

Book of Graduates' Research Abstracts

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Preface

This is already the eighth Graduation Day of the Master of Corporate Communication Degree Program. We are proud to present the abstracts of the 17 theses that have been written by the Graduates of the Executive Master Program of Corporate Communication of the RSM Erasmus University Rotterdam in The Netherlands.

In this ninth year we were able to allow seventeen new graduates to become Master of Corporate Communication. This means that we have 130 MCC graduates. Most of these MCC's made a substantial career move after their graduation. I sincerely hope (but also expect) that the same will happen to the Graduates of this year. This year 17 representatives of the business world and non-profit organizations can celebrate their graduation of a program they participated in during two years of intense courses where they presented assignments, discussed the most recent academic theory and applied this to their daily life problems in their businesses. The participants graduating this year are:

Dolly van den Akker (Hill & Knowlton), Ellen Barnhoorn-Lambo (Heerema Group Services S.A.), Renate Bidzjel (Simmons & Simmons Trenité), Christina Bierma (WestFriese Zorggroep De Omring), Carine Brouwers (Stork), Cristina Cerioni, Alexander Döll (Schiphol Group), Madelon den Dulk (NDL), Alice Ester (Stamcel Bank Nederland), Joyce Hulst (Postbank), Caroline Idema (Zeehavenpolitie Rotterdam-Rijnmond), Olga Kolenburg-Keune (Achmea Zorg), René Kuyjpers (ING Divisie Intermediair), Anoeska van Leeuwen (TNT N.V.), Henri Reuchlin (Centraal Brouwerij Kantoor), Karin Roeleveld (CommuniKoters), Mark Zellenrath (UPC Nederland).

I hope they have learned a lot during the courses we offered them in the past two years. The least I could say, also on behalf of all the teaching staff that worked with them, is that we have learned a lot from them too. Their willingness to discuss practical problems in their own organizations and to relate these to the issues we discussed in the classroom were inspiring and exciting.

In the nine year of the Master of Corporate Communication Program we succeeded in creating an international program that presents all leading experts in a teaching role. I would like to thank the following people (teaching staff) who contributed tremendously to the success of this program: Paul Argenti of the Dartmouth College U.S.A., John Balmer of Bradford University UK; Kevin Corley of the Pennsylvania State University; Charles Fombrun of the Stern Business School, New York; Janet Duckerich of Texas University in Austin, USA; Mary-Jo Hatch, Cranfield University School of Management, UK; Joan Hemels, Universiteit van Amsterdam; Onno Maathuis, Positioneringsgroep; Michael Pratt of University of Illinois, Urbana/Champaign; Bertrand Moingeon of HEC in Paris, Peter Robertson, Robertson Consulting; John Rossiter of the University of Wollongong, Australia, Majken Schultz of Copenhagen Business School, Denmark; Frank Thevissen Vrije Universiteit, Brussel België; David Whetten, Brigham Young University, USA; and from our Faculty: Frans van den Bosch, Gerrit van Bruggen, Pursey Heugens, Kees Koedijk, Swalef Magala, Erik Waarts, Johan Wempe and all working at the Rotterdam School of Management, Erasmus University Rotterdam.

The first Graduation Day in 1999 was a great success thanks to the joint effort of several representatives of the business world (Mr. D.J. de Beus of PGGM, Mr. Rob de Brouwer of Hoogovens and Mr. Dries van de Beek of the VSB-Fonds) and several professors of the Erasmus University. Alexander Rinnooy Kan (member of the Executive Board of ING Group) was the keynote speaker at that time. In 2000 it was a great pleasure to have Mr. Cees van Lede, Chief Executive Officer of the Executive Board of Akzo Nobel as our keynote speaker. In 2001 we proudly announced the CEO of Grolsch NV, Mr. Jacques Troch, who spoke about the social responsibility of a company. In 2002, Leendert Bikker (CEO of Euro RSCG Corporate Communications) gave a speech about 'Building Reputation'. In 2003 we welcomed Mr. Wim Dik, the former CEO of KPN, who spoke about reputation management. In 2004 we welcomed with great pleasure Mr. Frank Welvaert, Director of Social Responsibility at Johnson & Johnson Europe. And last year we welcomed Mr. A.W.H. Docters van Leeuwen, Chairman of the AFM, who spoke about 'The Importance of good Communication'.

This year we would like to welcome Mr. P. van Minderhout, Group Director Communications and Social Responsibility of TNT, as a guest speaker who will speak about 'Reputation Management at TNT'.

It's also with great pride that we welcome Herman Kievits of Royal Dutch Shell, who will present the 'Shell Netherlands Stimulation Award for Excellence in Corporate Communication' to the author of the 'best thesis' of 2006. 'The Boer & Croon Innovation in Communication Award' will be announced by Mr. Peter Jurgens, Partner Boer & Croon Corporate Communication. The winners of both awards will be announced at the Graduation Day on June 30, 2006.

*Prof. dr. Cees B. M. van Riel
Director Corporate Communication Centre and Chairman of the
Part-time Executive Master Program in Corporate Communication*

Program

Friday, July 30, 2006

- | | |
|---------------|---|
| 15.00 – 15.05 | Opening
Prof. dr. H.G. van Dissel,
Dean RSM/Erasmus University |
| 15.05 – 15.30 | Keynote Address:
Reputation Management at TNT
Drs. P. van Minderhout
Vice President Corporate Communications TNT |
| 15.30 – 16.50 | Presentation of the Diplomas
Prof. dr. C.B.M. van Riel,
Director Corporate Communication Centre |
| 16.50 – 16.55 | Presentation of the Shell Netherlands
Stimulation Award for Excellence in Corporate Communication
Drs. H.J.F.M. Kievits,
Head External Affairs, Shell Nederland BV |
| 16.55 – 17.00 | Presentation of the Boer & Croon
Innovation in Communication Award
Drs. P.C. Jurgens,
Partner Boer & Croon Corporate Communication |
| 17.00 – 17.05 | Closing Remarks
Prof. dr. C.B.M. van Riel |
| 17.05 | Reception |

