Communication strategies for reputation management of the company

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Abstract: *Corporate reputation is an intangible value of the company, which generates competitive advantages, if it is professionally constructed. Corporate reputation generates significant competitive advantages when the strategies created for its management are aimed at a positive shift in its sustainability. Communication strategies support the overall management of reputation. With the help of social media, the managerial process becomes interactive and includes dialogues and interactions between the organization and various stakeholder groups with which it maintains relations.*

Keywords: *corporate reputation; stakeholder; social media; communication strategies; intangible values.*

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Introduction

The successful development and survival of an organization is related to the strategies that it creates and implements for management of resources - tangible and intangible, and for its situation in the business environment. Due to the specifics of contemporary reality, marked by constant change, organizations apply different approaches to enhance their competitive advantages. Intangible inalienable values (reputation, corporate culture, organizational and corporate identity, corporate image), if competently designed and managed, give additional business value to the company and at the same time cannot be imitated. More precisely, they impart uniqueness of the company distinctiveness, in the public domain, recognition and they ensure loyalty and commitment to it from its key

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stakeholders. The Intangible values are a guarantee for attracting quality staff to join the organization, of new customers and for long-term positive relationships with suppliers, institutions, media, non-governmental organizations, different communities.

The construct of corporate reputation is studied, discussed, and measured by researchers and practitioners from different disciplines - communication specialists, PR experts, professionals in organizational development and change management, economists, etc. This explains the different directions in the study, the diversity of definitions and approaches for its research. It is essential in the issue management and in the crisis management. The ccorporate reputation is directly linked with the reputation of the leader of a company, the tools for measuring it serve to promote the so-called reputational capital and increase market and investment attractiveness of the company. From the diversity of the construct, we will consider only the management of communication strategies associated with social media.

Communication strategy. Corporate strategy

Communication strategies are planned actions regarding communication about a particular problem, events related to the successful implementation of organizational goals, presentation of the organizational nature to the groups of stakeholders with which the organization maintains relationships. Communication strategies are directly linked to corporate strategies (Argenti et al, 2005).

To be successful in its essence a corporate strategy needs to embed accountability on the following internal and external factors: adequate assessment of competition in the business environment, the strengths and weaknesses of the organization, the harmony between the strategy and mission of the company, and directly the final objectives; tactics necessary for successful implementation of the strategy, monitoring and evaluation of the implementation of the strategy and the feasibility adjustments when necessary. The ssuccessful corporate strategy must be sensitive also to changes occurring in the business environment and at last but not least – it must be proactive. Tools for strategic planning include SWOT and PESTEL analysis, Ansoff's matrix, the model of five competitive forces of Porter, the 7 S model of the consulting group McKinsey, competition analysis and others.

In terms of communication strategies, it is necessary to note that in constructing them it is necessary to take into account the following main points:

- the current state of the organization and its competitive position /by preparing of a SWOT analysis and implementation of a communications audit/

- communication with key stakeholders of the company through the transfer of consistent messages through various /competently selected/ communication channels,

- constructing a vision for the future desired state of the organization

- motivation of stakeholders co-participation in realization,

- setting achievable goals /SMART model/ and creating the appropriate tactics to achieve them.

Corporate reputation

The reputation of a company is viewed through the prism of economics, marketing, sociology, organizational studies, which complicate the definition, measurement and management of the construct (Van Riel and Balmer, 1997). Shortly it can be defined as "intangible value" of the company, which is reflected in the positive results, such as financial stability and competitive performance. Reputation, image, identity and corporate culture render uniqueness to the company, which is impossible to be imitated by competitors, and gain importance for the overall performance of the company. Competent reputation management is a guarantee for the sustainability of the results of the company and increases its competitive advantages.

The definitions of corporate reputation that we consider in this study are related to the different multiperspectivity of different stakeholders of the organization to its essence. Reputation is "collective representation of multiple constituencies' images of a company built up over time and based on a company's identity programs, it's performance and how constituencies have perceived it's behavior" (Argenti and Druckenmiller, 2004:369). Reputation is directly connected with the identities of the company / organizational and corporate / as well as with organizational behavior. Constructing and maintaining the reputation is continuous process involving communication of the organization, management communication practices, existing corporate culture, identity, image and interaction between stakeholders and the company. Reputation is constructed through actions and policies that the company implements - in applying good practices, in the initiation and implementation of actions in line with the concept of Corporate Social Responsibility.

Fombrun and Rindova (1996) define reputation as a collective representation of the previous actions of the company and their results that contribute to the creation of value for stakeholders - both internal and external /with arbitrary division between them / in the competitive and institutional environment. Under these definitions, reputation is multidimensional and collectively formulated construct appearing to be a collection of

perceptions of different stakeholders (Fombrun *et al.* 2000: 242). Therefore, the company has many reputations, not just one monolithic. It is necessary to note that positive corporate reputation is "the product of many years of perfect competence" (Hall, 1993: 616) of the organization.

