seen to be by its stakeholders.

In a 2000 study by Bennett and Kottasz, 16 definitions for CR were found. In 2006, Barnett *et al*. extended their search to include definitions from 2000-2003 studies and uncovered 49 unique sources with CR definitions. They found the definitions to be clustered in three areas: "reputation as a state of *awareness*, reputation as an *assessment* and reputation as an *asset"* (p. 32). One such definition that touches on all three clusters was proposed by Rindova *et al.* (2005): corporate reputation is "stakeholders' perceptions about an organization's ability to create value relative to competitors" (p. 1033).

There has been a sustained call in the academic literature to expand the existing base of CR research. This was articulated in 2006 by Barnett *et al.* who called for "definitional and theoretically orientated studies of the concept [of corporate reputation]" (p. 26).This was supported by Walker (2010) who recently reviewed the CR literature and found that there was an ongoing need to further develop the theory base, including a comprehensive definition of CR.

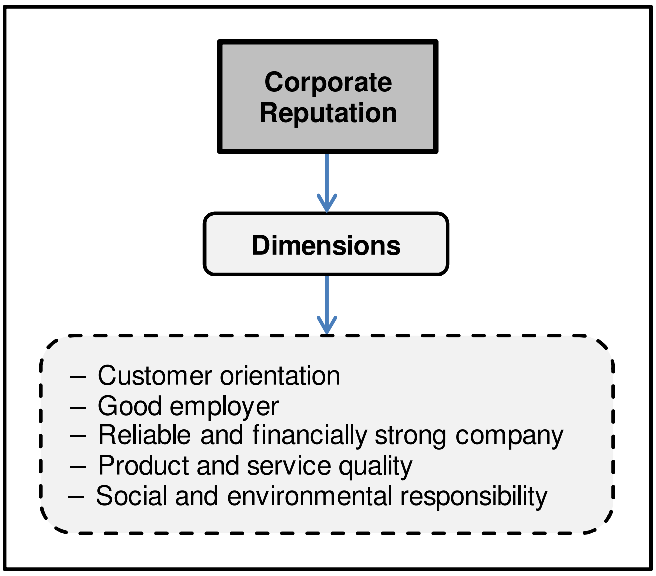
2.2.1.1 Dimensions of corporate reputation

The literature outlined several conflicting views as to what the key dimensions of corporate reputation are and so there is no consolidation of central constructs (Barnett *et al.*, 2006; Brown *et al.*, 2006). Ponzi *et al.* (2011) raised the concern that there needs to be differentiation between the drivers of CR, and the core dimensions of CR.

By way of example: Gabbioneta, Ravasi, and Mazzola (2007) found that the emotional appeal of a company most strongly influenced corporate reputation, while an earlier study by Gardberg and Fombrun (2006) claimed that a company's corporate citizenship was most significant. In contrast, Mercer (2004) had noted top leadership as the most salient dimension of corporate reputation. The literature suggests various factors that are likely to influence reputation, but there is no consensus as to what the dimensions of it are, to allow accurate measurement and holistic management.

Several reputation dimensions have been suggested by author collaborations (Walsh, & Beatty, 2007; Walsh, Beatty, & Shiu, 2009a; Walsh *et al.*, 2009b). In these quantitative studies, the authors identified scale items for each dimension in order to test them empirically (see Appendix D). By consolidating the dimensions from the three studies above, the researcher has suggested five core dimensions of CR (see Figure 2.2 below) with accompanying scale items (see Appendix E). This formed the basis of the Interview Guide for the depth interviews in this research.

Figure 2.2: The dimensions of corporate reputation



These dimensions serve to guide this current study in understanding the building blocks of corporate reputation, in order to better investigate how to manage it.

2.2.2 Corporate identity

Abratt (1989) laid the groundwork for CI studies, with many studies since then looking at the multidimensional nature of CI (Balmer, 2008; Balmer & Greyser, 2002; Kantanen, 2012; Otubanjo, 2011; Pruzan, 2001; Van Riel & Balmer, 1997).

Barnett *et al.* (2006) offered a definition of CI as “the underlying ‘core’ or basic character of the firm ... what the firm actually is” (p. 33). This has been supported by later studies (Vercic & Vercic, 2007) and postulated in earlier work by Balmer (2001).

In 2002, Balmer and Greyser investigated five different identities of the corporation: actual identity, conceived identity, desired identity, ideal identity, and communicated identity. Subsequently, in 2006, Melewar and Karaosmanoglu defined seven elements of corporate identity: corporate communication; corporate design; corporate culture; behaviour; corporate structure; industry identity; and corporate strategy. This provides diverse areas that can be translated into management dynamics. In both studies, the importance of *identity congruence* was emphasised.

The management of CI in terms of CR is essential to ensure alignment between constructs (Balmer, 2008; Balmer & Greyser, 2002).

2.2.3 Corporate image

In 1993, Dowling defined CIM as “the total impression an entity makes on the minds of people” (p. 104). Drawing on that definition, Boyle (1996) defined three types of corporate image:

- corporate – the way people view the whole corporation;
- product – the way people view a particular product category; and
- brand – the way people view a particular brand which is in competition with other brands

This highlights the multidimensional nature of CIM and sheds understanding on why it is difficult to define and manage. In the search for clarity of construct, there have been many studies on corporate image (Abratt, 1989; Brown *et al*., 2006; Dutton & Dukerich, 1991; Enis, 1967; Pruzan, 2001; Spector, 1961). As each group of stakeholders have different experiences, knowledge, beliefs, feelings and impressions about a company, so they form different images about it (Abratt, 1989; Dowling, 1988; Spector, 1961).

Corporate image can be seen as an aggregation of attributes that are either functional or emotional (Kennedy, 1977). Therefore, they can either be tangible or based on psychological dimensions such as feelings towards a company (Kennedy, 1977).

A consolidated definition of CIM was proposed by Barich and Kotler (1991):

> We use the term ‘image’ to represent the sum of beliefs, attitudes, and impressions that a person or group has of an object. The object may be a company, product, brand, place, or person. The impressions may be true or false, real or imagined. (p. 95).

Conversely, Cornelissen (2000) proposes that “an image is a perception of a receiver of his or her received projection of the corporate identity and own reflections of interpretations of various attributes from various sources” (p. 120).

2.2.4 Inter-relationship between CR, CI and CIM

Recent research into CR, CI and CIM shows an inter-relationship between constructs and a blurred distinction when attempting to define them (Barnett *et al.,* 2006; Brown *et al.*, 2006; Hatch & Schultz, 1997; Wartick, 2002; Whetten & Mackey, 2002). In 2012, Abratt and Kleyn proposed a framework showing these linkages:

Figure 2.3: Corporate identity, corporate brand and corporate reputation

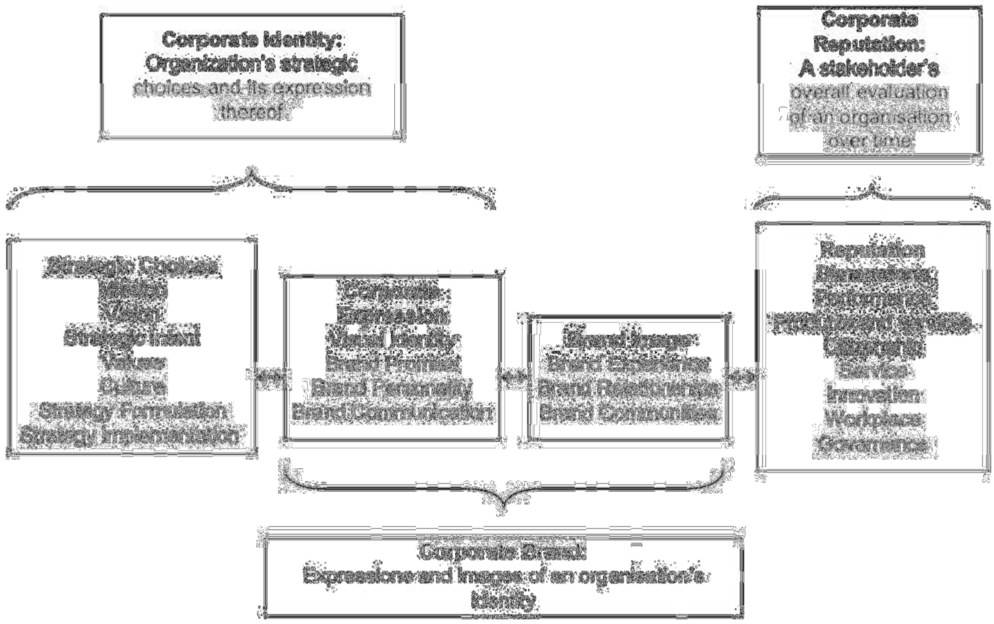


Figure 2.3. Corporate identity, corporate brand and corporate reputation: An integration. Adapted from “Corporate identity, corporate branding and corporate reputations: Reconciliation and integration” by R. Abratt and N. Kleyn, 2012, *European Journal of Marketing, 46*(7), p. 1048-1063. Copyright (2011) by Emerald Group Publishing Ltd.

While some authors have argued for a hierarchy of concepts, and Christensen and Askegaard (2001) have postulated that “identity and image are typically seen as opposite ends of the communication process” (p. 296), it is generally accepted that ideally, CI and CIM should be aligned (Hatch & Schultz, 2001).

Implied links have surfaced in the literature between:

- CR and CI (Argenti & Druckenmiller, 2004; Balmer & Greyser, 2006; Fombrun, 1996)
- CR and CIM (Kennedy, 1977; Wartick, 2002)
- CI and CIM (Abratt, 1989; Dutton & Dukerich, 1991; Fombrun, 1996; Fombrun & Van Riel, 1998)

This inter-relatedness is illustrated below in Figure 2.4:

Figure 2.4: Inter-relatedness of CR, CI and CIM

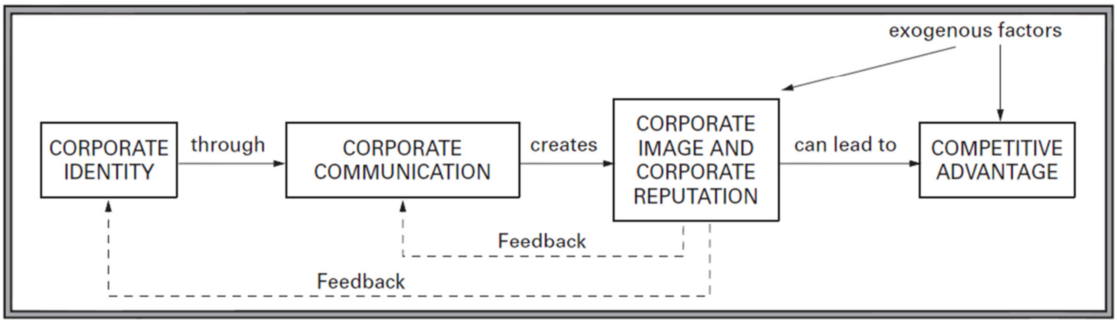


Figure 2.4. Operational model for managing corporate reputation and image. Adapted from “Managing corporate image and corporate reputation” by E. R. Gray and J. M. T. Balmer, 1998, *Long Range Planning, 31*, p. 696. Copyright (1998) by Elsevier Science Ltd..

Or, corporate reputation can be viewed as a summation of corporate identity and corporate image as illustrated below :

Figure 2.5: The relationship between CI, CIM and CR

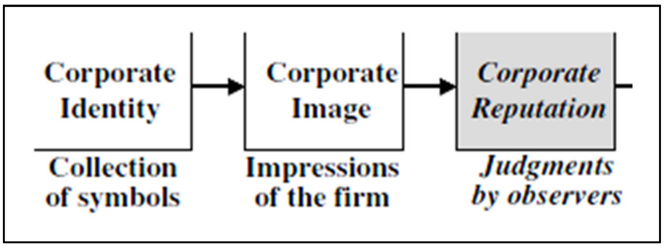


Figure 2.5. The relationship between corporate identity, corporate image and corporate reputation. Adapted from “Corporate reputation: The definitional landscape” by M. L. Barnett, J. M Jermier, and B. A. Lafferty, 2006, *Corporate Reputation Review, 9*(1), p. 33. Copyright (2006) by Palgrave Macmillan Ltd.

Davies and Miles (1998) looked at the differences in external and internal perceptions when considering employee-customer interactions. Later, Davies *et al.* (2001b) claimed to be the first to identify and quantify the difference between internal and external perceptions of a firm. They postulated that internal perceptions are *identities*, while external perceptions are *images*. In 2007, Vercic and Vercic extended Davies and Chun's (2002) research on gaps between internal and external perceptions of the corporate brand. However, these studies have not addressed the importance to CR management of understanding these identity-image gaps and exploring mechanisms to close them.

2.3 Managing CR, CI and CIM

It has been shown that a corporate reputation is a highly valuable and evolving construct that can and should be managed and not merely an accepted stakeholder view (Fombrun & van Riel, 2004). But, as reputations are intangible and multifaceted, they are difficult to manage and so the question remains, how does one manage an intangible asset? Dowling (1993) stated that "to manage a corporation's images requires both an understanding of how these images are formed and periodic measurement" (p. 102). In 2006, Fombrun and Pan found that despite progress in the field, firms still require an improved manner in which to manage corporate reputation.

According to Rindova *et al.* (2005) reputation forms as a result of information exchanges between companies, their stakeholders and the market-place. The perceived quality of an organisation's attributes (both products and otherwise) is influenced by signals that the organisation sends, as well as through information exchange among the various stakeholders (Deephouse, 2000; Rindova *et al.*, 2005).

One method of examining this communications effect on reputation is to look at the various Media Rankings and Certifications of Achievement that have been developed over the years in both academia and the business context. Studies of these rankings have shown positive reputation effects for companies that are highly rated (Fombrun, 2007; Pollock & Rindova, 2003; Roberts & Dowling, 2002).

