Volume - 5, Issue- 2, February 2017 e-ISSN : 2347 - 9671| p- ISSN : 2349 - 0187
EPRA International Journal of Economic and Business Review SJIF Impact Factor(2016) : 6.484
ISI Impact Factor (2013): 1.259 (UAE)

Research Paper

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IMPLEMENTATION OF CORPORATE REPUTATION MANAGEMENT PROGRAMMES IN SELECT CORPORATE HOUSES OF KARNATAKA STATE: A QUANTITATIVE STUDY

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ABSTRACT

Several specialists in corporate communication and reputation management have provided a new dimension to the concept of corporate reputation management in their works. The present investigation was carried out in Karnataka state to understand the implementation of corporate reputation programme in select corporate houses on the basis of systematic survey research methodology. Primary data were gathered from about 318 stakeholders of corporate reputation management. The study revealed that the corporate houses had sound business objectives, adopted innovative approaches to management, made adequate investment in social welfare and development activities, rewarded exceptional performance of internal and external stakeholders, delivered high quality products and services, ensured transparency and accountability in the conduction of business, placed a high priority on ethical standards of management, developed efficient management system for good governance, invested notably on the development of social capital, adopted progressive labor regulations and achieved employees' welfare and implemented adequate programmes for sustainable development for reputation management. The study emphasizes that corporate reputation management should be based on various dimensions such as employee relations, investor relations, supplier relations, distributor relations, customer relations, media relations, government relations, community relations and adoption of pro-social behaviors.

KEYWORDS: *Corporate communication, business management, corporate decisions*

PREAMBLE

In the age of competitive business management, corporate houses are required to build and sustain reputation on the basis of sound parameters and practices. The parameters primarily include – organizational culture, organizational leadership, organizational ethics, organizational sustainability, organizational business management, organizational financial management, corporate marketing, stakeholder value, organizational sustainability, corporate branding, the marketing mix, public relations and relationships with stakeholders. It is, however, critical to understand that these elements can only be successful in building corporate reputation if they are supported and related to the other general business management issues concerning the reputation of corporate houses. Studies have revealed that corporate leaders should play a pivotal role in reaping enduring benefits, which include attracting more investors, partners, clients, work applicants and trust in corporate decisions. The present investigation was carried out in Karnataka state to understand the status of implementation corporate reputation management programmes in select corporate houses of Karnataka state.

CORPORATE COMMUNICATION STRATEGIES FOR REPUTATION MANAGEMENT

It is more important than ever those companies maintain good reputations. Jackson offered a practical guide to taking the high road (the only road to continuing success) and reveals basic principles of integrity and fairness which companies can use to build enduring reputations. He suggests that, more so than 'image', a firm's reputation is a form of capital often neglected at CEO level and overlooked in conventional analyses of finance. Jackson couples each of his 'principles' with clear actions that drive management systems (Jackson, 1987:21). The scholar provided tested strategies (e.g. downsizing techniques and tips on e-commerce) that 'cultivate the hidden power of a good reputation.' He outlines obvious advantages of great reputation (people want to work for, invest in, and do business with companies with integrity), describes the role of the firm's top man/woman has to play, offers ways to build and protect reputation on the Internet (from defusing Internet rumors to creating online communities) and how to rescue reputation if disaster strikes.

Corporate reputations once created are relatively steadfast. Of all bases of differentiation, none is more difficult to duplicate than an organization's reputation (Higgins, 1996:20). Reputations are overall assessments of organizations by their stakeholders. They are aggregate perceptions by stakeholders of an organization's ability to fulfill their expectations, whether these stakeholders are interested in buying the company's products, working for the company, or investing in the company's shares (Fombrun, 1996:13).

To gain a good corporate reputation, one must not only have integrity at the top, but also be ruthlessly intolerant of those who undermine the integrity and values of the organization. In a cynical age CEOs should do more than merely 'walk-the-talk' and insist on ethical behavior. Communicating the organization's message to the public and most importantly, repeating the message to employees, is seen as critical. In reality, the price of a good corporate reputation is eternal vigilance (Gray and Balmer, 1998:18). Reputation management has become a new way of life especially in the age of economic liberalization. Modern corporations have to reach out to the people through various communication campaigns in order to enhance the status and reputation of the corporate houses. Corporate communication has also become a prominent instrument of corporate reputation management over a period of time.