We can summarize that reputation is determined by all kinds of interactions between organization and its stakeholders and amongst stakeholders who have direct or indirect relationship with it. Corporate reputation is in direct correlation with the increase of the competitive advantages of the company and is an invaluable asset in time of crisis and for the successful overcoming of the crisis and preservation of the trust of stakeholders.

Reputation Management

A modern organization exists in constant dynamic and is subject to different pressures as well as emerging and existing risks and to ensure its survival and flexibility it needs to be managed competently its reputation.

Reputational risk arises because of not very favorable attitude towards the organization by stakeholders, threatening its financial performance and lowering the value created. Adequate risk assessment precedes the construction of the main points included in the program for reputation management. Therefore, reputation management is crucial for the survival and development of the organization. In reputation management, the following key assumptions should be taken into account: reputation is essential, being determined by corporate culture, identity (corporate, organizational) corporate image, communications and leadership. The above constructs are directly linked to various groups' stakeholders of the organization. Different stakeholders have different perceptions regarding the organization, so reputation management is directed towards forming and maintaining positive relationships with them. Reputation management is an integral part of leadership in organizations. Strategies for creating and maintaining a positive reputation have to be associated with corporate strategy and communication strategies of the organization. The reputation is a resource for the organization and it needs management, as well as the other resources. Reputation, however, is intangible value for the organization, generating completely tangible results - in terms of positive financial results and increasing the propensity for investment. The conduct and communication of the organization should be managed in the direction of creating and maintaining trust with the key stakeholders, which support the existence of positive, distinguishable corporate reputation.

Communication strategies for maintaining corporate reputation can be conditionally divided into two groups - traditional and online, and later being realized with the help of social media.

This research paper will highlight communication strategies for online management and maintenance of reputation, including social media.[1] Social media is defined as interactive: participants freely and without restrictions can share, receive, track information that interests them. They are widely available without hierarchical constraints and completely changed the idea of chronotope.

Organizations, through the management of reputation, strive to maintain a positive image and identity of the company in the public domain[2]. For this purpose, it is necessary to provide ongoing interactive communication between stakeholders, and the organization itself. The presence of organization online has another significant advantage - the possibility for stakeholders to convey its and to enrich its importance by changing its identity and from there - and its image and reputation.

Reputation management is one of the priorities of top management of the company, which is supported closely by communication specialists. For this purpose, they have to maintain a corporate culture, which assumes the highest degree of openness to stakeholders that will generate and increase their loyalty to the company and in the long run will contribute to improving the overall performance of the company (Gorry and Westbrook, 2009).

Formulation of the communication strategies for online reputation management should be based on the understanding that social media and similar Internet services are based on broad participation and openness, ability to easily search for information of interest to users of content, the creation of online communities, ongoing debates and interactivity. Social media have networking character, allowing quick and virtually unlimited ability to share content, securing feedback and does not require high costs for overall maintenance[3]. The organization does not have as strong corporate control over communication between different groups stakeholders represented online as at

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[1] Social media is a tool enhancing the sharing and collaboration - such as blogs and social networks (Gorry & Westbrook, 2009), as well as technologies such as forums - users and so on, communities sharing comments, opinions

[2] Reputation management requires measurement of reputation which will not dwell in this research paper. There are different approaches for measuring reputation – Harris-Fombrun Quotient (RQ), Global RepTrak 100, Fortune's AMAC annually surveys Fortune 500 и companies Fortune 1000 companies, The Financial Times' The World's Most Respected Companies, etc.

[3] The importance of social media is related with the Metcalf's Low, which postulated that the increase in the number of members of the social network, leads to increased interaction between them and if these people link the content of their posts, the value increases significantly (Jones, B. *et al.,* 2009).

traditional communication channels. Therefore, reputation management online is a challenge for communication experts and for the management of any organization because social media no longer means only channels for transmission of various messages about events, policies and news, but is an area of active interaction between different types of audiences that cannot be targeted by conventional methods.

Monitoring and reporting perceptions of the organization in the online space is crucial to the creation of programs for managing corporate reputation. They are also an indicator of the need to implement strategic changes in various policies and practices of the organization, as well as in overall corporate communication strategy. To maintain a positive online reputation it is necessary for organization to be more open about its actions to stakeholders - fair practices in the management and development of human capital, and in the relations with stakeholders and society; high and uncompromising quality of everything, that the organization is produced and offered on different markets; reporting and respecting changing needs and interests of key stakeholders; acceptance and implementation of actions in harmony with the concept of Corporate Social Responsibility.

There is so called Pushmi-Pullyu syndrome (metaphor was introduced by John Baruch, former president of Reed & Carnrick), where the organization adopts certain behavior and present itself in a certain way (sometimes not quite in unison with business ethics). In parallel, the communication specialists are expected to present the organization in a positive light in front of audiences. The solution to this problem is overall organizational behavior and communications to be fully consistent - applying the trend of integrated communications and consistency between actions, practices and related communication.