List of Graduates

Dolly van den Akker	<i>Integrated communication: a view on the reality</i>
Ellen Barnhoorn-Lambo	<i>To attract, develop and retain people, the contribution of Human Resources to Business Performance</i>
Renate Bidzjel	<i>Dominant Logic & Organizational Silence: A lethal Duo? An extension of the dominant logic concept</i>
Christina Bierma	<i>Measuring Reputation in the Care Sector. A new experience.</i>
Carine Brouwers	<i>"We have met the enemy and he is us!"</i>
Cristina Cerioni	<i>How to implement a successful Reputation Management Function at Peralisi Group especially with social responsibility programs</i>
Alexander Döll	<i>The Reputation of an Airport Operator</i>
Madelon den Dulk	<i>Strategic issues management as a management tool to improve the reputation of Dutch interest groups</i>
Alice Ester	<i>Every organization gets the absenteeism it deserves</i>
Joyce Hulst	<i>The Blue of the Orange Lion!</i>
Caroline Idema	<i>A study of the influence that the creation of a corporate story can have on organizational identity</i>
Olga Kolenburg-Keune	<i>The role of reputation in alliances in Dutch Healthcare</i>

Reneé Kuijpers	<i>Which identity aspects need to be secured in a business-to-business-brand to be a valuable subbrand in a multibrand organisation?" Brand associations and evaluations by intermediates in the mortgage market</i>
Anoeska van Leeuwen	<i>What do you mean by 'financial crisis? It depends on is responsible for it! Company Confidential</i>
Henri Reuchlin	<i>In Broad Strokes: How Reputation of an Industry can contribute to Corporate Reputation</i>
Karin Roeleveld	<i>Professional communications in midsize organizations: Factors influencing the integration of communication</i>
Mark Zellenrath	<i>A Sticky Past: An investigation of UPC's reputation among consumers, the press and corporate and public stakeholders</i>

Drs Dolly van den Akker

Integrated communication: a view on the reality

Current Position

Dolly van den Akker is Group Manager Corporate communications and Senior Consultant at *Hill & Knowlton Amsterdam*. She is an all-round communications consultant, having experience in corporate, marketing and crisis communications. She joined Hill & Knowlton in 2000.

Prior History

Dolly started her career at the PR department of *McDonald's Netherlands*, where she worked for three and a half years. As well as acting as spokesperson, she was responsible for internal communication, LSM/LSPR and several external national

and international communication projects such as Euro 2000 and Millennium Dreamers. She also managed a wide range of contacts with the (local) ecologist groups and animal activists.

Other Information

Dolly studied Business Communications at the University of Nijmegen and graduated in 1996. As part of her studies, she analysed the crisis communication situation of the local Province of Weurt concerning the frequent prevention of cancer in relation to environment.

In 2006 she finalised the Master in Corporate Communications at the

Erasmus University in Rotterdam. In her thesis "Integrated communication: a view on the reality" she examined the conditions which need to be met to achieve integration of corporate communication and marketing (communication). Next to this she developed a corporate communication checklist for corporate communication managers. Using this checklist will create added value as a corporate communication department with the goal of stimulating integration.

EXECUTIVE SUMMARY

INTEGRATED COMMUNICATION: A VIEW ON THE REALITY

This thesis examines the following paradox: "We aim to achieve integrated communication but we have not implemented it." Virtually all communication professionals are convinced of the advantages of integrated communication. Consistency of communication is considered to be the main advantage of integrated communication. But implementing integrated communication often proves difficult.

Definition of integrated communication

In this study integrated communication is defined as follows:

A holistic system in which:

- Corporate communication and marketing (communication) are integrated within an organisational department.
- All stakeholders (and not only the consumer) are regarded as the starting point for communication.
- The orchestration/alignment of messages is considered to be crucial to assure consistency.

The questions addressed by this study

This study addresses two questions:

1. What conditions need to be met to achieve the integration of corporate communication and marketing (communication)?
2. What corporate communication factors/means need to be adopted/are important in order to be able to create added value as a corporate communication department with the goal of stimulating integration? The insights gained in addressing this question result in a concrete corporate communication checklist.

RESEARCH SET-UP

To answer the questions I set out to address, I conducted a study consisting of two parts:

1. Study of the literature on integrated communication

My study of the literature is based largely on books, studies and articles published in America since relatively little has been published on the subject in the Netherlands. In my study of the literature I concentrated on the definition of integrated communication and the conditions that need to be met to achieve integration.

2. Field survey

In a field survey that employed a closed questionnaire twenty marketing (communication) and communication managers were asked how important they considered integrated communication to be and to identify the conditions they believed were necessary to achieve it. This survey also sought to identify corporate elements that are important from the point of view of the marketing manager.

The survey was divided up into six categories based on the defined key tasks of corporate communication and my study of the literature on integrated communication:

Corporate communication:

1. Identity
2. Reputation
3. Corporate messages / corporate story

Integrated communication:

4. Organisation of communication
5. Principles of integrated communication
6. Examples

Organisations that took part in the survey	
1 ABN AMRO N.V.	11 Numico
2 Forbo	12 Dutch Railways
3 Hero Nederland	13 Postbank
4 International retailer	14 Procter & Gamble
5 Kellog's Nederland	15 Proteq (dochter REAAL Verzekeringen)
6 Lipid Nutrition	16 Rabobank Nederland
7 McDonald's Nederland B.V.	17 Randstad
8 Motorola	18 Sanoma Uitgevers
9 Nationale Nederlanden	19 UPC
10 Nike	20 Wegener Multimedia

ANALYSIS AND CONCLUSIONS

The survey was divided up into six categories. The main conclusions per category are set out below.

1. Identity

Marketing (communication) managers are very much concerned with identity and in practice the values on which identity is based frequently serve as a point of departure. But the responsibility for conveying identity is assigned to corporate communication. This suggests that identity is regarded as a corporate communication element and one of the key tasks of the corporate communication professionals.

Above all, corporate philosophy, which was thought to be important by almost all of the organisations, ensures recognition in marketing communication. Hence it is reasonable to conclude that when formulating corporate philosophy it is important to take into account values that ensure recognition.