Corporate communicators adopt certain strategies to generate increased public recognition, co-operation and support in favor of the organizational policies, goods and services through systematic branding which involves the repetition of an image or product name in an effort to associate related qualities with the brand in the minds of consumers. Reputation is the principal means through which a market economy deals with consumer ignorance (Johnson, 2005:22). Johnson has provided a new dimension to the concept of corporate reputation management in his work.

Seller reputation has a substantial immediate return, but only for established sellers. Established sellers are able to charge higher prices, sell larger volumes, and receive more revenue as their reputation ratings increase. An increase in reputation by one rating grade leads to an increase in monthly revenue. While an estimated negative effect of reputation on revenue and a positive effect of reputation on transaction volume indicate that sellers dynamically manage reputation, seller reputation management does not necessarily imply that the overall effect of reputation on revenue is negative. We find stark differences in how reputation affects actions and outcomes of new and established sellers, illustrating the dynamic effects of reputation. Our results suggest that platform design and credit environments to help new sellers survive the initial stages of reputation accumulation might play an important role in overcoming market inefficiencies due to informational frictions (Fan et. al, 2016:12).

Corporate communication is indeed a beneficial exercise in the new business environment. It has become a prominent vehicle for establishing brands and enhancing the reputation of modern corporations. Effective corporate communication strategies primarily help modern organizations build relationships with prospects and customers, strengthen company culture and establish leadership in their industry. The corporate houses should also understand the need and importance of corporate social responsibility which enables the organizations to be proactive in protecting their reputation in crisis times as well as to disseminate the organizational 'story' to internal and external stakeholders through constructive corporate communication and advertising services. These services should be delivered in a systematic way in order to foster the delicate alignment of strategy, communication and leadership that drives positive reputation in both good and bad times. Corporate communication strategies and services should make the organizational activities highly transparent, accountable, environment friendly and profit oriented. These factors should be borne in mind by the corporate communicators while evolving communication strategies for reputation management.

Regarding research in corporate reputation from stakeholder's point of view, responsible management, responsible leadership and dialogue with stakeholders are among the most important issues creating corporate reputation. There are statistically significant (but not very strong) correlations between corporate reputation indicators and economic performance indicators. It could be expected that the trend from other countries to invest in companies of high reputation will become recognizable also in Poland, which can make companies of higher economic performances promote their reputation among stakeholders intensively (GoBebiewska, 2014:16).

Reputation management is the understanding or influencing of an individual's or business's reputation. It is the influencing and the control of an individual's or business's reputation. Reputation is the stakeholder's overall evaluation of a company over time. The reputation management aims on monitoring the reputation of an individual or a brand on the basis of well defined parameters. Most of reputation management is focused on pushing down negative search results. Reputation is central to building and defending a sound organizational reputation is the capability to be pro-active and to recognize and evaluate potential and ongoing risks. Corporate communication strategies play an important role in the enhancement of corporate reputation.

Legitimacy and transparency are at the heart of issues management and whether the messages developed and delivered through corporate communications are credible to stakeholders. If reputation can be viewed as a form of assessment of a corporation's behavior and performance, then understanding and identifying risks and issues that may at a later stage damage this value asset, must be an active part of any reputation management structure and process. Reputations have to be continually earned and reviewed, and as such, need continuous monitoring and attention (Doorley and Garcia, 2015:09).

Seller reputation has a substantial immediate return, but only for established sellers. Established sellers are able to charge higher prices, sell larger volumes, and receive more revenue as their reputation ratings increase. An increase in reputation by one rating grade leads to an increase in monthly revenue. While an estimated negative effect of reputation on revenue and a positive effect of reputation on transaction volume indicate that sellers dynamically manage reputation, seller reputation management does not necessarily imply that the overall effect of reputation on revenue is negative. We find stark differences in how reputation affects actions and outcomes of new and established sellers, illustrating the dynamic effects of reputation. Our results suggest that platform design and credit environments to help new sellers survive the initial stages of reputation accumulation might play an important role in overcoming market inefficiencies due to informational frictions (Fan et. al, 2016:12).