Table 2.1: Influential academic measures

Academic measure	**Literature support**
Reputation quotient	Fombrun, Gardberg, & Sever, 2000
Six-item measure consisting of cognitive and affective dimensions	Schwaiger, 2004
Ten-item scale in Germany	Helm, 2005
28-item customer-based measure	Walsh & Beatty, 2007
15 item customer-based measure validated in the UK and Germany	Walsh at al., 2009a
Three-item scale	Highhouse, Broadfoot, Yugo, & Devendorf, 2009
RepTrakTM Pulse	Ponzi *et al*., 2011

By understanding the link between media effects in the market-place and perceived corporate reputation, a company will be better placed to manage reputation concerns as they occur (Basdeo, Smith, Grimm, Rindova, & Derfus, 2006; Deephouse, 2000; Pollock & Rindova, 2003).

There is much focus in the literature on CR and how it can be managed. However, perceptions of CI and CIM also need to be managed and aligned with the organisation (Hatch & Schultz, 2001; Wartick, 2002).

Currently, the only validated way to measure the identity and image of a corporate brand is by using the Corporate Personality Scale developed by Davies, Chun, Da Silva, and Roper (2001a). Further research found that there is a correlation between measures of CI and CIM; implying there may be causality to consider (Davies *et al*., 2001b). In addition, it is the different experiences each stakeholder group has with a company that result in gaps between stakeholder perceptions (Davies & Chun, 2002).

2.3.1 Directors' role in CR, CI and CIM

It is the responsibility of directors to manage corporate reputation (Dowling 2006; IODSA, 2009). If CR is not addressed at a Board level as recommended, then the firm could be exposed to reputational risk (Dowling, 2006).

Boards of directors are responsible for the financial performance of a firm as well as for maintaining stakeholder relationships. As public companies can face intense media scrutiny and high levels of shareholder involvement, measuring and managing corporate reputation has become essential, even more so now since the advent of King III (IODSA, 2009). Members of an organisation manage their corporate reputation as they would their personal reputation (Carter, 2006). The importance of this is enhanced by the findings of Murray and White (2005) who found that “there is a correlation between overall corporate reputation and the CEO’s personal reputation” (p. 4).

The board of directors are accountable to shareholders for business operations (IODSA, 2009; Republic of South Africa, 2009; Roberts, McNulty, & Stiles, 2005) and are ultimately responsible for the performance of the firm. Given the immense value to the firm that is attributed by a positive reputation, the management of CR is the most fundamental role of directors.

2.4 Conclusion

Corporate reputation literature refers to the gaps between employee and customer perceptions of the corporate brand (Davies & Chun, 2002). There is a view that these perceptions should be aligned, and that any gaps should be reduced (Davies & Chun, 2002). However, other than the 2002 study by Davies and Chun, there is very little that talks to a gap in perceptions of how the company views itself and how its stakeholders view it.

The above review has shown that CR, CI and CIM are inter-related and cannot be managed independently. Consequently, one of the tasks of directors is to ensure that CR, CI and CIM are aligned and there are no gaps.

Chapter 3: Research Questions

The previous chapter examined literature on corporate reputation (CR), corporate identity (CI) and corporate image (CIM). It unearthed the vast number of definitions on CR, CI and CIM, as well as a sustained ambiguity between the concepts. Next, an understanding of the value and dimensions of CR was presented, that highlighted the importance of its effective management. That led into a consideration of the management of CR by directors, and why they are best suited for this role.

Informing the literature review, the research objectives set out in Chapter 1 called for an analysis of director's perceptions of identity-image gaps, and mechanisms for their management.

Accordingly, the following research questions are posed:

3.1 Research Question 1

How do directors define and differentiate between corporate reputation, corporate identity and corporate image?

This question sought to clarify a precise definition of the constructs, for the purposes of this research. Barnett *et al*. (2006) show that there are numerous definitions of corporate reputation in the existing literature, suggesting that more definitional research is needed in the future.

The outcome of this research question will contribute to the existing literature on corporate reputation definitions, and shed light on the ambiguity of these constructs in the minds of directors.

3.2 Research Question 2

Do directors perceive gaps between how the company views itself (corporate identity) and how it is viewed by its stakeholders (corporate image)? Where such gaps are experienced, how do directors describe the nature of that gap?

The 2002 study by Davies and Chun found that "gaps do exist between the (internal) identity and the (external) image of an organisation" (p. 153). This study sought to understand whether directors of firms held the same view.

This question sought to clarify the nature and significance of the gap between identity and image. Davies and Chun's 2002 research was the first time that internal-external perception gaps had been identified. However, they found that the nature of the gaps differed between companies and they wondered as to the significance of the gaps.

The outcome of this research question will add to the literature base on internal-external perception gaps and will reveal the significance of the gaps between identity and image.

3.4 Research Question 3

What do directors see as the causes of identity-image gaps?

Davies and Chun (2002) raised their concern as to why identity-image gaps exist. In response, this question sought to identify a basis of identity-image gaps in the minds of directors.

The outcome of this question will assist directors to identify areas in their firm that may need attention in order to grow and maintain a good corporate reputation.

3.5 Research Question 4

What mechanisms do directors employ to close identity-image gaps?

Research by Davies and Chun (2002) and the follow-up work by Vercic and Vercic (2007) did not address mechanisms directors can use to close identity-image gaps. Thus, this question sought to understand how directors would recommend addressing identity-image gaps.

The outcome of this question will assist directors to reconcile identity-image gaps and thus aid the management of corporate reputation. By highlighting themes of possible solutions, directors can focus their efforts in productive areas.

Chapter 4: Research Methodology

4.1 Introduction

The previous chapter examined the rationale for the choice of research questions to be explored in this study. By examining how directors' define and differentiate between corporate reputation (CR), corporate identity (CI), and corporate image (CIM), it sets the basis for the research into directors' perceptions of identity-image gaps and how to manage them.

This chapter explains the research methodology used to explore the research questions. It starts by examining the choice and rationale of the research design. Then, it looks at the sampling process followed to arrive at the final research sample. Thereafter, the data collection and data analysis procedures are examined. Finally, the limitations of the study are acknowledged and recommendations for future research are discussed.

4.2 Research Methodology

A research design is a framework for conducting the research. According to Malhotra (2010) it details the steps necessary to obtain the information needed to address the research purpose. A research design decision is influenced by the study objectives, the availability of data sources, the cost of obtaining the data and the time available for the research (Zikmund, 2003).

This research adopted a qualitative paradigm. Qualitative research seeks "a better understanding of complex situations" (Leedy & Ormrod, 2010, p. 95).

Qualitative research focuses on phenomena that occur in real-world settings and studying those phenomena in all their complexity. The issues are usually multi-faceted and it is important to portray them as such (Leedy & Ormrod, 2010). With qualitative research, there is not necessarily a single, ultimate Truth to be discovered but rather the goal "might be to reveal the nature of ... multiple perspectives" (Leedy & Ormrod, 2010, p. 135).

This methodology was intended to gain insight and understanding into the complex phenomenon of corporate reputation, corporate identity and corporate image; and discover the discrepancies between them, from the perspective of the director of the company.

A qualitative research design was used for this study for the following reasons:

- To explore and understand a complex phenomenon
- To build theory
- To draw on the multiple perspectives of different individuals (Leedy & Ormrod, 2010; Malhotra, 2010; Zikmund, 2003)

Saunders, Lewis, and Thornhill (2007) highlighted that the design limitations need to be taken into account and best practice followed in order to mitigate them. The limitations of this design were the following:

- Given the nature of qualitative research, the inherent bias of the researcher could affect participants' responses or willingness to divulge information
- As the research is deep and not wide, the degree to which issues surfaced play out in the market at large or affect the business is not known (Leedy & Ormrod, 2010; Malhotra, 2010; Zikmund, 2003)

4.3 Research Design

The research design focussed on collecting primary data using an exploratory, phenomenological approach.

<u>Primary data</u>

Primary data is distinct from secondary data in that primary data must be generated through the research process; unlike secondary data that is already in existence (Crowther & Lancaster, 2008). Primary research into perceptions of corporate reputation allowed a richness to emerge that was not present in the current literature base.

Exploratory research

According to Zikmund (2003) the purpose and the nature of the research problem will determine whether the research is exploratory, causal or descriptive.

Exploratory research clarifies and defines the nature of a problem but does not provide conclusive evidence in a study (Zikmund, 2003). It is used when a researcher seeks to gain insights into and an understanding of a research question (Malhotra, 2010). Causal research does not investigate constructs but rather determines cause-and-effect relationships between variables (Zikmund, 2003). Descriptive research "portray(s) an accurate profile of persons, events or situations" (Robson, 2002, p. 59).

It was determined that in order to investigate the constructs of corporate identity and corporate image, exploratory research would be conducted via a qualitative methodology.

Phenomenological approach

In a phenomenological study, a researcher attempts to understand a person's perceptions and perspectives of a particular situation (Leedy & Ormrod, 2010). By looking at multiple perspectives on the potential for identity-image disconnect in an organisation, it may be possible to understand the dynamics at play and make recommendations for its management.

4.3.1 Depth interviews

Depth interviews were carried out with the target participants, to better understand from their point of view, how the constructs of corporate identity and corporate image relate to corporate reputation (Zikmund, 2003).

The researcher went through the Letter of Informed Consent with each participant (see Appendix A). This laid out the rights of the participant in terms of the research conducted. It focussed on the voluntary participation by the respondent, and the confidentiality of responses.

The nature of this study involves a director's opinion on whether the internal identity and external image of a company are congruent. As the information gathered could be of a sensitive nature, no identifiers were recorded in the final results.

The actual data collected (in the form of recordings and transcripts) was handed over to GIBS (Gordon Institute of Business Science) for record-keeping, in line with their requirements.

When conducting the depth interviews, a direct interview approach was followed, which allowed the purpose of the research to be explained to participants (Malhotra, 2010). It was believed to be beneficial to the participants to explain the context of the research as the topic of corporate reputation is so broad that the concepts of corporate identity, corporate image and perceptions may not have come up on their own.

It was important for the researcher to be alert to subtle cues from body language and facial expression, to ensure that the intended meaning was understood. This also provided a source of potential bias, as the researcher may have unintentionally influenced the participant by her own body language and facial expressions (Leedy & Ormrod, 2010).

<u>Interview guide</u>

The interview itself was semi-structured and guided by probing questions to ensure that conversation stayed broadly on topic. The Interview guide (see Appendix B) provided both a means to start the conversation and a framework to ensure all necessary aspects of the study were covered.

The probing questions used were developed from the research objectives and the research questions. The linkage between these important areas is illustrated in the Interview Matrix (see Appendix C).

Where interviewees were unsure about the constructs or not forthcoming in their conversation, the dimensions of corporate reputation investigated in Chapter 2 were offered to them to help them provide better insight into the constructs after they could relate to the previous research (see Chapter 2, Figure 2.2).

4.4 Population and Sampling

Zikmund (2003) described sampling as the process of taking a small part of a larger population and making conclusions about the population from the sample outcomes.

As the strength of the research outcomes were dependent on the strength of the research design, it is critical that the sampling methodology was well-suited to the research purpose.

Zikmund (2003) explains that due to time and resources constraints, it is not usually possible to sample an entire population. Sampling reduces costs and resource requirements and allows data to be gathered in a timely manner.

4.4.1 Target population

A target population is the specific and complete group of elements relevant to the study who share a similar set of characteristics (Zikmund, 2003). This needed to be explicit in definition to ensure the relevant study elements were included and non-relevant elements excluded (Malhotra, 2010).

The target population for this study consisted of directors of companies that operate in South Africa.

The definition of ‘director’ was taken for the new Companies Act (act No. 71 of 2008) which defines a director or ‘prescribed officer’ (despite not being a director) as someone who

> “exercises general executive control over the management of the whole, or a significant portion, of the business and activities of the company or [who] regularly participates to a material degree in the exercise of general effective control over, and management of the whole, or a significant portion, of the business and activities of the business. The regulation applies to such a person irrespective of any particular title given by the company” (Republic of South Africa, 2009).

In line with this definition, directors as well as chief executive officers formed part of the target population, as well as individuals that exercised executive control over a significant portion of the business but did not have the title of Director. For ease of use in this research, they will all be referred to as 'directors'.

4.4.2 Unit of analysis

The unit of analysis describes the level at which the research is performed and is the basic element that contains the information sought by the researcher (Malhotra, 2010).

The sampling unit in this study was represented by a single director of a company that operates in South Africa.

4.4.3 Non-probability sampling

As defined by Malhotra (2010), a sample is a subgroup of the elements of a population that are selected for participation in the study. There are two categories of ways in which a sample can be drawn from a population: probability sampling and non-probability sampling (Leedy & Ormrod, 2010; Malhotra, 2010).

In probability sampling, each member of the population has a known probability of being included in the sample (Zikmund, 2003). In non-probability sampling, the probability of any member of the target population being chosen is unknown (Leedy & Ormrod, 2010; Malhotra, 2010; Zikmund, 2003). This is because units of the sample are selected based on personal judgement or convenience.

Convenience sampling refers to reaching participants that are most convenient for the purposes of the study (Malhotra, 2010; Zikmund, 2003). By using convenience sampling, this study was able to select the respondents most likely able to provide detailed information on the topic. This technique was chosen as directors in companies are notoriously difficult to access due to their responsibilities and related time demands. As the likelihood of an interview being granted without a personal connection was low, convenience sampling was considered to be the best approach. Therefore, participants were reached based on the researcher's personal network of directors of companies operating in South Africa.

4.4.4 Sample size

The ideal sample size depends on the research aims, the resources available to the researcher and the ease with which the units of analysis can be reached (Malhotra, 2010). By its nature, qualitative research does not involve many participants (Leedy & Ormrod, 2010). As a result, a sample size of 10 participants was accessed to be able to provide the richness of data envisioned for this research.