Marketing communication managers have yet to be convinced of the value and advantage of agreeing the approach to communication with others within the organisation.

The consistency of the message is regarded as one of the conditions in achieving integrated communication. As yet there is still insufficient recognition of the fact that this has to start with the joint formulation of promises.

2. Reputation

The responsibility for the company's reputation is laid entirely outside the sphere of marketing communication: the management is responsible for strengthening the company's reputation – as opposed to the reputation of the product and/or the service. 35% of the managers were of the opinion that one of the tasks of marketing communication was to strengthen the reputation of the product and/or the service.

Consumer confidence / a good feeling on the part of the consumer and quality products / services were said to be the most important conditions for achieving a successful marketing campaign.

In the interviews it was apparent on several occasions that marketers see the building of a reputation as the building of a brand. There is a preference for the word 'brand' as opposed to 'reputation'. This suggests that when communicating with the marketing

(communication) managers, the corporate communication managers need to make a point of approaching matters from the point of view of the brand. This will help to increase integration.

3. Corporate messages

40% of the respondents said that clear corporate messages did not increase the success of a marketing campaign: it was the marketing communication message that determined the success of a marketing campaign.

The transparency of a message was considered to be the least important factor, despite all of the claims in the media that organisations need to be as transparent as possible. This suggests that there is thought to be a risk that transparency on all issues could become an 'open door' and that communication managers should not use it indiscriminately. For this reason it is advisable to talk about *relevant transparency*.

Managers believe that messages that are valid and consistent have the most value. Hence it is important to bear this in mind when formulating corporate messages.

A quarter of the managers were of the opinion that marketing communication was responsible for compiling and conveying proof of the validity of the corporate message. If marketing communication is made (jointly) responsible for conveying proof of the validity of the corporate message, there is greater support of the corporate message, furnishing of proof is increased and communication becomes more integrated.

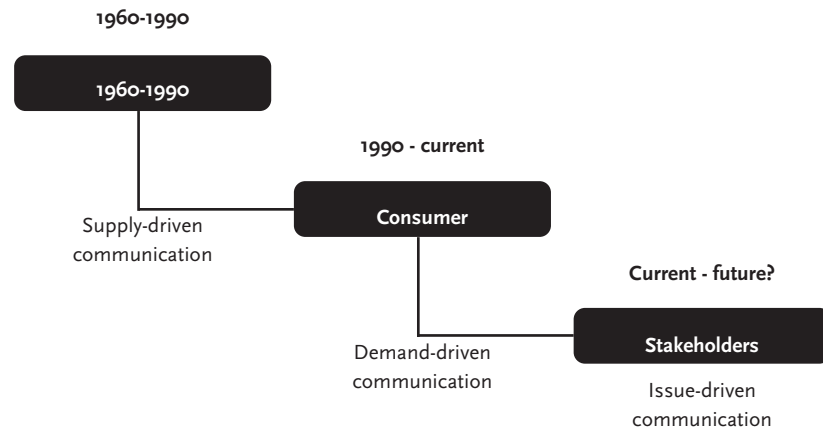
4. Organisation of communication

In 30% of cases marketing communication is part of the corporate communication department or vice versa. This amalgamation of departments does not always result in integrated communication.

Half of the managers said that they reported directly to the managing director. Reporting directly to the managing director leads to greater (and more visible) support and often means that communication is seen as a strategic policy instrument. In many organisations a further step can be taken in this respect.

Almost half (45%) of the respondents regard interaction with all stakeholders as one of the main principles if not *the* main principle of the communication policy. In my experience there is a clear relationship between the way in which the market is approached by marketing (communication) professionals and the need for integrated communication. Many organisations currently find themselves in a transitional phase

as they move from consumer focus to stakeholder focus. In the latter case integrated communication is a must and there is a maximum need for – and maximum attention is devoted to – integrated communication. The following model illustrates the sequence of phases. It is my belief that we will see further development in this respect in the near future.



Figuur 1: Model of Integrated Communication

5. Principles of integrated communication

Almost all (89%) of the organisations said that their communication was integrated (to some extent). I find this percentage to be surprisingly high. We may have made more progress in implementing integrated communication than we think. This may be explained by the use of different definitions of integrated communication.

Almost all of the organisations said that integrated communication was a crucial success factor. Given this high percentage and also on the basis of the interviews it is safe to conclude that almost all companies are consciously working on integrated communication.

The most important conditions for integration were said to be the support of the CEO/board and the introduction of integrated communication as a total concept.

There are two main elements that stand in the way of integrated communication: managers stick too tightly to their own domains and the internal culture can work against integration. This leads us to the surprising conclusion that managers

themselves block integrated communication because they wish to cling to the traditional division of tasks. This is diametrically opposed to the fact that virtually all of the respondents said that they considered integrated communication to be important.

It is clear that the importance – and the advantages – of endorsement are still being underestimated. This has to be seen as a concrete task for the corporate communication professional.

6. Examples

Time and time again the consistency of the message was said to be the reason why a certain company sets an example when it comes to integrated communication. This was spontaneously identified as one of the defining features of integrated communication. The consistency of the message was also identified as one of the two most crucial elements in the response to the questionnaire. Hence managers need to manage communication accordingly.

Three companies are considered to set an example when it comes to integrated communication:

1. Heineken
2. Philips
3. Nike

RESEARCH OBJECTIVES: CONDITIONS FOR INTEGRATED COMMUNICATION AND CORPORATE COMMUNICATION CHECKLIST

This study has two main objectives:

1. The primary objective is to identify the conditions for integrated communication from the point of view of marketing (communication).

On the basis of the main conclusions set out above and also on the basis of the interviews the following can be said to be conditions for integrated communication.

Conditions for integrated communication

- *The CEO/board needs to support integrated communication.*
- *Integrated communication needs to be introduced as a total concept at all levels and within all functions within the organisation.*
- *Communication with all stakeholders needs to be adopted as the main point of departure of policy.*
- *Thinking in terms of traditional domains of marketing communication and corporate communication needs to be abandoned.*
- *The organisation needs to have a clear vision of integrated communication.*
- *Knowledge of integrated communication is a must.*
- *The various communication departments need to agree on the approach to communication.*
- *Internal obstacles to integrated communication (related to the culture) need to be identified and tackled.*

2. The secondary objective is to draw up a practical checklist of corporate communication factors/means that marketing communication professionals consider to be crucial in achieving credible and integrated communication.

