

Can “reputation management” overcome failures in corporate governance?

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Abstract

Poor corporate governance appears to undo all the efforts of corporate communication activities in promoting and managing reputation. Is it a factor of poor leadership by senior management or a generalised failure of organisational relationships?

Kitchen and Laurence (2003) argue that the reputation of the CEO and the corporate reputation are increasingly intertwined, with “the CEO inevitably cast in the role of chief communicator” (pp.115-116).

Murray and White (2004) see strong communication performance by organisational leaders and effective feedback mechanisms from stakeholders as essential for articulating relevant messages and making better informed decisions that retain the support of stakeholders (p.10). Davies et al (2003) are adamant that “reputation can be managed” (p.67) but that it is a whole of organisation activity.

To confound the notion of “reputation management”, Hutton et al (2001) argue that “attempting to manage one’s reputation might be likened to trying to manage one’s own popularity (a rather awkward, superficial and potentially self-defeating endeavour)” (p.249). They put the emphasis on organisational performance, ethical behaviour and emotional linkage with customers and employees creating reputation rather than it being managed as if it were a product or service.

This paper will review the literature on reputation management and corporate communication and, with the use of recent examples from Australian government commissions of enquiry into corporate behaviour (James Hardie and the Australian Wheat Board) and two major corporate failures (Ansett Airlines and Pan Pharmaceuticals) will discuss whether reputation management is a distinct discipline area and whether the role of CEO as lead communicator is of greater importance than organisational behaviour in effective long-term corporate communication.

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