4.5 Data

4.5.1 Data collection

Data collection must be well planned and managed to ensure the necessary data is collected from the right participants (Crowther & Lancaster, 2008).

Potential participants were listed according to ease of access for the researcher, based on personal networks. The list of individuals was then evaluated according to type of business, their position in the business and their exposure to reputation communication in the business. Based on this, the potential participants were ranked according to suitability, and the top 15 contacted to set up interviews. Of the 15 potential participants contacted, 10 agreed to be interviewed. The remaining five potential participants were either out of the country at the time of interviews, or were unable to spare the time given their work commitments.

The interviewees were sent a short description of the research via email and told that they did not need to prepare for the interview:

> *My research focuses on the identity and image aspects of corporate reputation; in order to understand whether there is a disconnect between how a company views itself and how it is viewed by its stakeholders. All responses will be kept confidential and there is nothing to prepare.*

A reminder email was sent out to the interviewee the day before the interview; and then followed up with an email after the interview thanking them for their time and insight.

All 10 interviewees gave permission for the interviews to be recorded. They were thus all recorded via a hand-held recorder and then individually transcribed. Four interviews took place at the interviewee's home; three were scheduled at the interviewee's place of work; and the remaining three interviews were conducted at a coffee shop suggested by the interviewee. Each interview lasted between 30-45 minutes, with one interview taking 75 minutes to complete.

4.5.2 Reliability of the research

The reliability of the research design is concerned with consistency and refers to whether the research outcomes are reproducible and similar across time and situations (Crowther & Lancaster, 2008; Zikmund, 2003). Due to the nature of qualitative research designs, they may be interpreted differently by a different qualitative researcher (Willis, 2007). Thus, it was essential that the limitations of the research design were noted so that a future replication study would take into account the same limitations (Malhotra, 2010).

In order to ensure the reliability of this research, the following steps were taken:

- Notes were taken during the research process, to ensure all the methodology steps followed would be reported on.
- The same interviewer conducted all the interviews.
- Notes were taken to emphasise points that seemed to be key for the interviewee.
- The recorded interviews were transcribed by an external party and checked by the researcher for accuracy.
- A similar methodical approach was used when analysing each transcript.

4.5.3 Validity of the research

To ensure validity of the research design, the study must investigate the phenomenon it intended to investigate (Crowther & Lancaster, 2008; Saunders *et al.*, 2007). It follows that the conclusions drawn from the data need to be accurate and representative of the study objectives. If not, then the results may have limited value in the business context (Leedy & Ormrod, 2010). Given the nature of qualitative research, it is important to note that the analysis of the results is subjective and therefore carries inherent potential for bias (Leedy & Ormrod, 2010).

In order to ensure the validity of this research, the following steps were taken:

- A consistency matrix was compiled during the research process, to ensure that the literature reviewed was supportive of the research questions, so that it could inform the discussion of the results.
- In order to reduce researcher bias due to inexperience, key books on research methodology were consulted.
- By repeating the methodical analysis of each interview transcript, linkages between interviewee answers were distilled into themes.
- The transcripts were coded according to the research questions, to ensure that as much information as possible was extracted from each interview.

4.5.4 Data analysis

According to Crowther and Lancaster (2008), data is “raw/untreated facts, opinions, etc” (p. 78). Information is data that has been collected, interpreted and communicated in a form that allows management decisions to be made (Crowther & Lancaster, 2008).

A number of researchers have proposed steps to analyse qualitative data (Creswell, 2003; Leedy & Ormrod, 2010). This involves a number of stages to covert raw data into information (see Figure 4.4 below). The main task in the analysis of the data was to identify themes of perspectives (Leedy & Ormrod, 2010). Themes common to multiple cases as well as unique perspectives were noted. The unique perspectives provided depth and richness to each case.

Figure 4.1: The process of converting raw data into information.

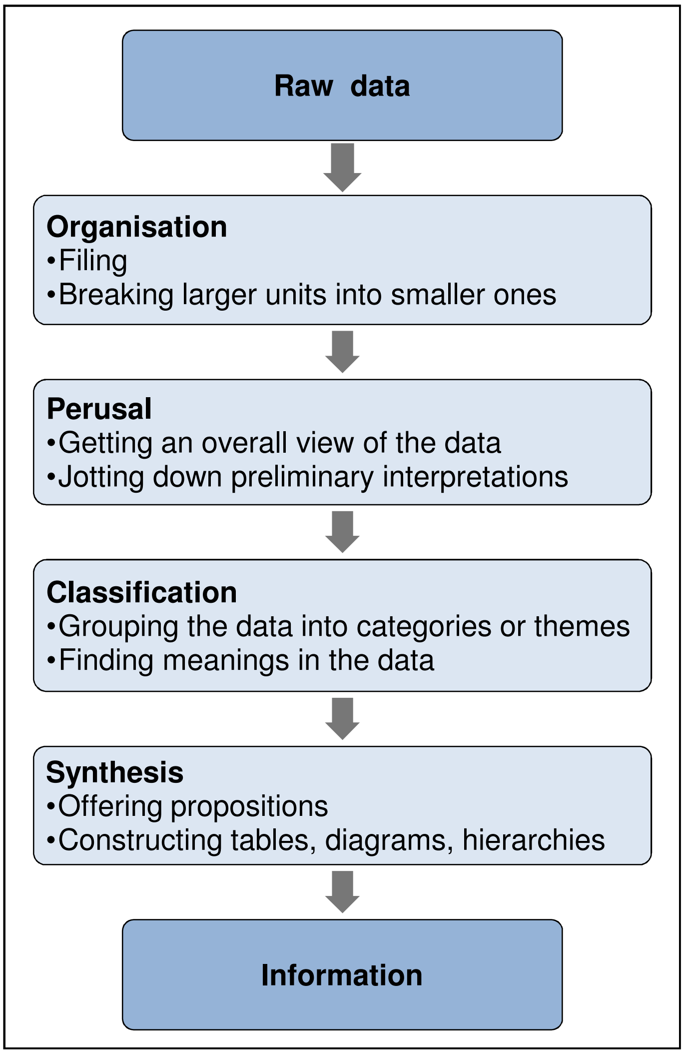


Figure 4.1. Adapted from *Practical research: Planning and design* (p. 153), by P. D. Leedy, and J. E. Ormrod, 2010, Boston, MA: Pearson Education. Copyright (2010) by Pearson Education.

4.6 Limitations of the Research Design

The researcher acknowledges the following limitations in the research design:

- The results of qualitative, exploratory research suggest theory rather than define it (Willis, 2007).
- Only further quantitative research can test theories that emerged as a result of qualitative analysis (Malhotra, 2010).
- Results obtained using non-probability sampling methods cannot be generalised to the population (Zikmund, 2003).

- Convenience sampling can be an unreliable technique if the sample units are not sufficiently representative of the population (Saunders *et al.,* 2007).
- The final sample of directors was from companies across industries and so it is impossible to identify industry-specific outcomes from this research.
- The richness of data that emerges from depth interviews means that they are difficult to interpret (Malhotra, 2010).
- Interviewer bias can occur if the non-verbal behaviour and comments of the interviewer influence the way interviewees respond to questions (Saunders *et al.,* 2007).
- The interpretation of data from a qualitative study is by its nature subjective (Zikmund, 2003).
- The researcher's lack of experience in conducting research (Leedy & Ormrod, 2010).

4.7 Conclusion

The objectives of this research expressed in Chapter 1, and the research questions posed in Chapter 3, are supported by the choice of research methodology. In order to access the depth and richness of content desired from the participants, depth interviews were essential.

In 1979, Mintzberg highlighted that qualitative data assists in the explanation of relationships, while quantitative data allows the exact determination of that relationship. Since the research into identity-image gaps is still relatively new in the corporate reputation literature (Davies and Chun, 2002), it was felt that a deep exploratory approach would yield the most meaningful results.

The results of the 10 depth interviews are presented in the next chapter. Subsequently, Chapter 6 further discusses the results by relating them to the current literature, as previously outlined in Chapter 2.

Chapter 5: Results

5.1 Introduction

The previous chapter explained the methodology used to address the research questions from Chapter 3. This chapter details the results obtained from 10 semi-structured, depth interviews. The results of the interviews are presented as they relate to the research questions from Chapter 3. A comprehensive discussion of the results, in relation to the literature review of Chapter 2, follows in Chapter 6.

5.2 Respondent Profile

Potential participants were listed according to ease of access for the researcher, based on personal networks. Sorted by suitability for the research purpose, the top 15 potential participants were contacted to set up interviews. Of the 15 individuals contacted, 10 agreed to be interviewed.

All 10 people interviewed are / were directors of a company operating in South Africa.

After the final interviews were conducted, it became apparent that one of the interviewees did not sit on the main Board of the company, but rather sat on one of the Supplementary Boards concerned with operations of a section of the company. Given the definition of 'director' as taken from the new Companies Act (Republic of South Africa, 2009) his position of executive responsibility meant his results could still be included in the analysis.

Of the directors interviewed, two held the position of chief executive officer (CEO) in their respective companies. This added to the depth of insight extracted from the interviewee given the holistic company understanding a CEO is required to have.

Of the 10 people interviewed, only one was female. Whilst females are under-represented in this sample, the researcher has not found any previous studies in corporate reputation that note response discrepancies as a result of gender bias.

5.3 Results: Research Question 1

How do directors define and differentiate between corporate reputation, corporate identity and corporate image?

Each interview began with a free word association exercise to get conversation started and to open up key thoughts around *corporate reputation*. Interviewees were then asked to define corporate reputation. The same exercise was repeated for both *corporate identity*, and for *corporate image*. Finally, interviewees were asked whether they experienced ambiguity when dealing with the concepts of corporate reputation (CR), corporate identity (CI), and corporate image (CIM).

5.3.1 Corporate reputation

5.3.1.1 Free word association

The frequency of words used to describe *corporate reputation* are listed in Table 5.1 below. In addition, key themes were apparent and these have been noted, for further analysis in Chapter 6.

Table 5.1: Free word association of corporate reputation

Word Association	Frequency	Key Theme
Perception	5	Perceptions
Stakeholders	5	Stakeholders
External	4	External
Important	4	Importance
Credibility	3	Credibility
Customers	3	Stakeholders
Everything	3	Importance
How you are seen	2	Perceptions
Industry-specific	2	Industry-specific
Market	2	Stakeholders
Organisation	2	Industry-specific
People	2	Stakeholders
Perspectives	2	Perceptions
Promises	2	Credibility
Shareholders	2	Stakeholders
Staff	2	Stakeholders
Success	2	*
The immediate community	2	Stakeholders
The way we operate	2	Operations
Values	2	*
Ability to deliver	1	Operations
Asset	1	*
Capacity to deliver	1	Operations
Character judgement	1	Perceptions
Clients	1	Stakeholders
Consumer	1	Stakeholders
Core	1	Importance
Critical	1	Importance
Driver	1	*
Experience	1	*
Feedback	1	Perceptions
General public	1	Stakeholders
How people feel about the company	1	Perceptions
How you are viewed	1	Perceptions
Identity	1	*
Image	1	*
Internal	1	*
Long term	1	*
Outside	1	Stakeholders
Perceived image	1	Perceptions
Personal	1	Perceptions
Products and services	1	Operations
Quality	1	*
Society	1	Stakeholders
Suppliers	1	Stakeholders
Sustainability	1	*
What people think	1	Perceptions
World in general	1	Stakeholders

*Note: Not enough information to define a theme

Taking the key themes from Table 5.1 above, a frequency analysis was performed to identify the most common themes, shown below in Table 5.2. These seven themes will be used in Chapter 6 together with the CR definitions volunteered below, to understand how directors define CR.

Table 5.2: Frequency analysis of corporate reputation themes

Reputation Theme	**Frequency**
Stakeholders	25
Perceptions	16
Importance	9
Credibility	5
Operations	5
External	4
Industry-specific	4

A consolidation of the themes above suggests that *corporate reputation is of immense importance; it is industry-specific; and it is about perceptions of external stakeholders that speak to the credibility of operations in the company.* The validity of this suggestion will be explored in Chapter 6.

5.3.1.2 Definition

While each interviewee had a general idea of CR, it was felt necessary to clarify a definition to position the rest of the information gathered. As such, the respondents were asked for a definition of *corporate reputation*. While the concept of CR seemed easy to access, a concrete definition was not. The definitions volunteered are laid out below in Table 5.3.

Table 5.3: Definitions of corporate reputation

Code	Definition
Interview 1	"how stakeholders of the company view the company... which includes the understanding of our values, the way we operate"
Interview 2	"corporate reputation is the way people view a company" "reputation is I think the way people feel about the company, rather than what they see"
Interview 3	"the perceived image that our particular business had in that industry"
Interview 4	"it is reflecting the DNA of the organisation" "the visible part of the organisation"
Interview 5	"perceptions from the outside" "the ability to deliver on promises"
Interview 6	"reputation is a driver of their values"
Interview 7	"I think it's something that external people, clients or non clients perceive that company to stand for, so reputation is around what is the company actually projecting about themselves into the market or internally to their staff as well as their clients"
Interview 8	"reputation is the way your customers and the world in general see you and actually the credibility you have with them. ... So it is really how you are seen by the world and that would be in terms of a kind of character judgment on a corporate or a business"
Interview 9	"how the corporation is viewed by its clients, the general public perception of it"
Interview 10	"what people think about your company from an external perspective"

It can be seen from the table above that, according to the respondents, there is not one standard definition of CR. Indeed, while some of the definitions offered support for each other, others are contradictory. Even within each interview, contradictory definitions of CR were volunteered:

Interview 2:

"corporate reputation is the way people view a company"

"reputation is I think the way people feel about the company, rather than what they see"

Interview 4:

"it is reflecting the DNA of the organisation"

"the visible part of the organisation"

Interviewees also found corporate reputation to be multi-faceted:

Interview 5:

"perceptions from the outside"

"the ability to deliver on promises"

This is in line with the findings of the existing literature base, as outlined in Chapter 2; the significance of which will be addressed in Chapter 6.