Checklist of corporate communication factors/means that marketing communication professionals consider to be crucial for integrated communication

- Formulate valid and consistent messages and maintain them.
- Adopt the idea of 'relevant' transparency. There is little point in using the term transparency in a general sense. Indicate the instances in which it is important to be transparent – and how.
- Take marketing objectives into account when formulating corporate messages.
- Talk from the point of view of the brand and do not use too much corporate communication jargon. Translate identity values into corporate philosophy and link the company's reputation to brand thinking.
- Identify the specific advantages of integrated communication for marketing (communication) and for the organisation as a whole.
- Adopt jointly agreed principles as a point of departure for corporate messages.
- Formulate distinctive and relevant messages.
- Create an extensive media network that can be used for marketing (communication).
- Develop and maintain a clear house style.
- Gain and provide an insight into issues that affect the sector / organisation.
- Develop a planning tool that lists all of the communication activities.
- Stress the importance and specify the advantages of independent third parties (endorsers) and line up endorsers.

RECOMMENDATIONS

- **Organisational conditions are necessary for integration**
The conditions for integrated communication show that it is important to make a point of focusing on organisational conditions. Simply creating conditions for communication and looking at communication instruments and means is not enough to stimulate integration.
- **Proof of success is available – use it**
Identifying examples of successful cases of integration, ideally in organisations that are similar to one's own organisation, reinforces the credibility of integrated communication.

- **Flexibility is essential**

A number of conditions need to be set when introducing integrated communication. However, it is essential to be flexible in this respect and to add conditions that suit the structure of the organisation, the corporate culture and the management style.

- **Get stakeholders to assess whether communication is integrated**

The most objective way to determine whether communication is integrated is to get stakeholders to assess whether this is the case.

- **Start with the brand and the organisation – rather than with communication**

To identify the steps that need to be taken to achieve integrated communication, it is advisable to start by looking at the brand (what are the USP's?) and the nature of the organisation. Developing a vision of integrated communication that is based on these considerations will immediately elicit more support throughout the organisation and will speed up the implementation process.

- **Stop thinking in terms of traditional domains**

Corporate and marketing communication professionals need to completely abandon the habit of thinking in terms of traditional domains.

- **The Dutch consultation model makes the integration process easier**

In the interviews with the managers I noticed that in comparison with the United States, in the Netherlands it is fairly easy to tackle issues together with stakeholders.

- **Fulfilling the social role automatically leads to integration**

Fulfilling the social role from the point of view of marketing and corporate communication automatically leads to integration.

- **Corrective adjustments and evaluation are needed to maintain integration**

Once truly integrated communication has been achieved, it is crucial to keep a close eye on communication and to make corrective adjustments if necessary.

Ellen Barnhoorn-Lambo

To attract, develop and retain people, the contribution of Human Resources to Business Performance

Ellen Barnhoorn-Lambo (1961) is an HR professional graduated in Personnel Science at the Open University on top of the HBO education 'Arbeidsmarkt politiek/Personneelsbeleid'. The MCC program and communication field was a new direction for this HR generalist and has given her new opportunities. Ellen currently works as Group Director HR and

Communications for the Heerema Group, an international group of companies servicing the international oil and gas industry. It is a family-owned company with a focus on the design, fabrication, transportation and installation of offshore facilities. Ellen was previously Group Director HR M&A for TNT (International Logistics, Express and Mail

company). Ellen has lead within TNT the International Mail division and prior to that has worked as HR professional in various positions at international companies in the IT and Insurances industries. Ellen and her husband live in Noordwijk aan Zee.

EXECUTIVE SUMMARY

Human Resources are the working capital of most companies. Human Resources: the workforce, the employees, the people in the organization.

Management of people is a key organizational capability and one which should be highly integrated with the strategic aims of the business. A cornerstone of this notion of Strategic Human Resources Management (SHRM) is the creation of true integration between the overall strategy of the business and the HR strategy and implementation. Now we talk alignment, but what and how does HR alignment contribute to the business performance?

Alignment, or 'strategic fitness' is a process of organizational learning and rigorous discipline. Between planning and execution is where real alignment is achieved: a process of balanced approach. Achieving alignment of the employee factor means that all employees have to "understand, buy into, and are able to enact" their organization's strategic objective. HR communication is key in this process and can influence employees' attitude and behavior with regard to the strategic initiatives.

The role of the HR function has changed over the past decades, from administrative 'clerk' of policies and procedure and negotiator in collective bargaining agreements in the 80-ies, to a more integrated role of fostering culture, people and processes.

HR practices reviewed in this thesis are selection, performance management and employee motivation. Selection acts as gate-keeping to attract the people and skills required and desirable in line with company values, culture and performance standards. Performance management contributes in the alignment process by linking individuals' goals and responsibilities to the objectives of the business by integrated interventions as appraisal, rewards, training and development. This facilitates the fit with the company and the job performed. Outputs of performance management are drivers to employee commitment and motivation.

In people management practices line management have a distinctive role, this includes the hiring, performance monitoring and firing of employees. They are coach, enabler and facilitator and responsible for the organization to meet expectations of its most crucial people and enable them to perform. That's when organizations are strategic aligned.

In this thesis literature study was performed to provide an overview in the field of alignment, the role of HR and the HR practices. The role of communication was reviewed in terms of internal communication, the link with performance and specifically HR communication. Often HR relies on professional communication experts to

manage the communication of its processes especially where line-management is conveying the messages. Employees have higher expectations in today's careers and want to understand more about the company they work for.