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REVIEW OF LITERATURE

The review of literature indicates that few researchers in the State of Karnataka have examined the corporate communication and corporate social responsibility related subjects to a limited extent. Prominent among them include: Bennett and Kottasz (2000:07), Gotsi and Wilson (2001:17), Gardberg and Fombrun (2002:15), Argenti (2003:02), Alsop (2004:01), Wang (2005:26), Riel and Fombrun (2006:25), Gabbioneta et. al (2007:14), Bekkum et. al (2008:06), Melewar et. al (2009:24), Doorley (2010:10), Burke et. al (2011:08), Basu and Mueller (2012:05), Armstrong (2013:03), Guru et. al (2014:19), Balan (2015:04), Kumar et. al. (2016:23) and Eckert (2016:11). Adequate studies are not carried out on the role of corporate communication in corporate reputation management with special reference to Karnataka state. Further, past studies did not indicate the factors contributing to the scientific management of corporate reputation by the corporate houses in Karnataka.

OBJECTIVES OF THE STUDY

The present investigation was carried out on the basis of twin objectives such as to analyze the implementation of corporate reputation management programmes in select corporate houses and examine the quality of corporate reputation management communication in select corporate houses.

SIGNIFICANCE OF THE STUDY

Corporate reputation is created by a combination of elements within the organization such as general business management, financial management, corporate marketing and corporate communication, as defined by Ettorre and Dollinger. The general business management has a major impact on corporate reputation, namely leadership and management quality as well as organizational ethics. It is, however, critical to understand that these elements can only be successful in building corporate reputation if they are supported and related to the other general business management issues concerning the reputation of corporate houses. Corporate reputation is important to modern corporations because it can provide a multiple of benefits including reduced financing, advertising and deliver costs, increased access to new strategic opportunities and partnerships, easy in recruiting skilled aspirants and also good will with stakeholders when something goes wrong. On other hand Corporate Reputation is also important to the economy and society because it facilitates economic transactions where markets might otherwise fail, by providing incentives for firms to behave in certain, predictable ways. As such, it functions as a form of non-governmental regulation. The review of literature clearly indicates that the role of corporate communication in corporate reputation management of select public and private corporate houses in Karnataka has not been scientifically evaluated by the past researchers.

RESEARCH METHODOLOGY

The present study approached the problem through a systematic survey method. The corporate communication services rendered by these organizations for reputation management were evaluated through a scientific empirical investigation. A structured and pre-tested interview schedule was administered to the representative sample consisting of corporate communicators, customers, community leaders and media professionals working in Mysuru and Bengaluru cities. Primary data were gathered from about 318 respondents. Appropriate statistical tests were conducted to analyze the primary data, draw inferences, test the hypotheses and make recommendations.

Distribution of the Study Sample

Sl. No.	Name of Corporate Houses	Corporate Executives	Customers	Community Leaders	Media Professionals	Total
1.	KPCL	14	32	22	16	84
2.	BEML	14	32	20	14	80
3.	Wipro	12	30	26	12	80
4.	Biocon	12	30	18	14	74
Total		52	124	86	56	318

N=318

STATISTICAL ANALYSIS

The study being descriptive in nature, no parametric statistical tests were involved to draw inferences based on the sample results. The interpretation of the chi-square and contingency table analysis justify the assumption of independence which was primarily carried out at the 0.05% level of significance

FINDINGS OF THE STUDY

Implementation of Corporate Reputation Management Programmes

- A majority of the respondents (74.84%) have stated that the corporate houses had sound business objectives.
- A majority of the respondents (72.96%) have stated that the corporate houses had sound business objectives.
- A majority of the respondents (69.81%) have stated that the corporate houses had adopted innovative approaches to management.
- A majority of the respondents (67.92%) have stated that the corporate houses had made adequate investment in social welfare and development activities.
- A majority of the respondents (72.96%) have stated that the corporate houses had rewarded exceptional performance of internal and external stakeholders.
- A majority of the respondents (69.18%) have stated that the corporate houses had delivered high quality products and services.
- A majority of the respondents (67.30%) have stated that the corporate houses had ensured transparency and accountability in the conduction of business.
- A majority of the respondents (69.18%) have stated that the corporate houses had placed a high priority on ethical standards of management.
- A majority of the respondents (69.81%) have stated that the corporate houses had developed efficient management system for good governance.
- A majority of the respondents (65.41%) have stated that the corporate houses had invested notably on the development of social capital.
- A majority of the respondents (66.67%) have stated that the corporate houses had adopted progressive labor regulations and achieved employees' welfare.
- A majority of the respondents (74.21%) have stated that the corporate houses had implemented adequate programmes for sustainable development.
- A majority of the respondents (67.61%) have stated that the corporate houses had improved safety and health conditions in the work place and surrounding environment.
- A majority of the respondents (69.18%) have stated that the corporate houses had taken proactive stand and developed leadership competencies for sustainable development.
- A majority of the respondents (66.67%) have stated that the corporate houses had incorporated the principles of sustainability into business operations.
- A majority of the respondents (84.91%) have stated that the corporate houses had ensured sound financial performance for reputation management.
- A majority of the respondents (76.73%) have stated that the corporate houses had satisfied the needs of the customers for reputation management.
- A majority of the respondents (66.04%) have stated that the corporate houses had undertaken social marketing campaigns for reputation management.
- A majority of the respondents (67.92%) have stated that the corporate houses had managed several corporate events for reputation management.
- A majority of the respondents (68.87%) have stated that the corporate houses had evaluated performance indicators for organizational development and reputation management.