5.3.2 Corporate identity

5.3.2.1 Free word association

The frequency of words used to describe *corporate identity* are listed in Table 5.4 below. In addition, key themes were apparent and these have been noted, for further analysis in Chapter 6.

Table 5.4: Free word association of corporate identity

Word Association	**Frequency**	**Key Theme**
Internal	3	*
Created	2	*
Relative to the company	2	Stakeholders
Structural	2	Reality
Who you are	2	*
Corporate	1	*
History	1	Reality
How you identify yourself	1	*
ID	1	Reality
Many factors	1	*
Organisation	1	Stakeholders
People	1	Stakeholders
Personality	1	*
Physical attributes	1	Reality
Realistic	1	Reality
Reputation	1	*
Shareholders	1	Stakeholders
The way the company sees itself	1	*

*Note: Not enough information to define a theme

Taking the key themes from Table 5.4 above, a frequency analysis was performed to identify the most common themes, shown below in Table 5.5. A key observation from this exercise was that the interviewees' thinking around CI was quite fragmented and they found it difficult to articulate a clear definition.

Table 5.5: Frequency analysis of corporate identity themes

Identity Theme	Frequency
Reality	6
Stakeholders	5

A consolidation of the themes above suggests that *corporate identity is about the reality of the company that is presented to stakeholders*. The validity of this suggestion will be explored in Chapter 6.

5.3.2.1 Definition

Each interviewee had a general idea of CI and CIM and their importance to CR. However, they found it harder to provide a concrete definition of the terms. The definitions volunteered for CI are laid out below in Table 5.6.

Table 5.6: Definitions of corporate identity

Code	Quotes
Interview 1	"identity is an internal thing" "an identity of an organization would include things like its history, it is almost like a personality, it is the way if you had to compare it to a person, it is the way the organization would deal with the things that are its challenges and opportunities that it would be faced with"
Interview 2	"reputation being the way that people outside the company view the company, and identity being the way that the company sees itself"
Interview 3	"the identity... can be more of a physical attribute ... more structural .... more of a realistic sort of thing"
Interview 4	"the many factors that form who you are"
Interview 5	"I think it would be very individual, I think it is how do I perceive myself in relation to the image that I project"
Interview 6	"identity has to do with the people in the organisation ... it somehow communicates itself to people, it is just a feel about the place"
Interview 7	"identity is who you are"
Interview 8	"how do you separate reputation from brand?"
Interview 9	"I feel that the image and identity fit close together and reputation is the outsiders looking in, whereas this [image and identity] is insiders look out"
Interview 10	"how you identify yourself"

It can be seen from the table above that, according to the respondents, there is not one standard definition of corporate identity. Indeed, there was considerable ambiguity in definition between CR, CI and CIM, with interviewees struggling to articulate their understanding of CI. The significance of this will be addressed in Chapter 6, taking into account the existing literature base.

5.3.3 Corporate image

5.3.3.1 Free word association

The frequency of words used to describe *corporate image* are listed in Table 5.7 below. In addition, key themes were apparent and these have been noted, for further analysis in Chapter 6.

Table 5.7: Free word association of corporate image

Word Association	**Frequency**	**Key Theme**
Perception	3	Perceptions
Created	2	Created
External	2	*
Projection	2	Perceptions
Reflected by activities	2	Created
Aligned with identity	1	*
Build	1	Created
Controlled	1	Created
External people	1	Stakeholders
How people see you	1	Perceptions
How people think of you	1	Perceptions
Manageable	1	Created
Media	1	Media
Message	1	Media
Non-physical attribute	1	*
Persona	1	*
Professionalism	1	*
Psychological images	1	Perceptions
Reputation	1	*
Result of identity	1	*
Short term	1	*
Social media	1	Media
Stakeholders	1	Stakeholders
Visual	1	Perceptions
Word of mouth	1	*

*Note: Not enough information to define a theme

Taking the key themes from Table 5.7 above, a frequency analysis was performed to identify the most common themes, shown below in Table 5.8. Similar to the findings from the exercise with corporate identity, interviewees had fragmented ideas around the CIM construct.

Table 5.8: Frequency analysis of corporate image themes

Image Theme	Frequency
Perceptions	9
Created	7
Media	3
Stakeholders	2

A consolidation of the themes above suggests that *corporate image is about how stakeholders perceive messages created by the company*. The validity of this suggestion will be explored in Chapter 6.

5.3.3.2 Definition

Each interviewee had a general idea of CI and CIM and their importance to CR. However, they found it harder to provide a concrete definition of the terms. The definitions volunteered for CIM are laid out below in Table 5.9.

Table 5.9: Definitions of corporate image

Code	Quotes
Interview 1	"image is almost like a result of the identity, the actions that come out of , or are a result of the identity"
Interview 2	"image I think is reflected by the activities the company undertakes in the media, in social media as well; while reputation is I think the way people feel about the company, rather than what they see"
Interview 3	"image is created ... it is word of mouth, it is a perception"
Interview 4	"image is what you project to the various stakeholders"
Interview 5	"Image is clearly how one is perceived - it is like a light source generated but going through a filter of some sort, what the people perceive that side is not necessarily the light there, it is how it has been filtered out, so they look at the filtered image of the company"
Interview 6	"the message you put out to the external world"
Interview 7	"image is what you build for yourself, what people perceive you to be. So it is the kind of persona that you create that externals see you as, whether it is true or not"
Interview 8	"how do you separate reputation from brand?"
Interview 9	"I feel that the image and identity fit close together and reputation is the outsiders looking in, whereas this [image and identity] is insiders look out"
Interview 10	"what other people think of you as an organisation"

It can be seen from the table above that, according to respondents, there is not one standard definition of image. While the interviewees seemed to innately understand the concepts of CR, CI and CIM, there was considerable ambiguity in responses when articulating a concrete definition.

5.3.4 Inter-relationship between CR, CI and CIM

As mentioned above, in the interview discussions around CR, CI and CIM, it was evident that there is often an overlap and an ambiguity between these constructs.

CI has been described as both a physical attribute, as well as a personality. Contradictorily, CIM has also been likened to the persona of the company. Further, how can CIM be both external, and created by the company? And finally, is it possible for CIM to be both a projection and a perception?

Key quotes to exemplify the inter-relationship between constructs are shown below:

Interview 2:

"okay, it sounds like we are talking about all the same things now..."

"I would say it is all the same family"

Interview 3:

"the two are totally interconnected"

Interview 5:

"I understand what image is but I don't know what the definition of identity is, it's a little bit vague for me"

5.4 Results: Research Question 2

Do directors perceive gaps between how the company views itself (corporate identity) and how it is viewed by its stakeholders (corporate image)? Where such gaps are experienced, how do directors describe the nature of that gap?

In order to better manage corporate reputation, it is necessary to understand whether there is a gap between corporate identity and corporate image. Each interviewee was unanimous in their view that there are gaps in how a company views itself and how it is viewed by its stakeholders.

A key quote from Interview 1 illustrates this:

> *"what we are and what people think we are, there is already a difference there, and then obviously there is also a difference in the way we view ourselves, ... [and] the way we want our stakeholders to experience the engagement with us, as opposed to the way they actually experience it"*

All the interviewees acknowledged the existence of an identity-image gap and argued that such a gap should ideally not exist in a company. Key quotes to this effect are noted below:

Interview 3:

> *"what you want the image to be and what you want the image to be perceived to be should be the same"*

Interview 9:

> *"the aim of the corporation should always be to make sure that they are aligned"*

There was also a general consensus that the identity-image gap is about stakeholder perceptions:

Interview 5:

"as far as I am concerned life is not about fact it's about perception and perception is really what motivates everything - so how you [are] perceived in the work place is very much a matter of what you project out there and it might not reflect what is actually happening within the company"

Another area of agreement for the interviewees was that, given the existence of an identity-image gap, attempts should be made to address that gap:

Interview 3:

"and that I would suggest is where the work always has to be done, in that gap between what you want it to be and what it is perceived to be - that is where the gap is and that is where all the work has to be done"

In looking at addressing identity-image gaps, a key point that was raised was to determine whether the identity-image gap was significant to the organisation:

Interview 4:

"my answer is there is a disconnect and the breadth of the disconnect will vary from immaterial to significant"

Using the 'dimensions of corporate reputation' (see Chapter 2) as a departure point; if the disconnect is in a dimension that is material to your organisation then it is vital to address it.

5.5 Results: Research Question 3

What do directors see as the causes of identity-image gaps?

In the interviews with the directors, it emerged that they had clear ideas as to where an identity-image gap could occur. By examining each emergent theme, it will contribute to the existing body of knowledge on corporate reputation and provide an understanding of the identity-image gap.

The interviewees were all in agreement that there are three main causes of an identity-image gap in an organisation: the company itself; the staff; and the external market. The evidence for each cause will be presented in line with the following Figure 5.1:

Figure 5.1: The causes of identity-image gaps

The company

- Unawareness of the company
- Differences between stakeholder groups
- Integrity
- Lack of resources

The staff

- Internal incongruence
- 'Get rich quick' philosophy
- 'Bad apples'

The market

- Unfair market representation
- Government compliance

5.5.1 The company

5.5.1.1 Unawareness of the company

One of the interviewees raised the point that perhaps the company is so myopically focussed that they are unaware of a perception gap with their stakeholders. It is essential that a company acknowledges where these gaps exist, in order to address their potential impact on reputation.

Interview 2:

"but a lot of companies are not aware there is a disconnect ... so I think there is a disconnect on what the company thinks and what is actually happening"

5.5.1.2 Differences between stakeholder groups

There was consensus amongst the interviewees that each stakeholder group is likely to have a unique perception of the company. It therefore follows that each stakeholder group would experience the identity-image gap differently. This would be dependent on what dimension of corporate reputation is most salient to them. The company needs to be aware of this and manage each stakeholder differently to ensure that they close identity-image gaps.

Interviewees expressed their thoughts on stakeholder perceptions as:

Interview 1:

"for some there is a disconnect and for some there isn't"

Interview 4:

"it has got to be per stakeholder group, that is critical in this thing"

"so every set of stakeholders has got their goals and what is important to them and so the organization has got to be playing to those as best as they can"

5.5.1.3 Integrity

One of the interviewees was particularly vocal about business' perceived lack of morality and ethical behaviour. This sentiment was also echoed by other interviewees and as such it is represented as both a cause of identity-image gaps, as well as a way to reconcile them.

Interview 3:

"I think it is incredibly important that integrity ... is brought back into business"

"[it is] the lack of trust on one side and the lack of morality on the other"

"I think in SA today morality and ethics and things like that have to a certain extent disappeared off the table"

Trust is an important theme that was raised in here and supported by subsequent interviewees. As argued in Interview 3: *"if you lose trust, you lose the very basis of your organisation"*.

5.5.1.4 Lack of resources

Three interviewees were surprisingly vocal about how the lack of company resources can be the cause of perception gaps for their stakeholders.

Interview 1:

"there is a lack of resources here to always fully engage with each individual [as we would want to]"

Interview 3:

"[companies often] try to keep costs down at the expense of service delivery and employee training. [This is] self-defeating ... and unsustainable"

Interviewee 4 argued that it is not financially viable to me*et al*l expectations of all stakeholder groups. Rather, the company needs to do what it can with what it has.

5.5.2 The staff

The importance of the internal environment of the company was mentioned by the majority of the directors. It came across very strongly and spoke to the internal culture of the company, as well as to the people who worked there.

5.5.2.1 Internal incongruence

A potential for reputation risk arises if there is not congruence between how a company projects itself, and how its internal stakeholders project themselves. Key quotes to this effect are:

Interview 4:

> *"so your sales people, your distribution people, call centre people may not live out what you are trying to project from your identity. So that has got to be significant, I mean every organization has got to face that, that there has got to be quite a gap in that"*

Interview 7:

> *"but I think you know certain individuals can undo a reputation and I think that is where it becomes very important that you build your internal culture first ... [by] creating the culture that people buy into"*

Interview 10"

> *"it is fine to focus externally, but you need to be focusing internally as well"*

It was also mentioned that whist internal incongruence can cause identity-image gaps; conversely, *congruence* can act as a strong positive influencer of an existing good corporate reputation. The importance of this is such that it will be further addressed under Research Question 4.

5.5.2.2 'Get rich quick' philosophy

A number of interviewees were particularly vocal around the idea of individuals seeking personal gain as opposed to company-wide benefits. Two of the key quotes are noted below:

Interview 3:

"at the end of the day there seems to be a philosophy out in the market place of just get as much as you can as quickly as you can. And it is almost to hell with reputations and corporate image. It is 'how much money can we make as quickly as possible?' "

Interview 5:

"it is a certain amount of grappling to try and further your own ends at the expense of the people you work with and even to the expense of the client, in that they cut corners and so forth in order to achieve their [own] objective"

Interviewee 5 used the particular example of a "greedy CEO and a manipulative director" that is a poor combination for company-wide success. It is worth noting that many of the interviewees mentioned how reputational damage can be caused by only a few individuals.

5.5.2.3 'Bad apples'

Interviewee 5 was very vocal about the idea of 'bad apples' in an organisation. He was concerned as he has experienced miscommunication, manipulation, distortion of the truth, and lies for the self-progress of individuals who do not have the best interests of the company in mind.