I have also analyzed the current HR practices within three companies, TNT, Siemens and Wolters Kluwer. These practical cases delivered good insight in today's practices in organizations that can be named as benchmark. All three operate in competitive environments and despite slow economic development last years have shown increased performance. They must do some things right! Indeed all these organizations have become aware that sustained competitive advantage lie not only in financial or technology resources but within the organization, in people and processes capable of delivering what is necessary to place them ahead of competitors. Their HR communication approach is complementary to the execution of their HR practices.

The main outcomes of the interviews learned:

- HR have shared services in place for centralized support and allow local appliance for specific programs
- All organizations have selection practices in place for job, organization and culture fit
- Performance management practices are following business objectives and have bonus systems linked
- Employee motivation is based on other interesting elements than just compensation programs, for example training and career development
- Organizations are making creative usage of social responsibility efforts, with TNT as example sticking out in practice
- Communication structure is professionally managed mostly centralized
- Communication direction is predominantly top – down
- HR is owner of communication content related to HR practices
- Communication climate is open and honest in all organizations but rely on employees to make use of available information.

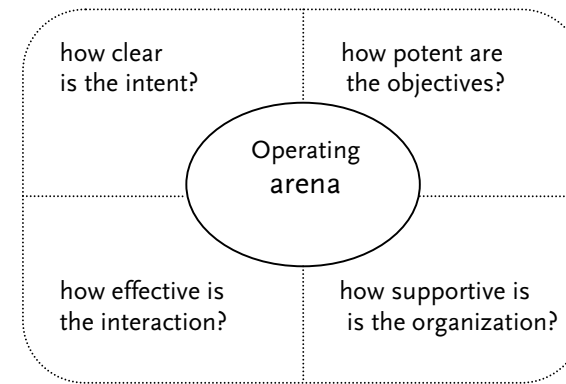
The contribution of HR and communication to Strategic Business Alignment is reviewed against set pre-conditions for supporting optimal alignment: awareness, understanding, behavior and capabilities. The findings are captured in a matrix summarizing on which of the four conditions the HR and communication practices have effect.

	Awareness	Understanding	Behavior	Capabilities
Selection	L	M	H	H
Performance Management	M	M	H	H
Employee motivation	H	H	H	H
Company Performance	M	M	M	L
HR Communication	M	H	H	M
> Structure	L	M	H	L
> Direction	M	M	H	H
> Content	M	H	M	M
> Climate	H	H	H	H

The review in the three organizations learned that the HR practices and HR communication have largest influence on the behavior and capabilities of employees, although no statistical evidence was obtained that could rank them more precisely. Also the matrix makes clear that the HR practices and HR communication can be complementary in meeting the four pre-conditions and thus creating optimal alignment.

The findings of this thesis indicate that the reviewed HR practices deliver contribution to company performance but are stronger when they are interlinked. The second finding is that these practices need to be supported by offering an open and honest communication climate. Important in this respect is to facilitate this climate through continuous dialogue at all levels in the organization. The bottleneck in this dialogue is the layers of management and synchronizing the messages and supportive behavior: consistent but also relevant and meaningful.

A solution is provided by the introduction 'Managing beyond control' as described by Lachotszki and Noteboom. Their framework with four factors to assess company's capacity for alignment offers guidance to the communication approach organizations can take in achieving alignment through Continuous Dialogue.



THE FOUR FACTOR QUESTIONS

Crucial in execution is that this counts for all levels, meaning that supervisors and managers consistently live by and apply the communicated promises made on behalf of the company. Open and direct communication is about fostering honest and direct behavior and expecting people to give direct feedback.

Finally recommendations are made in the area of making HR measurable and claim impact, effectiveness and efficiency by measuring and communicating deliverables. If the organizations interviewed make this effort then HR can really make a leap forward in its contribution to Business Performance.

Renate Bidzjel

Dominant Logic & Organizational Silence: Lethal Duo?

An extension of the dominant logic concept

After having studied psychology for a few years Renate Bidzjel started her working career on the brand new marketing department of Wolters-Noordhoff in Groningen, a publishing company and printing business. Renate has also gained experience in the field of health care organizations and law firms. She attended professional courses on marketing, communication and management.

Renate is a free lancer now and works at this moment as

communication manager, editor and proofreader for the publishing house BubbelDeBub.

Renate Bidzjel has completely fallen under the spell of the dominant logic paradigm, that so wonderfully connects with the philosophy of the Christian community she lives with.

This community sees life as a university where one can learn and unlearn dominant logic, defined as one's beliefs, intentions, desires and thinking strategies. This dominant logic is determining how the

world is perceived and how one acts in it. In the quest of smoothing off the rough edges of one's diamond (i.e. soul) the free will determines how to handle the grindstones and choices on one's path. She has written her thesis with great pleasure and passion.

People interested in the full thesis can contact Renate Bidzjel at renate@bubbeldebub.com

DOMINANT LOGIC & ORGANIZATIONAL SILENCE: A LETHAL DUO?

This thesis is a search for the links between dominant logic and organizational silence and their impact in organizations. They are not only linked with each other, but also show numerous links with other sciences like arts, history, mathematics, philosophy and social sciences. Considering the dramatic downfall of Enron and other corporations in the 21st century, unraveling their dominant logic and organizational silence show some clues and insights about important mechanisms causing the downfall. First the dominant logic and organizational silence concept will be illuminated, followed by a comparison of the two and the conclusions.