TESTING OF HYPOTHESIS

H1: The corporate houses have not implemented adequate reputation management programmes.

The data analysis furnished in the thesis indicates that the select corporate houses have implemented adequate reputation management programmes in a systematic and scientific way. Hence, the above hypothesis stands disproved according to data analysis.

H2: The quality of corporate reputation management communication is not good.

The data analysis furnished in the thesis indicates that the select corporate houses have attained high quality of corporate reputation management communication on the basis of adoption of innovative and creative practices. Hence, the above hypothesis stands disproved according to data analysis.

LIMITATIONS OF THE STUDY

The usual limitations of the survey method and case study, namely time, human inadequacies, resource constraints, recollection and communication were experienced try the researcher. It was practically not possible to contact all the stakeholders of corporate reputation management in Karnataka State due to lack of time and resources. An exhaustive and intensive survey as well as case study was not possible because of large numbers and above practical constraints. Purposive and stratified sampling techniques were followed in selecting the respondents since this method of selection also gives significantly correct results with much less time, manpower, money and materials. Though much care was taken to collect the data, the memory bias on the part of the respondents cannot be completely ruled out.

IMPLICATIONS OF THE STUDY

The implications of the findings of the study on the communication strategies for corporate reputation management with special reference to leading corporate houses of Karnataka State namely – Biocon, Wipro, Bharat Earth Movers Limited and KPCL in general terms are given below:

- The corporate houses should adopt pro-social behaviors and demonstrate corporate social responsibility for reputation management.
- The corporate houses have to take various stakeholders of reputation management and business management into confidence and manage the institutional activities according to their aspirations and build reputation.
- Corporate reputation management should be based on various dimensions such as employee relations, investor relations, supplier relations, distributor relations, customer relations, media relations, government relations and community relations.
- The corporate houses should also improve organizational coordination, working environment, quality of governance, professionalism, pro-social behaviors, inter-cultural communication and maintain equilibrium between economic and social benefits.
- The corporate houses should also ensure high stakeholders returns for organizational development.
- The corporate houses should also reward the exceptional performance of both internal and external stakeholders of reputation management.
- The corporate houses should place a high priority on ethical standards of management.
- The corporate houses should also make adequate investment on the development of social capital.

CONCLUSION

Corporate reputation means conducting business in an ethical and socially responsible manner in order to ensure high stakeholder returns for organizational development. The corporate leaders, HR professionals and corporate communicators have to play a crucial role in helping their organizations achieve the goal of becoming professionally, socially and environmentally responsible organizations. They should also deliver the goods and services by maintaining equilibrium between economic and social benefits. Corporate reputation management has been accepted as an important branch of organizational management by the modern corporate houses. It is important to identify specific tasks, roles and responsibilities of corporate communicators and motivate them to contribute their best for corporate reputation management. The present evaluation reveals that corporate reputation management is an important aspect of modern business management. It is necessary to understand what Winston S. Churchill said: "We make a living by what we get; we make a life by what we give". These words emphasize the need for corporate reputation management by modern corporate houses in the new millennium. The corporate houses should ultimately realize that corporate reputation cannot be built over night. It is primarily based on the commitment of corporate houses towards their stakeholders to conduct business economically, socially, environmentally and professionally in a sustainable manner.

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