Interview 5:

"one bad apple can destroy an organisation"

"[there should be] no politics, no undercurrent or backstabbing or trying to leverage off another person"

Just one *"poisonous person"* can fundamentally devastate a company, from the inside, out. The consequence as Interviewee 5 pointed out is that key employees, a valuable source of intellectual property, will leave companies where they feel ill-treated. This can have a direct effect on the reputation of the company as disgruntled former employees tell other stakeholders of their internal experiences. The importance of this is such that it will be further examined under Research Question 4.

Interview 9:

"reputation can be undone over a braai"

Again, the key point was raised of the potential for an individual's negative influence over corporate reputation. It was emphasised that the 'power of one' should not be under-estimated.

5.5.3 The market

5.5.3.1 Unfair market representation

Sometimes, the perception of a particular stakeholder group of your company is incorrect and the circumstances surrounding their conclusion are unfair and out of your control. This is summed up below:

Interview 1:

"there might be good intentions or just a few bad apples within the larger organisation, or just one or two issues that are magnified in the media for instance, or in the experiences that the customers have with the organisation, which have tremendous effect on the image of the organisation, which is not always necessarily a fair representation"

Therefore sometimes, due to circumstance or bad luck, the market will have an unfounded and unfair perception of the company.

As argued below, the only way to change these incorrect perceptions is to prove it, not just talk about it:

Interview 8:

"I think that reputation is in action, not in what people say. People don't believe what companies say, it is what they actually do that matters"

5.5.3.2 Government compliance

A theme that was brought up by one of the interviewees concerned government regulation and its impact on business sustainability:

Interview 4:

"we know we have to balance this, the last decades have taught us we are only going to get into trouble with labour, we are going to get into trouble with government or whatever, and they bring in more and more legislation, more and more regulation, and we have got to comply to it. How do we balance this thing and equally survive?"

Cognisant of the number of government regulations, he went on to further question whether businesses act altruistically for the benefit of their broader community of stakeholders; or whether they do so because they 'should'.

Interview 4:

"so kind of just that change in emphasis and there is analysis of 'are you feeling a sense of responsibility to proactively address this because you believe in sustaining the globe, sustaining the country, sustaining your company, sustaining the employees and citizens of it?' And the answer is 'yes' but is that a real motivation or are you being pushed along there?"

The question for corporate reputation is: how sustainable are 'good' company actions if they are only complying with the regulation?

5.6 Results: Research Question 4

What mechanisms do directors employ to close identity-image gaps?

The complex and multi-causal nature of identity-image gaps was outlined above. In order to reconcile and close those gaps, directors need to employ a number of mechanisms. A consolidation of the data from the 10 depth interviews yielded five main themes under which mechanisms of reconciliation can be grouped. This is represented in Figure 5.2 below:

Figure 5.2: Mechanisms to close identity-image gaps

Knowledge management

- Stakeholders
- Current world context
- Trade-offs

Relationship management

- Employees
- Partners
- Customers

Communication

- Education
- Social media
- Emotional appeal

Trust

- Leadership
- Promises kept

Implementation

- Management
- Measurement

5.6.1 Knowledge management

It is essential in an organisation to understand the context in which you operate, and the players in that field. It is necessary to be cognisant not only of your stakeholders but also of the external market environment and the influences it has on your organisational performance.

5.6.1.1 Stakeholders

All of the interviewees were of the opinion that each stakeholder group has a specific set of needs and criteria on which they evaluate a company:

Interview 4:

> *"they [stakeholders] are going to assess the organisation's reputation in light of what's important for them"*

It is essential that companies make an effort to understand exactly what their various stakeholders think of them, and what needs should be addressed, as it is impossible to manage what is not understood.

Interview 2:

> *"one of the problems though I would imagine is, and I have experienced that as well, is that quite often people won't tell you what they really think. So you have to try and use the evidence that is available to you through correspondence, through meetings, what you hear from other people, to really find out what your customers think about you. Quite often what they tell you is not necessarily the same thing"*
>
> *"certainly we were very focused on trying to understand what they [the customer] needed from us, and how we could address that"*

This can only be achieved by active dialogue with stakeholders; that will be emphasised in Section 5.6.3: 'Communication'.

Additionally, if the firm's impact in the market is not understood, it will be difficult to recreate successes, and the firm will be unprepared to address reputational risks as they arise:

Interview 6:

> *"I think the point of the matter is companies probably do struggle with that [corporate reputation] and I think a lot of companies that succeed probably are not absolutely sure why. I know one of the things is that you build on your strengths - well if you misread people you are going to go off at a tangent"*

5.6.1.2 Current world context

In considering the relative importance of the five dimensions of corporate reputation, it was noted by four interviewees in particular, that the current world context dictates how important a dimension of CR will be to the company. Adjustments in emphasis will need to be made, relative to current market forces. By taking into account the current trend of *green behaviours*; 'social and environmental responsibility' as a dimension of CR is likely to increase in prominence and relevance to the organisation, in the future.

Interview 4:

> *"their relative weightings are going to vary, based on a whole lot of factors, but if you have a disconnect on an on-going basis, you are gone. ... I suppose it depends on severity ... so somewhere between perfect expectation and absolute gap there each of them is going to vary ... I mean they will have to be balanced at one level or another"*

5.6.1.3 Trade-offs

Given the complexity and multi-dimensional nature of corporate reputation, it is unlikely that firms can adequately address all the salient dimensions, and keep all the stakeholder groups satisfied. In order to address the needs most pressing to the organisation, it is inevitable that trade-offs need to happen.

It emerged through the interviews that companies need to choose what to focus on; doing what is possible, given resource constraints. It is essential that companies understand why particular dimensions have been chosen as focus-points, and the potential impact of this decision on their corporate reputation.

Interview 4:

"it is impossible to balance all the stakeholders' expectations equally or fully per stakeholder ... so you meet what you have to and beyond that you meet it how you think it is appropriate"

Conversely, Interview 2 and 10 were of the opinion that the needs of all stakeholders need to be addressed in a balanced manner, allowing prioritisation of key dimensions:

Interview 2:

"I think there is a trade-off, I think it is possible to satisfy all stakeholders to some extent, but you do have to prioritize and I think it depends on the type of company you have and what type of service you sell, where you want to position yourself"

5.6.2 Relationship management

The management of relationships – with employees, partners and customers – emerged as a strong mechanism to address identity image gaps. The importance of relationship management is represented by this quote:

Interview 2:

"I think it all comes down to relationships, because at the end of the day companies don't do business with companies, people do business with people"

5.6.2.1 Employees

The importance of employee engagement and of the employee-customer relationship to a positive CR surfaced in all of the interviews. It was argued that if employees seemed happy in their work environment, then other stakeholders would have a better perception of the company.

Interview 6:

"do the people working there look happy?"

"they are doing something internally which allows people to believe in themselves and to project that to the market"

Again, the importance of the individual to the reputation of the company was articulated:

Interview 9:

"I think it is far easier to break down a reputation than it is to build it up – obviously; you can have one person saying bad things that can impact you, that can negate the 50 good things that people are saying"

It is therefore imperative to manage relationships with employees to ensure that they have a good experience of the company and are able to share that experience with other stakeholders. One approach to accomplish this is to acknowledge the importance of every employee to the organisation:

Interview 5:

"we had this philosophy which basically said the guy who sweeps the floor is as important in the organisation as the man right at the very top"

5.6.2.2 Partners

As corporate reputation is based on perceptions that stakeholders have of a company, it is wise to consider the impact that collaborations with partners will have on the company's reputation. This was highlighted in Interview 2 where a reputational impact was experienced due to the actions of a partner-firm:

Interview 2:

"that [our good reputation] was not enough to save us from the consequences of poor performance of our partners ... So we got thrown into the pot with our other partners"

"certainly our good reputation with the customer was tarnished quite heavily by the bad reputation of our civil partners"

5.6.2.3 Customers

Customers are a key stakeholder group and require stringent management to ensure their interests are met and that the products/services of the firm are purchased. In order to really understand what the customer needs, the firm needs to adopt a *customer centric orientation*.

Interview 2:

> *"it did help us a lot along the way to have a very strong relationship with the customer and to have that customer orientation. But that is not a silver bullet, it doesn't help you with everything"*

Interview 7:

> *"this whole concept of customer centricity, so putting the customer in the middle and providing everything that they require and not everything we think they require, you automatically satisfy their needs a lot more quickly because they would be telling you what they want, rather than us being prescriptive"*

As it is easy to doubt the integrity of a company given that one of the organisational goals is to profit from the customer-interaction, it is essential to assure the customer that their interests are a priority for the company. In doing so, goodwill is created that can be used as a reputational buffer in times of crisis:

Interview 10:

> *"you are showing to the consumers that you really care about them and you are doing the right thing for them"*

5.6.3 Communication

A key theme that emerged from all the interviews was the value of communication in building reputational capital. Especially if the firm is facing a crisis, clear and consistent communication is vital. This was articulated by Interviewee 10:

> *"[in a crisis] the worst thing you can possibly do is keep quiet ... you can't really over communicate enough ... because then people start talking about it and word of mouth is still the strongest form of any communication ... so often if you handle that area really well, it can turn into positive PR as opposed to negative [PR]"*

It is not only in a crisis that communication is essential. By communicating consistently with stakeholders, they will have a better understanding of the goals of the organisation and the role they play in accomplishing those goals. A sense of transparency is essential in communication and so it was recommended by Interviewee 7 to communicate without jargon and in the vernacular where possible. The consistency of the message was just as significant as the message itself by underscoring the integrity of the communication:

Interview 2:

> *"they think they know what they want to say but there is no unity in what they are saying to the outside world and what is happening internally"*

<u>5.6.3.1 Education</u>

Education of both internal and external stakeholders emerged as a mechanism to reconcile identity-image gaps. Customers need to understand what it is the firm can deliver for them. By managing customer expectations, the firm can ensure it delivers on value promises:

Interview 2:

> *"[we needed to] keep them informed about what we are doing and why we were doing it"*

From an internal dynamic, employees need to understand their role in the organisation and how they contribute to the value-adds the customer receives.

Interview 2:

"it was drummed into employees as well, to always have the customers' needs first and understand what the customer wanted"

5.6.3.2 Social media

It was recognised by the majority of the interviewees that social media can have a profound impact on a firm's reputation. The power of the individual is magnified in social media contexts, and so is their ability to influence others:

Interview 10:

"social media make things 100 times worse"

"you see the problem with social media is it just snowballs so fast, and if you don't respond to it quickly then you are in trouble"

Some suggestions for the specific management of social media that surfaced through the interviews were:

- Keep communication lines open
- Make sure all social media platforms carry a consistent message
- Be real with the client and interact on a personal level
- Make it easy for stakeholders to communicate via social media – this gives the firm a real-time opportunity to see what conversations are taking place and what the current perception of the firm is

Stakeholders will be forming perceptions of the firm through social media interactions whether the firm is engaged there or not:

Interview 8:

"if they are not in conversation [with the social media websites], the game is happening without them"

5.6.3.3 Emotional appeal

Interviewee 1 made special mention of his opinion that if stakeholders feel good about the company the perceived corporate reputation is likely to be higher:

Interview 1:

"emotional appeal for me is very important and that is around people understanding why we do something"

5.6.4 Trust

The concept of trust in terms of corporate reputation management was essential for the interviewees. The positive consequences of trust in a company were noted as:

- Ease of doing business
- Positive word of mouth
- Customer satisfaction
- Repurchase behaviour
- Referral business
- Positive relationships
- Confidence in expectations being met
- Forgiveness of transgressions

Interview 3:

"I think generally if you are able to engender trust into your customers then a lot of other things flow from that, customer satisfaction and word of mouth and everything else flows from that trust that you build up with your customer"

The importance of sound relationship management has already been established. Those relationships are built on trust and if that trust is broken, it is very difficult to re-establish.

Interview 3:

"the relationship that you build with people is soundly based on trust. You know if there is no trust then there is no relationship at the end of the day"

Interview 7:

"it takes a lot longer to repair trust than it takes to build it because I think you can lose it instantly but then it might not ever come back"

5.6.4.1 Leadership

Good leadership is seen as an essential element of trust in the firm. Stakeholders need to be able to trust that the executive team will act in their best interests and quickly move to redress shortcomings in the stakeholder perceptions.

In reference to one of the causes of identity-image gaps, 'bad apples': Leadership needs to be aware of false representation and ensure that the good of one stakeholder group does not over-ride the needs of others. A quote to this effect is shown below:

Interview 5:

"eventually what happens, people around, we all knew what was going on except the man at the top [CEO], blind, didn't want to notice it, result he is going to end up with a disaster on his hands, unless he wakes up"

5.6.4.2 Promises kept

Just as consistency is key to communication; so is the keeping of promises key to trust. Whether it is a psychological employment contract, a customer-relationship contract or a service-delivery agreement, firms must do and be seen to do the things they promise to stakeholders.

Interview 2:

"so there was a strong connection there and that was the message we sent out to our customers. And we were always consistent in that, all correspondence backed that up"

5.6.5 Implementation

While mechanisms to reconcile identity-image gaps have been identified, the strategy implementation still needs to be mapped out and measured.

Interview 4:

"the problem I think is in the execution of the rollout of this stuff"

Key steps identified in this process by interviewees were:

- All the areas of the business need to work synergistically together
- Identity-image congruence enhances existing reputation and so internal operations must reflect the reputation and values of the organisation
- The orientation of the business (i.e. customer-centric) must be supported by operations
- A good reputation must be backed up with the ability to deliver technically
- Good products or services cannot make up for poor internal implementation
- Break mechanisms down into performance criteria and build it into individual's assessment criteria.