I DOMINANT LOGIC

Dominant logic (see figure 1) is a cognitive concept, holding an individual or collective mindset, that determines how the world is perceived (Prahalad and Bettis¹, 1986; Grant², 1988)

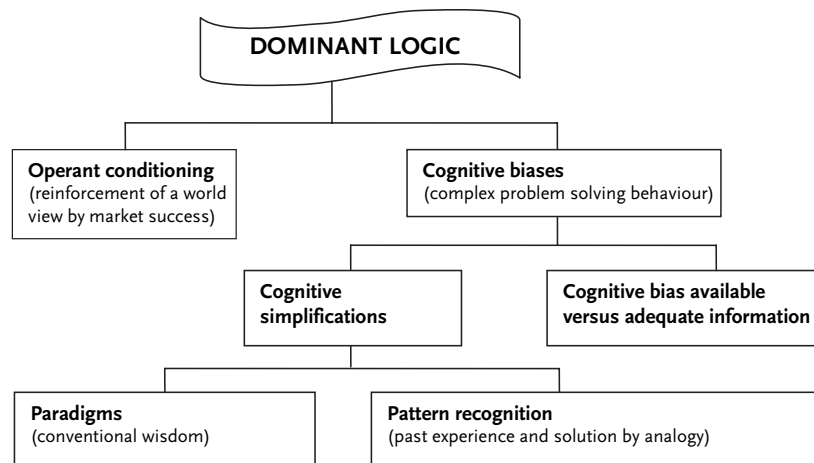


Fig. 1: Conceptual foundations of dominant logic (Prahalad and Bettis, 1986: 492)

- 1 Prahalad, C.K., Bettis, Richard A. (1986), "The Dominant Logic: a New Linkage Between Diversity and Performance", *Strategic Management Journal*, Vol. 7, 485-501
- 2 Grant, Robert M. (1988), "Research Notes and Communications. On 'Dominant Logic, Relatedness and the Link between Diversity and Performance'", *Strategic Management Journal*, Vol. 9, 639-642

It creates the filtering lens (see figure 2) we are looking through (Bettis and Prahalad, 1995³; Von Krogh et al., 2000⁴).

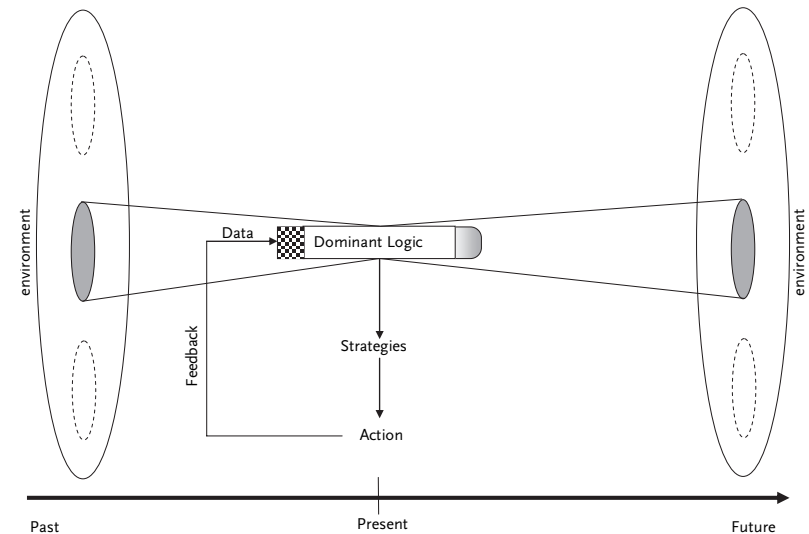


Fig. 2. Dominant Logic as Filter and as Lens (Von Krogh, Erat, Macus, 2000)

This mind set is not restricted to the view on the world, it includes the toolkit and preferred processes for taking actions, solving problems, answering questions, handling situations, etc. The mind holds internal mental states (such as beliefs, desires and intentions) and thinking strategies (functions and processes which can be understood in terms of information processing) (Grant, 1988). Experiences and events are processed through pre-existing knowledge systems, known as schemas (Prahalad and Bettis, 1986). Especially when a lot of abstraction or concretization is involved (heuristics), or when it concerns processes such as involving knowledge, and expertise or learning, dominant logic is involved.

Prahalad and Bettis (1986) are the first to conceptualize dominant logic in a business environment. They define dominant logic as: "a mind set or a world view or conceptualization of the business and the administrative tools to accomplish goals and

- 3 Bettis, Richard A. and Prahalad, C.K., (1995), "The Dominant Logic: Retrospective and Extension", *Strategic Management Journal*, Vol. 16, 5-14
- 4 Van Krogh et al., (2000), "Exploring the Link between Dominant Logic and Company Performance", *Creativity and Innovation Management*, Vol. 9/2, 82-93

make decisions in that business.”. Dominant general management logic is defined as “the way in which managers conceptualize the business and make critical resource allocation decisions – be it in technologies, product development, distribution, advertising, or in human resource management.” (Prahalad and Bettis, 1986).

A conceptual model is introduced, explaining how dominant logic evolves in time (figure 3).

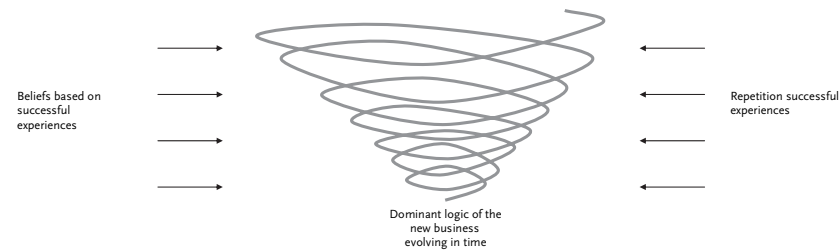


Fig. 3. Conceptual model spiral of dominant logic (M. Renate Bidzjel, 2006)

The current dominant logic, working as a filter and as a lens, can become a blinder, a threat to ongoing success (Prahalad, 2004⁵). Dominant logic can direct not taking action as a result of its blinding character. Dominant logic restricts managers' possibilities and talents to be innovative, and recognition of opportunities and threats, because it limits a clear view in the periphery (Prahalad, 2004).

Dominant logic hides a paradox in itself: what once was the power for success can later become the stumbling block for improvement and progress as a result of its immobile aspects., Especially successful firms have difficulties to unlearn dominant logic and to develop new dominant logic to process the changing environment, because it seems not logical to blame what once was the power and basis for success of the company for the disappointing results (Prahalad, 2004).

Dominant logic, referred to as the DNA of an organization (Prahalad, 2004) is invisible, pervasive, ubiquitous and very hard to unlearn.