If there are unfair practices in the organization to disguise them through PR techniques is impossible because the online communication participants note and share negative points in organizational reality and that portends a crisis of reputation. Never underestimate also the fact and that the organization has no power over their communications when they "move beyond" its borders / conditional as they are in modern business reality/. Of critical importance are the links between the organization and its employees, which, as well as relationship to other stakeholders of the company should be based on openness - maximum competence of programs created for internal organizational communication, honesty in labor and social practices. Discontented employees pose a risk for the reputation management because they have access to internal information, or in some cases, documents of a confidential nature, which could easily gain visibility online.

In line with the above presented, the social media can pose reputational risk in cases of:

- a mismatch between the organizational reality and an attempt to construct a positive reputation based on incorrect communication techniques and technologies;

- no reporting the changes in the perceptions of key stakeholders;

- no acceptance of the idea of so-called "Learning Organization" and inability to create mechanisms to scan the problems and opportunities arising thereof round about environment and hence, the inability organization to transform them into positives to enrich its reputation (Eccless et al., 2007).

Best practices that are implemented by the organization actually suggest an opportunity for prevention negative publications online. Appropriate is the existence and maintenance of a corporate blog, blogs of employees, and - if possible - chat rooms with representatives of top management of the company, in parallel with interactive Internet and intranet sites. All this ensures constant dialogue and debate between the organization and its stakeholders.

We should not underestimate the fact that many stakeholders have no direct contact with the organization. The group of stakeholders includes various marketing and sociological agencies, representatives of NGOs that carry out activities related to monitoring and dissemination of best business practices, media representatives, pressure groups, defenders of the environment and so on/. Structured and competently established communication policy for online presentation of the organization ensures the delivery of complete information regarding the organizational nature (products, brand (s), policies, innovations, successes, special events) to different audiences, whether or not they have a direct relationship with it. Vice-president of the most reputable company in 2015 Global RepTrak 100 - BMW Group, who is also head of corporate communication department, Bill McAndrews said that their work as communicators is to create platforms and channels that promote contacts not only with their products, but also with the company's experts. Speaking briefly, the business - these are the people ... They have created a huge range of tools such as the internet and social media, communication type face-to-face, which are an integral part of the process of maintaining corporate reputation.

Today companies are at risk. They need to tell their stories, because almost 58% of their customers reported that are uncertain what the companies are doing about improvement of products and services, the innovation processes and practices, to maintain the positive workplace and good governance, the citizenship behavior, leadership and overall

performance[1]. Digital storytelling, as a part of corporate storytelling, is a powerful tool to enhance the commitment of employees to the organization, to promote customer and other stakeholders' loyalty, to present the behavior of the organization as a corporate citizen, dedicated to implement culture of innovation and to offer high quality goods and services. Via the communication of the organization, from which the digital storytelling is a part, companies are able to generate and sustain trust, which is immutable component of reputation and helping improvement of competitive performance.

Mentioned above BMW Group remains in the ranking of top ten companies for 2016 Global RepTrak 100 regarding its provision of products and services, innovation, workplace, government, leadership, citizenship and performance. This fact is indicative of communication policy of the company at professional level.

Therefore, online reputation management should actively support:

- Facilitating and promoting active dialogue with the key stakeholders;

- Initiation of opportunities to attract supporting stakeholders based on monitoring of feedback - creating and implementing programs for the protection of unsupported stakeholders;

- Monitoring of marginal groups stakeholders that depend on the feedback can be included by creating strategies to engage them with the organization, as well as strategies to minimize the risk to become unsupportive;

- The corporate reputation is directly related to the images and identities of the company owned by stakeholders. In the context of the above said, the presentation of the organizational point of view is necessary on various issues, actions of the organization, changes, innovations, products, practices, policies implemented thereof, in order to increase and maintain its positives among stakeholders / both internal and external;

- Ensuring of timely two-way communication, completeness of information, competent contact persons when problem arises with the organization in order to prevent crises;

- Dealing with online presented stakeholders of the organization must be based on understanding the nature of social networks within which to carry out their activity

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[1] https://www.reputationinstitute.com/CMSPages/GetAzureFile.aspx?path=~%5Cmedia%5Cmedia %5Cdocuments%5C2016globalreptrak.pdf&hash=d3b5b6ab25f1008f897280b712da54ac6dc8a0 0bf738e43653779f113eb33cc4&ext=.pdf

online, influences that are performed against them, their interconnectedness (Einwiller & Will, 2002);

- The social media is an essential part of the overall communication mix for reputation management;

- The positive reputation maintained successfully through online communication becomes a strategic advantage that guarantees recruiting and retaining qualified employees by the organization, customer loyalty, honest relationships with suppliers, media, local community, etc.; reduction of the transaction costs, creation of barriers to competitors.

This requires top management of the organization to inspire all its members in adopting the idea that reputation management is a shared responsibility of each of them (Griffin, 2008) in a constant interaction with other key groups stakeholders.

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