<u>5.6.5.1 Management</u>

Where there are identity-image gaps, they cannot be solved quickly or reactively. Rather, they require an action plan to deliver results. Quotes in support of that are:

Interview 3:

"it is not just something that is going to be fixed tomorrow by advertising ... it will take a long, long time, and start doing things, maybe really start doing things that people will see"

Interview 10:

"[do the right thing first as] it is very hard to be reactive in this space"

Interview 8:

"I think that reputation is in action, not in what people say. People don't believe what companies say, it is what they actually do that matters"

Interview 8:

> *"you have to manage your reputation very actively ... you have got to manage how your company is seen by the public to the best that you can, and I guess that means predicting the impact that you are having in the world. And then taking action around what that impact might be"*

5.6.5.2 Measurement

Measurement is a way of enforcing quality. By measuring outcomes, it ensures that they will be acted upon and the results can be quantified.

Interview 3:

> *"it is exceptionally important that you and your people understand that that is what you are striving for, and the measuring stick obviously has to come from the other side"*

Interview 4:

> *"so the only point I am trying to make is measurement is critical. So your people, your managers will do what you measure them on, what you reward them on. So ultimately if there is a gap, you want to address it, it has got to flow into the organization, across the people, across the processes and across the technology and you have got to measure that"*

5.7 Conclusion

This research set out to critically review the relevant literature on CR, CI and CIM; as well as to empirically investigate directors' perceptions of identity-image gaps.

The inter-relationship between CR, CI and CIM and the difficulty of directors in articulating definitions for these constructs was highlighted. The causes of identity-image gaps and the mechanisms to reconcile those gaps were then identified. The significance of the findings in relation to the existing literature will be discussed in Chapter 6.

Chapter 6: Discussion of Results

6.1 Introduction

This chapter sets out the discussion of the research questions posed in Chapter 3. By comparing and contrasting the findings of depth-interviews with directors (as detailed in the previous chapter) with a critical review of the existing academic literature (as detailed in Chapter 2), greater insight can be gained as to the value of this research.

The discussion of Chapter 6 is presented according to the research questions from Chapter 3, cited below:

1. How do directors define and differentiate between corporate reputation, corporate identity and corporate image?
2. Do directors perceive gaps between how the company views itself (corporate identity) and how it is viewed by its stakeholders (corporate image)? Where such gaps are experienced, how do directors describe the nature of that gap?
3. What do directors see as the causes of identity-image gaps?
4. What mechanisms do directors employ to close identity-image gaps?

6.2 Addressing Research Question 1

How do directors define and differentiate between corporate reputation, corporate identity and corporate image?

6.2.1 Corporate reputation

Corporate reputation (CR) is a multidimensional construct with many definitions and approaches to understanding (Barnett *et al.*, 2006; Brown *et al.*, 2006). The directors all understood the concept of CR, yet they struggled to specify a succinct definition. This is consistent with the findings of Walker (2010).

By considering the themes that emerged during the formulation of a CR definition, the following definition is suggested:

Corporate reputation is of immense importance; it is industry-specific; and it is about perceptions of external stakeholders that speak to the credibility of operations in the company.

This consolidation of concepts into a definition of CR has not appeared in the research before, yet each aspect of the definition has received considerable support in the literature. It is thus suggested that this is a contribution to the existing literature that takes into account the key aspects of CR.

6.2.2 Corporate identity and corporate image

There was considerable inter-relatedness between the concepts of corporate identity (CI) and corporate image (CIM) in the literature (Abratt, 1989; Dutton & Dukerich, 1991; Fombrun, 1996; Fombrun & Van Riel, 1998). Through the depth interviews, it emerged that directors also found it hard to differentiate between the two concepts and to formulate a definition. While the interviewees seemed to innately understand the concepts of CR, CI and CIM, there was considerable ambiguity in responses when articulating a concrete definition.

By considering the themes that emerged during the formulation of a definition for CI and CIM, the following definition is suggested:

Corporate identity is about the reality of the company that is presented to stakeholders, whereas corporate image is about how stakeholders perceive messages created by the company.

6.2.3 Inter-relationship between CR, CI and CIM

When talking freely about CR, CI and CIM, there were more words were used to describe reputation than to describe identity and image. Interviewees seemed to have a general idea of reputation but were far less certain of their definitions of identity and image.

The findings of this research agree with those of Barnett *et al.* (2006) who stated:

> "Many definitions of corporate reputation literally encompassed aspects of these other constructs. For example, Fombrun's (2001) comprehensive definition of corporate reputation includes reputation as an economic asset (reputation

capital), a representation (image) and a judgment (reputation). Rather than blend these aspects into one broad definition of corporate reputation, we advocate distinct boundaries between and among these constructs and a more focused definition of corporate reputation" (p. 33).

The three definitions posed above are thought to distinguish between the constructs of CR, CI and CIM, while at the same time highlighting their key features.

6.3 Addressing Research Question 2

Do directors perceive gaps between how the company views itself (corporate identity) and how it is viewed by its stakeholders (corporate image)? Where such gaps are experienced, how do directors describe the nature of that gap?

The interviewees agreed that identity-image gaps should not, but do exist in companies, and that they exist as a result of differences in stakeholder perceptions. This corresponds with the findings of Davies *et al*. (2001a).

The interviewees further acknowledged that efforts should be made to close identity-image gaps; bearing in mind the significance of the gap for the company. This reflects the work of Hatch and Schultz (1997) who noted the importance of working to align CI and CIM.

6.4 Addressing Research Question 3

What do directors see as the causes of identity-image gaps?

For clarity and brevity, the key points of value of Research Question 3 are presented below:

6.4.1 The company

- A myopic focus of the company will lead to identity-image gaps. In order to reconcile this, companies need to be more aware of their management of CR, CI and CIM (Brown *et al*., 2006).
- Each stakeholder group is different and has different perceptions of the company. Therefore it is important to be aware of this, and understand the impact it can have on corporate reputation (Davies & Chun, 2002).
- Stakeholders need to be able to see that the organisation is behaving with integrity.
- A lack of resources can constrain a company and dictate where it can spend its limited energies (Siano, Kitchen, & Confetto, 2010).

6.4.2 The staff

- The results have emphasised the importance of the individual in CR management, and how the actions of one person can easily harm a corporate reputation (Bonini *et al*., 2009; Bromley, 2001).

6.4.3 The market

- The impact of market actions on the firm can be severe and unsettle reputation management efforts (Basdeo, Smith, Grimm, Rindova, & Derfus, 2006).
- The nature of government regulations can help or hinder a firm's reputation efforts, dependent on the particular industry and company.

6.5 Addressing Research Question 4

What mechanisms do directors employ to close identity-image gaps?

For clarity and brevity, the key points of value of Research Question 4 are presented below:

6.5.1 Knowledge management

- The firm needs to be aware of the needs of its stakeholder groups. As every group has unique experiences with the firm, they have different perceptions of CR (Argenti & Druckenmiller, 2004; Brown *et al*., 2006; Walker, 2010).
- Corporate reputation has different dimensions and in issue-specific. This complicates the management of identity-image gaps as it depends to a large extent on the climate in which the firm operates (Walker, 2010).
- Given the diverse nature of stakeholder groups, it is unlikely the firm can satisfy all of them. It is therefore important to decide where to focus, in order to generate maximum return on CR (Spencer, 2005).

6.5.2 Relationship management

- Employees ultimately have a close relationship with customers. It is therefore imperative to make employees more aware of how they affect CR (Spencer, 2005).
- It is critical to reconcile the gaps in perceptions, in order to ensure stakeholders experience the firm in line with firm aspirations (Davies & Miles, 1998).

6.5.3 Communication

- Proper communication with stakeholders will ensure the build-up of reputation capital for use in case of a reputation-related crisis.
- Reputational risk is considerably higher than it used to be with the influences of social media. It is imperative that companies do not ignore or censor negative comments, but rather respond to them in an effort to resolve conflict (Dekay, 2012).

6.5.4 Trust

- The ethics and value statements of a firm must have substance and be verifiable by stakeholders (Ke & Xie, 2009).
- Companies need to do what they have said they will do and ensure that any gap between promises and performance is addressed (Bernstein, 2009; Bonini *et al.*, 2009).
- The personal reputations of the leaders of the company can influence the corporate reputation. It is therefore necessary to manage personal reputations, as well as corporate reputations.

6.5.5 Implementation

- It takes time to build a strong reputation, and even longer to mend a poor one. Firms need to ensure that they manage the corporate reputation processes mindful of the longevity of reputation.

6.6 Conclusion

The results of the depth interviews revealed the causes of identity-image gaps, and provided mechanisms to reconcile those gaps. By considering the results in terms of the existing literature base, key points of value were extracted and noted.

The next chapter highlights the research background and research objectives and summarises the main findings that address the research questions. Recommendations to academia and business are then identified. The recommendations build on the existing literature base, shape identity-image theory and guide directors to better manage corporate reputation to extract its key values for the company. The limitations of this study are recognised and further areas of corporate reputation research are suggested.

Chapter 7: Conclusion

7.1 Introduction

The objectives for this research, as set out in Chapter 1, were to critically review the relevant literature on corporate reputation (CR), corporate identity (CI), and corporate image (CIM); and to empirically investigate directors' perceptions of gaps between CI and CIM, with a view to reconciling them. By uncovering mechanisms of reconciling identity-image gaps, this study sought to aid CR management.

The literature review of Chapter 2 outlined a conceptual overview of CR, CI and CIM. It described the inter-relatedness of the constructs; before examining the management of CR, CI and CIM. Finally, the role of the director in CR management was considered.

In Chapter 3, four research questions were posed that looked to address the research objectives from Chapter 1. These broke down the concept of an 'identity-image gap' into its nature, its causes, and possible mechanisms to close the gap.

Next, Chapter 4 outlined the rationale for the chosen research methodology. The results of 10 depth interviews that were conducted with directors of companies operating in South Africa were displayed in Chapter 5 and interpreted in Chapter 6, in light of the existing literature.

Finally, this chapter summaries the main findings of the research; it outlines a descriptive model that emerged from the research; and looks at the implications of this model for both managers and academics. The chapter concludes by acknowledging the limitations of this research and suggesting areas for future research.

7.2 Main Findings

The concepts of corporate reputation, corporate identity and corporate image were not well differentiated in the minds of the directors. The definitions volunteered for each construct were not supportive of each other and showed lack of clarity.

The existence of an identity-image gap was validated, and it was acknowledged that such gaps shouldn't occur in companies. It was agreed that efforts should be made to close identity-image gaps; bearing in mind the significance of the gap for the company.

The main causes of an identity-image gap in an organisation were identified and attributed to three broad categories: the company itself; the staff; and the external market. The outcome is that a gap can occur anywhere in the organisation and it can be as a result of both internal and external factors.

Due to the complex and multi-causal nature of identity-image gaps, it emerged that directors need to employ a number of mechanisms in order to reconcile and close those gaps. The mechanisms that the directors recommended to close the identity-image gaps were grouped into five themes: knowledge management, relationship management, communication, trust, and implementation.

The results were consolidated into a descriptive model that looks to aid directors in their management of corporate reputation. Directors would be advised to consider the implications of the proposed framework and the new management functions it is likely to introduce to the organisation.

7.3 Proposed Framework

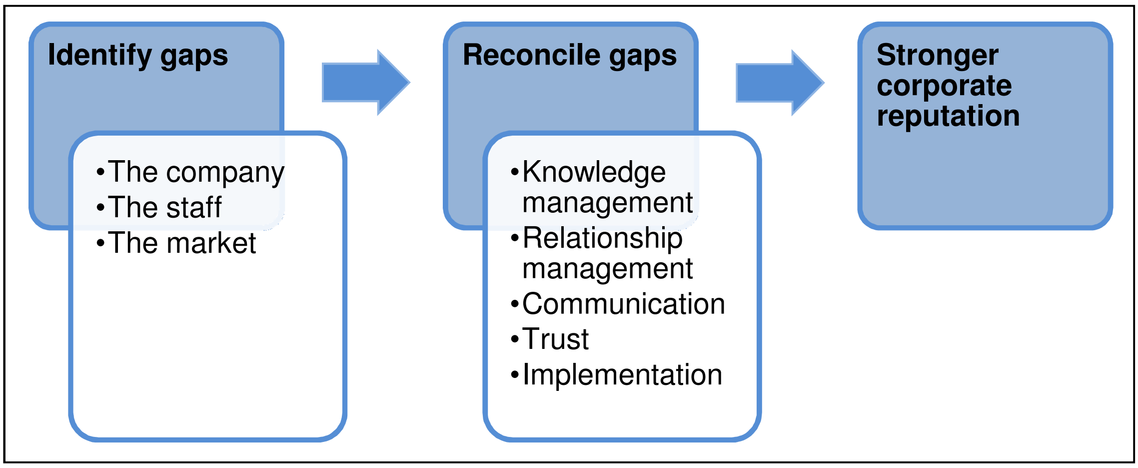
In looking to understand how to better manage corporate reputation, the concept of identity-image gaps surfaced in the literature (Davies & Chun, 2002). When empirically investigating the construct through the depth interviews, it emerged that directors identified both the causes of these gaps, and mechanisms whereby they can be closed.

The framework in Figure 7.1 below proposes that identity-image gaps do exist in companies - between how the company views itself, and how it is viewed by its external stakeholders. In order to achieve a stronger corporate reputation, these gaps need to be identified and reconciled.

The core causes of the identity-image gap are found in the company; the staff of the company; and in the external marketplace. Once these identity-image gaps are identified and acknowledged, mechanisms can be put in place to attempt to close the gaps. This is achieved by addressing the core areas of knowledge management, relationship management, communication, trust, and implementation in the company.

By reconciling identity-image gaps, directors will be better positioned to understand the reputational impact of their companies on their stakeholders, and to manage that process.

Figure 7.1: Corporate reputation management: Reconciling identity-image gaps



7.4 Academic Implications

The researcher reviewed the proliferation of corporate reputation literature in an attempt to gain an understanding of the constructs of CR, CI, and CIM. The sheer quantity of research has led to divergent views as to concepts, definitions and core dimensions. Numerous calls for clarity of concept and definition have been sounded in the academic literature (Barnett *et al.,* 2006; Walker, 2010), without an adequate response. In this study, the researcher attempted to express a consolidated definition for CR, CI and CIM that could be tested empirically in future research.