⁵ Prahalad, C.K. (2004), “The Blinders of Dominant Logic”, *Lone Range Planning*, 37/171-179, Elsevier Ltd., developed from Prahalad, Coimbatore K., and Venkat Ramaswamy (2004), “The Future of Competition: co Creating Unique Value with Customers”, *Harvard Business School Press*

2 ORGANIZATIONAL SILENCE

Organizational silence is a collective phenomenon (Morrison and Milliken, 2000⁶): “We argue that there are powerful forces in many organizations that cause widespread withholding of information about potential problems or issues by employees.” This concept is based on the spiral of silence of Noelle-Neumann (1991⁷) which indicates that all people are prone to be silent when fear of being excluded dictate that (see figure 4).

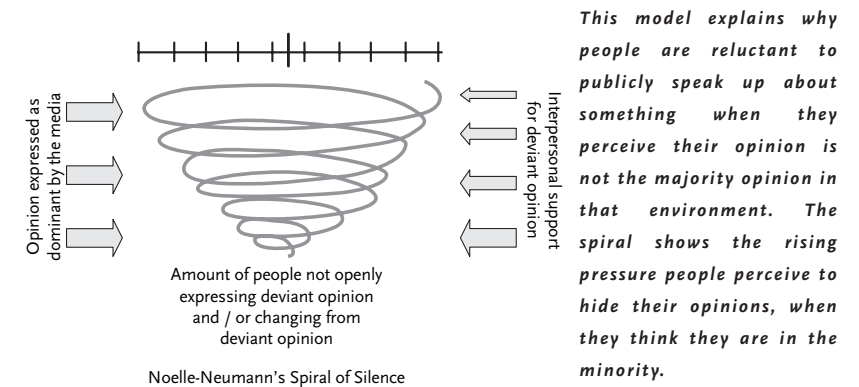


Fig. 4. Conceptual model (Noelle-Neumann, 1991)

People must perceive a threat of isolation and they must fear isolation, which is the centrifugal force. The fear is based on the instinct that tells us that we cannot survive on our own, that we need our fellow-men. As the perceived distance between public opinion and a person's personal opinion grows, the more unlikely a person is to express his opinion.

⁶ Morrison, Elizabeth W. and Milliken, Frances J. (2000), “Organizational Silence: A Barrier to Change and Development in a Pluralistic World”, *Academy of Management Journal*, 25/4, 706-725

⁷ Noelle-Neumann, Elisabeth (1991), “The theory of public opinion: The concept of the Spiral of silence”, in J.A. Anderson (Ed.). *Communication Yearbook 14*, 256-287, Newbury Park, CA: Sage

Other scholars (Perlow and Williams, 2003⁸; Park, 1998⁹) indicate that also fear for being thought of as ignorant influences voice. We all know nobody is perfect, but at the same time we all cherish: "Better be quiet and thought a fool than to talk and be known as one." (Perlow and Williams, 2003). Fear for retaliation (e.g. dismissal) affects organizational silence too (Morrison and Milliken, 2000).

Extreme costs come with corporate silence both for the firm and the individual (Ryan and Oestreich, 1991¹⁰; Morrison, Milliken, 2000; Perlow and Williams, 2003). "Our interviews with senior executives and employees in organizations, ranging from small businesses to Fortune 500 corporations to government bureaucracies reveal that silence can exact a high psychological price on individuals, generating feelings of humiliation, pernicious anger, resentment, and the like that, if unexpressed, contaminate every interaction, shut down creativity, and undermine productivity." The organizational costs often remain hidden for a long time and can grow exponentially with each additional act of silence. The research of Perlow and Williams (2003) shows that silence is ubiquitous and expected in organizations. "Managers with a lot of authority need to be especially careful not to punish people, explicitly or implicitly, for speaking out, particularly on issues that may be difficult for the organization to deal with."

A revolutionary change to the system is required to break the silence and to introduce a climate of voice and feedback (Morrison and Milliken, 2000).

⁸ Perlow, Leslie and Williams, Stephanie (2003), 'Is Silence Killing Your Company?', *Harvard Business Review*, 81/5, 52-58

⁹ Park, Eunkyung (1998), "Individualism/Collectivism, Self-concept and social Behavior: False-uniqueness and the Spiral of Silence Hypotheses", *Cornell University*

¹⁰ Ryan, Kathleen D. and Oestreich, Daniel K. (1991), "Driving fear out of the workplace: How to overcome the invisible barriers to quality, productivity and innovation", *San Francisco: Jossey-Bass*

3 DOMINANT LOGIC & ORGANIZATIONAL SILENCE

It is found that dominant logic and organizational silence share a number of characteristics and consequences, as well as differences. The similarities are the most important and will be examined here.

- They are an impediment to organizational change, development and (lasting) success, and subsequently extremely costly.
- They are invisible, ubiquitous and insidious.
- They are extremely difficult to "break".
- Both Internal (e.g., new CEO, merger) and external changes (new more successful rival) can create awareness of the state of dominant logic and organizational silence.
- "We have met the enemy and he is us." (Walt Kelly, 1943) is applicable to both.

Of the differences which are found two will be mentioned:

- Dominant logic can be the base for success, but organizational silence cannot.
- The spiral of silence is as ubiquitous as dominant logic, but does not necessary always induce organizational silence. I.e. there are companies which are not subject to organizational silence. Summarizing: dominant logic can be present without the company of organizational silence, but organizational silence is always based on dominant logic.

Some of the relations found between dominant logic and organizational silence are worth mentioning here too.

- Usually dominant logic instigates silence as first reaction to crises (Prahalad, 2004); crises can support overcoming organizational silence (Morrison and Milliken, 2000), and crises can instigate a change of dominant logic (Prahalad and Bettis, 1986; Bettis and Prahalad, 1995).
- If the current dominant logic of an organization is equipped to analyze the communication, it is not likely that organizational silence is erected.
- The boardrooms have a dominant logic regarding the market. If they are not aware of their dominant logic and this dominant logic is not equipped to see the changes in the environment, the board is supposed to be silent about necessary adaptations to new market desires.
- Blinder function of dominant logic (Prahalad, 2004): if you do not see what happens in the relevant environment, you cannot communicate about it, so it will be silent on that part.
- Managers' dominant logic can restrict managers' possibilities and talents. If it restricts communication, there will be silence.