Further, the dimensions of corporate reputation were reviewed from the literature and consolidated into a shortened version. This was discussed in Chapter 2 and is tabulated in Appendix E. The consolidated dimensions were used to assist the interviewees of this study. This shortened form will add to the existing body of knowledge on CR dimensions, and will progress the field of study.

Academic research into identity-image gaps is still fairly new (Davies & Chun, 2002; Vercic & Vercic, 2007). The key contribution of this study was to address a gap in the existing literature by proposing a framework whereby reconciling identity-image gaps will enhance corporate reputation management.

Further research will focus on empirically examining the 'causes of identity-image gaps' and the 'mechanisms to close identity-image gaps'. This will advance the field of corporate reputation research and expand the existing literature base.

7.5 Managerial Implications

The value of a good reputation has been emphasised and distilled into core areas of business focus. This, combined with a justification for director custodianship of CR, emphasises the necessity of managing CR to enhance organisational value.

This study has identified the cause of identity-image gaps in companies and offered mechanisms by which these gaps can be reconciled. Directors will be better positioned to manage CR by using the proposed framework.

7.6 Limitations of the Study and Recommendations for Future Research

Several limitations of this study were acknowledged in Chapter 4, focusing on the choice of research methodology. Due to the qualitative nature of this study, the findings cannot be generalised to the population and serve more to build on existing theories of corporate reputation management. In order to test the findings of this study and the proposed framework, further quantitative research would need to be conducted.

The researcher proposes the following areas for further study:

- The constructs identified in separate corporate reputation studies are rarely the same, making comparisons between studies difficult and affecting the ability to generalise results obtained. It is thus suggested that the descriptive model that emerged from this study is tested quantitatively.

- In looking at the proposed framework, each element should be investigated to identify what is considered 'best practice' in terms of current management in companies.
- The context of directors of companies in South Africa does not address the views of directors from other countries, nor does it imply that these results can be generalised to other contexts. Future research could investigate the identity-image gap in other contexts.
- Another concern is whether South African cultural dimensions could influence the dimensions underlying the corporate reputation framework. If this is the case, it could influence the use of the results in other contexts.
- The target population parameters in this study do not define the type of company addressed by the research; as such, both large and small companies with different internal structures formed part of the same study. This provides an area of future research where the results could be tested in specific company contexts.
- As this study looked at reputation dimensions at a particular point in time, a further longitudinal study would provide interesting information on the longevity of corporate reputation constructs.

7.7 Conclusion

The value of a good corporate reputation is undeniable and confers substantial benefits to the organisation. In order to better manage their corporate reputation, companies need to align their corporate identity and corporate image. Where they do not align and there are gaps, directors need to identify and reconcile those identity-image gaps. By using the proposed framework that emerged from this study, directors will be able to build a stronger corporate reputation that speaks to stakeholders and results in better organisational performance for the company.

References

Abratt, R. (1989). A new approach to the corporate image management process. *Journal of Marketing Management, 5*(1), 63-76.

Abratt, R., & Kleyn, N. (2012). Corporate identity, corporate branding and corporate reputations: Reconciliation and integration. *European Journal of Marketing, 46*(7/8), 1048-1063.

Argenti, P. A., & Druckenmiller, B. (2004). Reputation and the corporate brand. *Corporate Reputation Review, 6*(4), 368-374.

Balmer, J. M. T. (2001). Corporate identity, corporate branding and corporate marketing: Seeing through the fog. *European Journal of Marketing, 35*(3/4), 248-291.

Balmer, J. M. T. (2008). Identity based views of the corporation: Insights from corporate identity, organisational identity, social identity, visual identity, corporate brand identity and corporate image. *European Journal of Marketing, 42*(9/10), 879-906.

Balmer, J. M. T., & Greyser, S. A. (2002). Managing the multiple identities of the corporation. *California Management Review, 44*(3), 72-86.

Barich, H., & Kotler, P. (1991). A framework for marketing image management. *Sloan Management Review, 32*(2), 94–104.

Barnett, M. L., Jermier, J. M., & Lafferty, B. A. (2006). Corporate reputation: The definitional landscape. *Corporate Reputation Review, 9*(1), 26-38.

Basdeo, D. K., Smith, K. G., Grimm, C. M., Rindova, V. P., & Derfus, P. J. (2006). The impact of market actions on firm reputation. *Strategic Management Journal, 27*(12), 1205-1219.

Bennett, R., & Kottasz, R. (2000). Practitioner perceptions of corporate reputation: An empirical investigation. *Corporate Communications: An International Journal, 5*(4), 224 – 234.

Bernstein, D. (2009). Rhetoric and reputation: Some thoughts on corporate dissonance. *Management Decision, 47*(4), 603-615.

Bonini, S., Court, D., & Marchi, A. (2009). Rebuilding corporate reputations. *The McKinsey Quarterly, 6*. Retrieved from https://www.mckinseyquarterly.com

Boyd, B. K., Bergh, D. D., & Ketchen, D. J., Jr. (2010). Reconsidering the reputation-performance relationship: A resource-based view. *Journal of Management, 36*(3), 588-609.

Boyle, E. (1996). An experiment in changing corporate image in the financial services industry in the UK. *Journal of Services Marketing, 10*(4), 56-69.

Bromley, D. B. (2001). Relationships between personal and corporate reputation. *European Journal of Marketing, 35*(3/4), 316-334.

Brown, T. J., Dacin, P. A., Pratt, M. G., & Whetten, D. A. (2006). Identity, intended image, construed image, and reputation: An interdisciplinary framework and suggested terminology. *Journal of the Academy of Marketing Science, 34*(2), 99-106.

Carter, S. M. (2006). The interaction of top management group, stakeholder, and situational factors on certain corporate reputation management activities. *Journal of Management Studies, 43*(5), 1145-1176.

Casalo, L. V., Flavian, C., & Guinaliu, M. (2007). The influence of satisfaction, perceived reputation and trust on a consumer's commitment to a website. *Journal of Marketing Communications, 13*(1), 1-17.

Christensen, L. T., & Askegaard, S. (2001). Corporate identity and corporate image revisited: A semiotic perspective. *European Journal of Marketing, 35*(3/4), 292-315.

Cornelissen, J. P. (2000). Corporate image: An audience centred model. *Corporate Communications: An International Journal, 5*(2), 119-125.

Cravens, K., Goad Oliver, E., & Ramamoorti, S. (2003). The reputation index: Measuring and managing corporate reputation. *European Management Journal, 21*(2), 201-212.

Creswell, J. W. (2003). Research design: Qualitative, quantitative, and mixed methods approaches (3rd ed.). Thousand Oaks, CA: Sage.

Crowther, D., & Lancaster, G. (2008). *Research methods* (2nd ed.). Oxford, England: Elsevier.

Davies, G., & Chun, R. (2002). Gaps between the internal and external perceptions of the corporate brand. *Corporate Reputation Review, 5*(2/3), 144-158.

Davies, G., Chun, R., da Silva, R. V., & Roper, S. (2001a). The corporate reputation scale. *Manchester Business School Working Paper* No. 431.

Davies, G., Chun, R., da Silva, R. V., & Roper, S. (2001b). The personification metaphor as a measurement approach for corporate reputation. *Corporate Reputation Review, 4*(2), 113-127.

Davies, G., & Miles, L. (1998). Reputation management: Theory versus practice. *Corporate Reputation Review, 2*(1), 16-27.

Deephouse, D. L. (2000). Media reputation as a strategic resource: An integration of mass communication and resource-based theories. *Journal of Management, 26*(6), 1091-1112.

Dekay, S. H. (2012). How large companies react to negative Facebook comments. *Corporate Communications: An International Journal, 17*(3), 289-299.

Dowling, G. R. (1988). Measuring corporate images: A review of alternative approaches. *Journal of Business Research, 17*(1), 27-34.

Dowling, G. R. (1993). Developing your company image into a corporate asset. *Long Range Planning, 26*(2), 101-109.

Dowling, G. (2006). How good corporate reputations create corporate value. *Corporate Reputation Review, 9*(2), 134-143.

Dutton, J. E., & Dukerich, J. M. (1991). Keeping an eye on the mirror: Image and identity in organizational adaptation. *Academy of Management Journal, 34*(3), 517-554.

Economist Intelligence Unit. (2005). *Reputation: Risk of risks*. Retrieved from http://www.audit-committee-institute.be/dbfetch/52616e646f6d4956efea2b2ca402fdd8136316a1405496b5/reputation_risk_of_risks.pdf

Enis, B. M. (1967). An analytical approach to the concept of image. *California Management Review, 9*(4), 51-58.

Eberl, M., & Schwaiger, M. (2005). Corporate reputation: Disentangling the effects on financial performance. *European Journal of Marketing, 39*(7/8), 838-854.

Firestein, P. J. (2006). Building and protecting corporate reputation. *Strategy & Leadership, 34*(4), 25-31.

Fombrun, C. J. (1996). *Reputation: Realizing value from the corporate image*. Cambridge, MA: Harvard Business Press.

Fombrun, C. J. (2007). List of lists: A compilation of international corporate reputation ratings. *Corporate Reputation Review, 10*(2), 144-153.

Fombrun, C. J., Gardberg, N. A., & Sever, J. (2000). The reputation quotient: A multi-stakeholder measure of corporate reputation. *Journal of Brand Management, 7*(4), 241-255.

Fombrun, C. J., & Pan, M. (2006). Corporate reputations in China: How do consumers feel about companies? *Corporate Reputation Review, 9*(3), 165-170.

Fombrun, C. J., & van Riel, C. (1998). The reputational landscape. *Corporate Reputation Review, 1*(1/2), 5-13.

Fombrun, C. J., & van Riel, C. (2004). Fame & fortune: How successful companies build winning reputations. *Corporate Reputation Review, 6*(4), 390-395.

Gabbioneta, C., Ravasi, D., & Mazzola, P. (2007). Exploring the drivers of corporate reputation: A study of Italian securities analysts. *Corporate Reputation Review, 10*(2), 99-123.

Gardberg, N. A. (2006). Reputatie, reputation, réputation, reputazione, ruf: A cross-cultural qualitative analysis of construct and instrument equivalence. *Corporate Reputation Review, 9*(1), 39-61.

Gardberg, N. A., & Fombrun, C. J. (2002). For better or worse: The most visible American corporate reputations. *Corporate Reputation Review, 4*(4), 385-391.

Gardberg, N. A., & Fombrun, C. J. (2006). Corporate citizenship: Creating intangible assets across institutional environments. *Academy of Management Review, 31*(2), 329-346.

Gotsi, M., & Wilson, A. M. (2001). Corporate reputation: Seeking a definition. *Corporate Communications: An International Journal, 6*(1), 24-30.

Gray, E. R., & Balmer, J. M. T. (1998). Managing corporate image and corporate reputation. *Long Range Planning, 31*(5), 695-702.

Hatch, M. J., & Schultz, M. (1997). Relations between organizational culture, identity and image. *European Journal of Marketing, 31*(5/6), 356-365.

Hatch, M. J., & Schultz, M. (2001). Are the strategic stars aligned for your corporate brand? *Harvard Business Review*, February, 128-134.

He, H.-W., & Balmer, J. M. T. (2007). Identity studies: Multiple perspectives and implications for corporate-level marketing. *European Journal of Marketing, 41*(7/8), 765-785.

Helm, S. (2005). Designing a formative measure for corporate reputation. *Corporate Reputation Review, 8*(2), 95-109.

Hem, L. E., de Chernatony, L., & Iversen, N. M. (2003). Factors influencing successful brand extensions. *Journal of Marketing Management, 19*, 781-806.

Highhouse, S., Broadfoot, A., Yugo, J. E., & Devendorf, S. A. (2009). Examining corporate reputation judgements with generalizability theory. *Journal of Applied Psychology, 94*(3), 782-789.

Institute of Directors in Southern Africa (IODSA). (2009). *King III report on governance for South Africa*. Retrieved from Institute of Directors in Southern Africa website: http://african.ipapercms.dk/IOD/KINGIII/kingiiireport/

Kantanen, H. (2012). Identity, image and stakeholder dialogue. *Corporate Communications: An International Journal, 17*(1), 56-72.

Keh, H. T., & Xie, Y. (2009). Corporate reputation and customer behavioral intentions: The roles of trust, identification and commitment. *Industrial Marketing Management, 38*(7), 732-742.

Kennedy, S. H. (1977). Nurturing corporate images: Total communications or ego trip? *European Journal of Marketing, 11*(3), 119–164.

Leedy, P. D., & Ormrod, J. E. (2010). *Practical research: Planning and design* (9th ed.). Boston, MA: Pearson Education.

Lewis, S. (2001). Measuring corporate reputation. *Corporate Communications: An International Journal, 6*(1), 31-35.

Malhotra, N. K. (2010). *Marketing research: An applied orientation* (6th ed.). Upper Saddle River, NJ: Pearson Education.

Melewar, T. C., & Karaosmanoglu, E. (2006). Seven dimensions of corporate identity: A categorisation from the practitioners' perspectives. *European Journal of Marketing, 40*(7/8), 846-869.

Melewar, T. C., Sarstedt, M., & Hallier, C. (2012). Corporate identity, image and reputation management: A further analysis [Introduction to special section]. *Corporate Communications: An International Journal, 17*(1).

Mercer, M. (2004). How do investors assess the credibility of management disclosures? *Accounting Horizons, 18*, 185-196.

Mintzberg, H. (1979). The emerging strategy of direct research. *Administrative Science Quarterly, 24*, 582-589.

Murray, K., & White, J. (2005). CEOs' views on reputation management. *Journal of Communication Management, 9*(4), 348-358.

Otubanjo, O. (2011). Practitioner conceptualisations of corporate identity 1950-2010: Review and analysis. *Marketing Review, 11*(3), 263-279.

Pollock, T. G., & Rindova, V. P. (2003). Media legitimation effects in the market for initial public offerings. *Academy of Management Journal, 46*(5), 631-642.

Ponzi, L. J., Fombrun, C. J., & Gardberg, N. A. (2011). RepTrak™ Pulse: Conceptualizing and validating a short-form measure of corporate reputation. *Corporate Reputation Review, 14*(1), 15-35.

Pruzan, P. (2001). Corporate reputation: Image and identity. *Corporate Reputation Review, 4*(1), 50-64.

Republic of South Africa. (2009). *Companies Act 2008* (Government Gazette No. 526/232121). Retrieved from http://www.info.gov.za/view/DownloadFileAction?id=98894

Reputation Institute. (2012). *South Africa RepTrak™ Pulse*. Retrieved from http://www.reputationinstitute.com/thought-leadership/complimentary-reports-2012

Rindova, V. P., Williamson, I. O., & Petkova, A. P. (2010). Reputation as an intangible asset: Reflections on theory and methods in two empirical studies of business school reputations. *Journal of Management, 36*(3), 610-619.

Rindova, V. P., Williamson, I. O., Petkova, A. P., & Sever, J. M. (2005). Being good or being known: An empirical examination of the dimensions, antecedents, and consequences of organizational reputation. *Academy of Management Journal, 48*(6), 1033-1049.

Roberts, J., McNulty, T., & Stiles, P. (2005). Beyond agency conceptions of the work of the non-executive director: Creating accountability in the boardroom [Supplement]. *British Journal of Management, 16*(1), 5-26.

Roberts, P. W., & Dowling, G. R. (2002). Corporate reputation and sustained superior financial performance. *Strategic Management Journal, 23*(12), 1077-1093.

Robson, C. (2002). Real world research: A resource for social scientists and practitioner-researchers (2nd ed.). Oxford, England: Wiley-Blackwell.

Saunders, M., Lewis, P., & Thornhill, A. (2007). *Research methods for business students* (5th ed.). London, England: Pearson Education.

Schwaiger, M. (2004). Components and parameters of corporate reputation: An empirical study. *Schmalenbach Business Review, 56*(1), 46-71.

Shamsie, J. (2003). The context of dominance: An industry-driven framework for exploiting reputation. *Strategic Management Journal, 24*(3), 199-215.

Siano, A., Kitchen, P. J., & Confetto, M. G. (2010). Financial resources and corporate reputation: Toward common management principles for managing corporate reputation. *Corporate Communications: An International Journal, 15*(1), 68-82.

Smaiziene, I., & Jucevicius, R. (2010). Corporate reputation: Multidisciplinary richness and search for a relevant definition. *Engineering Economics, 21*(1), 99-110.

Spector, A. J. (1961). Basic dimensions of the corporate image. *Journal of Marketing, 25*(6), 47-51.

Spencer, C. (2005). Relationships are reputation. *Strategic Communication Management, 9*(4), 9.

Van Riel, C. B. M., & Balmer, J. M. T. (1997). Corporate identity: The concept, its measurement and management. *European Journal of Marketing, 31*(5/6), 340-355.

Vercic, A. T., & Vercic, D. (2007). Reputation as matching identities and images: Extending Davies and Chun's (2002) research on gaps between the internal and external perceptions of the corporate brand. *Journal of Marketing Communications, 13*(4), 277-290.

Walker, K. (2010). A systematic review of the corporate reputation literature: Definition, measurement, and theory. *Corporate Reputation Review, 12*(4), 357-387.

Walsh, G., & Beatty, S. E. (2007). Customer-based corporate reputation of a service firm: Scale development and validation. *Journal of the Academy of Marketing Science, 35*(1), 127-143.

Walsh, G., Beatty, S. E., & Shiu, E. M. K. (2009a). The customer-based corporate reputation scale: Replication and short form. *Journal of Business Research, 62*(10), 924-930.

Walsh, G., Mitchell, V.-W., Jackson, P. R., & Beatty, S. E. (2009b). Examining the antecedents and consequences of corporate reputation: A customer perspective. *British Journal of Management, 20*(2), 187-203.

Wartick, S. L. (2002). Measuring corporate reputation. *Business & Society, 41*(4), 371-392.

Willis, J. W. (with Jost, M., & Nilakanta, R.) (2007). *Foundations of qualitative research: Interpretive and critical approaches*. Thousand Oaks, CA: Sage.

Whetten, D. A., & Mackey, A. (2002). A social actor conception of organizational identity and its implications for the study of organizational reputation. *Business & Society, 41*(4), 393-414.

Zikmund, W. G. (2003). *Business research methods* (7th ed.). Mason, OH: South-Western.

Appendix A: Letter of Informed Consent

Universiteit van Pretoria
University of Pretoria

Gordon Institute of Business Science

LETTER OF INFORMED CONSENT

I am doing research on two aspects of corporate reputation: image and identity. To this end, you are asked to participate in a 30 minute in-depth interview. This will help us to understand whether there is a disconnect between how a firm views itself and how the firm thinks it is viewed by its stakeholders. Your participation is voluntary and you can withdraw at any time without penalty. All responses will be kept completely confidential and only used for this research. Please indicate that you voluntarily participate in this research by signing below. If you have any concerns, please contact me or my supervisor. Our details are provided below:

Respondent:

____

Date:

Researcher:

____

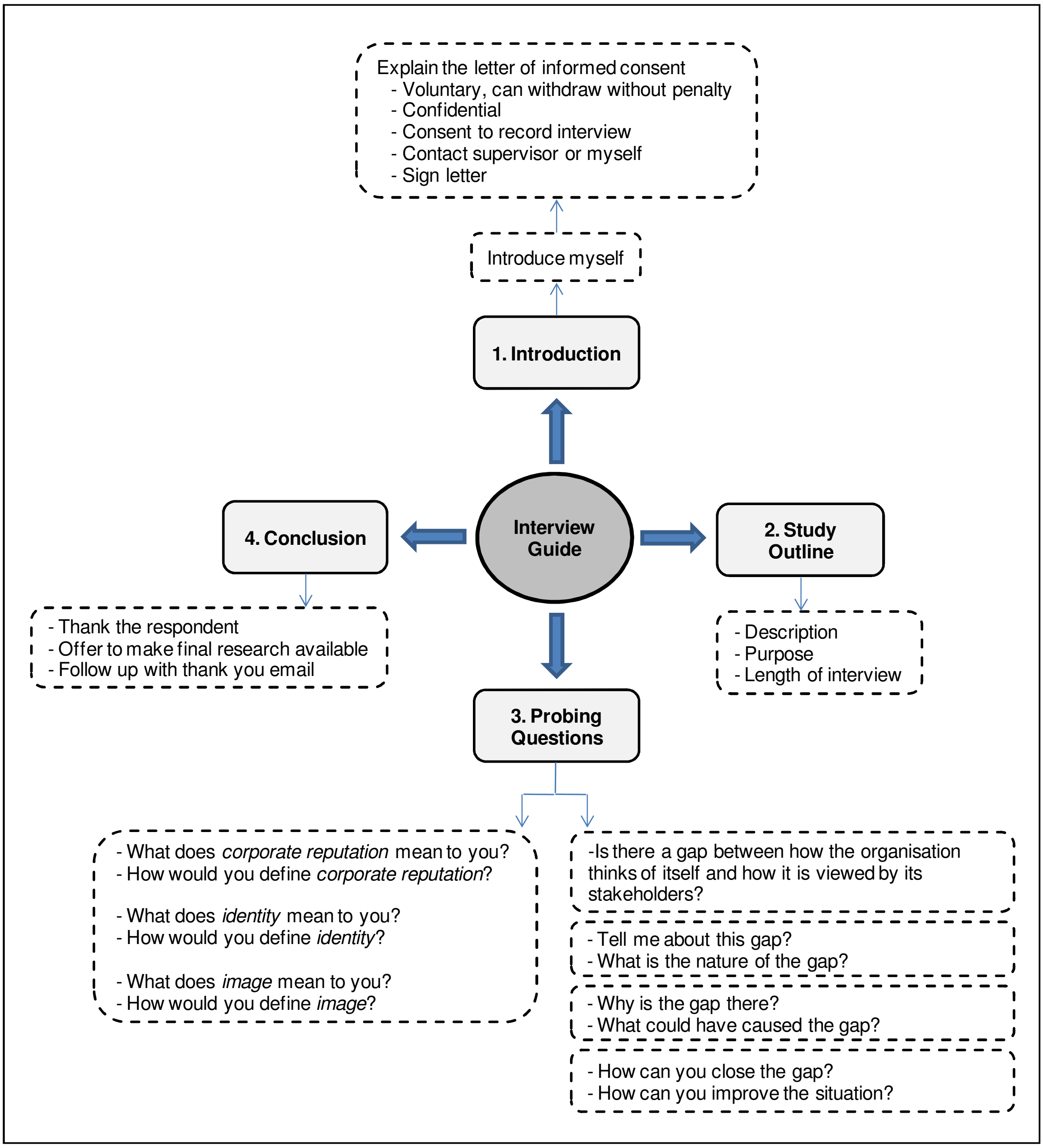
Miss Sallyanne Tromp
sltromp@gmail.com / 082 446 7069

Research Supervisor:

____

Dr Nicola Kleyn
kleynn@gibs.co.za / 083 326 3227

Appendix B: Interview Guide



Appendix C: Interview Matrix

Research Objective	Research Question	Interview Questions
1. Critically review the relevant literature on corporate reputation, identity, and image.	1. How do directors define and differentiate between corporate reputation, corporate identity and corporate image?	• What does *corporate reputation* mean to you? • How would you define *corporate reputation*? • What does *identity* mean to you? • How would you define *identity*? • What does *image* mean to you? • How would you define *image*?
2. Empirically explore directors' perceptions of gaps between identity and image.	2. According to directors, is there a gap between how the company views itself (corporate identity) and how it is viewed by its stakeholders (corporate image)?	• Is there a gap between how the organisation thinks of itself and how it is viewed by its stakeholders?
	3. If there is an identity-image gap, how do directors describe the nature of that gap?	• Tell me about this gap? • What is the nature of the gap?
	4. What do directors see as the causes of identity-image gaps?	• Why is the gap there? • What could have caused the gap?
3. Empirically explore mechanisms used by directors to close identity-image gaps.	5. What mechanisms do directors employ to close identity-image gaps?	• How can you close the gap? • How can you improve the situation?

Appendix D: Dimensions of Corporate Reputation

	Walsh, Mitchell, Jackson, and Beatty (2009)	Walsh, Beatty, and Shiu (2009)	Walsh and Beatty (2007)
Customer orientation	• The company treats its employees in a fair manner • The company's employees are concerned about customer needs • The company's employees set great store by a courteous customer treatment • The company takes customer rights seriously	• Has employees who treat customers courteously • Has employees who are concerned about customer needs • Is concerned about its customers	• Has employees who treat customers courteously • Has employees who are concerned about customer needs • Is concerned about its customers • Treats its customers fairly • Takes customer rights seriously • Seems to care about all of its customers regardless of how much money they spend with them
Good employer	• Looks like a good company to work for • Looks like a company that would have good employees • Maintains a high standard in the way it treats people • Has excellent leadership	• Looks like a good company to work for • Seems to treat its people well • Seems to have excellent leadership	• Looks like a good company to work for • Seems to treat its people well • Seems to have excellent leadership • Seems to maintain high standards in the way that it treats people • Seems to have good employees • Has management who seems to pay attention to the needs of its employees • Seems to be well-managed
Reliable and financially strong company	• Looks like a company with strong prospects for future growth • Recognises and takes advantage of market opportunities • The company is aware of its responsibility to society	• Tends to outperform competitors • Seems to recognize and take advantage of market opportunities • Looks like it has strong prospects for future growth	• Tends to outperform competitors • Seems to recognize and take advantage of market opportunities • Looks like it has strong prospects for future growth • Looks like it would be a good investment • Appears to make financially sound decisions

			• Has a strong record of profitability • Is doing well financially • Seems to have a clear vision of its future • Appears to be aware of its responsibility to society
Product and service quality	• Offers high quality products and services • Is a strong, reliable company	• Is a strong, reliable company • Develops innovative services • Offers high quality products and services	• Is a strong, reliable company • Develops innovative services • Offers high quality products and services • Stands behind the services that it offers • Offers services that are good value for the money
Social and environmental responsibility	• Supports good causes • Is an environmentally responsible company	• Seems to make an effort to create new jobs • Seems to be environmentally responsible • Would reduce its profits to ensure a clean environment	• Seems to make an effort to create new jobs • Seems to be environmentally responsible • Would reduce its profits to ensure a clean environment • Appears to support good causes

Appendix E: Dimensions of Corporate Reputation (Summary)

Dimensions of Corporate Reputation	
Customer orientation	• The company treats its employees fairly and courteously and is concerned about their needs • The employees treat customers fairly and courteously and are concerned about their needs • The company is concerned about its customers and takes their rights seriously
Good employer	• Has excellent leadership • Has a clear vision for its future • Recognises and takes advantage of market opportunities • Is well-managed • Looks like a good company to work for • Looks like a company that would have good employees • Seems to treat its people well
Reliable and financially strong company	• Looks like a company with strong prospects for future growth • Recognises and takes advantage of market opportunities • Tends to outperform competitors • Has a strong record of profitability
Product and service quality	• Offers high quality products and services • Develops innovative products and services • Stands behind its products and services • Offers products and services that are good value for money
Social and environmental responsibility	• Is an environmentally responsible company • Would reduce its profits to ensure a clean environment • Seems to make an effort to create new jobs • Supports good causes • Maintains high standards in the way it treats people