- An implicit set of managerial beliefs (dominant logic), containing:
 - negative feedback from below is less accurate and legitimate;
 - employees are self-interested (Morrison and Milliken, 2000);
 - I am the manager because of my qualities – if employees would possess these qualities and know what it takes to be a manager, they would be managers too (Morrison and Milliken, 2000);
 - (my) employees cannot be trusted to act in the best interests of the organization without some form of incentive or sanction (Ghosal & Moran, 1996; McGregor, 1960; Pfeffer, 1997 in Morrison and Milliken, 2000);
 - etc.;
 creates systemic silence, i.e. managers with specific dominant logic regarding employees create organizational silence.
- If dominant logic prevents organizational change, it will also prevent changes regarding existing dominant logic.
- Organization silence is also filter and lens: it dictates the perception of communication and communication itself.
- All business cases show a direct relation between dominant logic, (corporate) silence and crisis intervention (communication).
- Certain managerial dominant logic causes employee silence (Morrison and Milliken, 2000). Besides organizational silence it also erects dominant logic on employees' side, saying: It is useless if not dangerous to speak up about, especially when I have a deviating meaning from my superiors. Employee silence reinforces managerial beliefs like: "management knows best". Managers' reaction to employee silence can be, that they hold employees accountable and punishment (critics; dismissal) can follow. This self-reinforcing system is laid down in figure 5.

4 CONCLUSIONS, DISCUSSION AND FURTHER RESEARCH

- May be, paradoxically, dominant logic itself forbids clear introduction of psychological tools and theories in organizations to enhance business performance, to extend life cycles of companies, and in personal life to increase fulfillment and success.
- The dominant logic in the marketplace is dictating the marketing-mix (Prahalad, 2004). In case of silence on the marketplace, how can it dictate the marketing mix? What if the marketplace does not communicate the desired marketing mix?
- Looking at the developments of communication technology one would expect it to prevent development of organizational silence. It would be interesting to do research in order to answer the question if new communication technology enhances voice, and if not, why.
- An organization starts with the dominant logic of the founder(s). If this dominant logic prevents only chasing profits without ethical values, and is implemented and kept alive well (e.g., The "living" Credo of Johnson & Johnson, 3M), it will guide the company for decades, if not centuries.
- In the referred literature organizational silence is described as a bottom-up phenomenon, erected by a top-down dominant logic. In my opinion also a top-down silence exists: top managers and/or line managers not able or not willing to communicate, to support dialogue. Where does it fit in the definition of organizational silence when (top) management does not communicate¹¹, e.g., goals and new strategies?
- A part of the dominant logic in a business determines communication with trainees, a very important group for understanding the *Zeitgeist* (Noelle-Neumann, 1974) and thus for the continuity of the business. If this dominant logic prevents possible collisions with the dominant coalition being handled well, resentment will always lurk under the surface. Trainees will leave or accept the current dominant logic.
- Dominant logic. Influence from another dominant logic, filling the hole in the current dominant logic is necessary to break through the spiral. In case similar dominant logics are connected (e.g., mergers) it comes down to the blind supporting the blind.

¹¹ *Communication is the exchange of meanings between individuals through a common system of meanings (source: (source: Encyclopedia Britannica)*

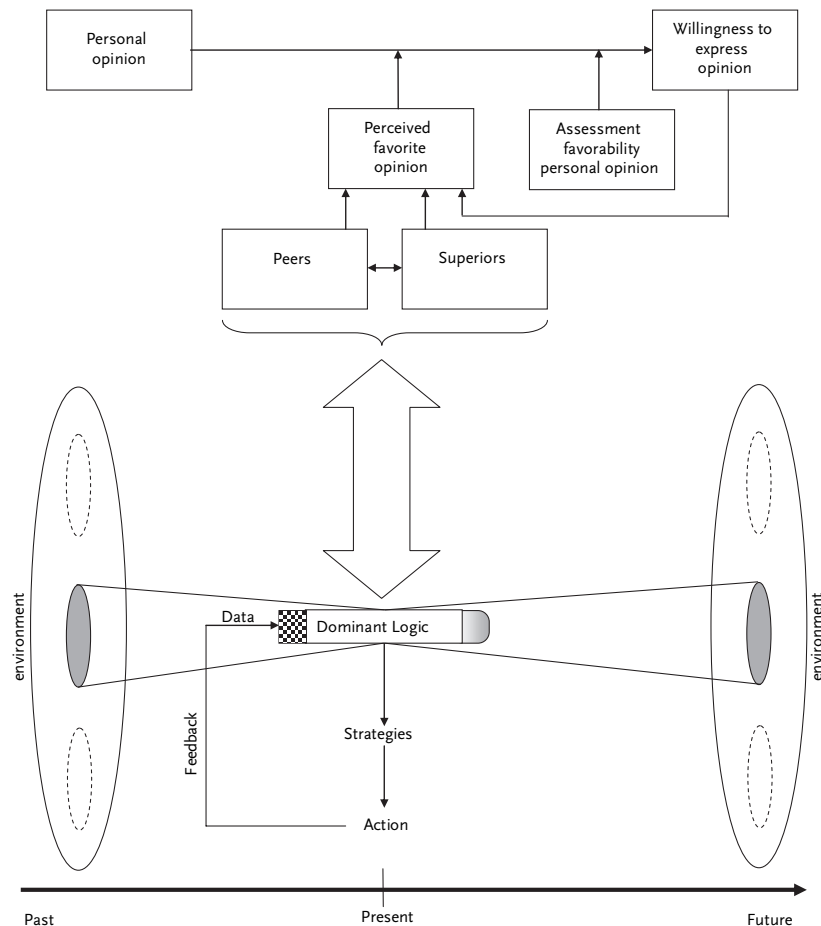


Fig. 5. Conceptual model dominant logic & organizational silence (M. Renate Bidzjel, 2006)

- The spiral of dominant logic: new experiences, events in the periphery, and crises are explained in a way that it fits the ruling dominant logic. This is another reason why it is so difficult to change.
- As I see it: dominant logic supporting innovation is not enough for never ending success. If the current dominant logic also instigates (organizational) silence, and the company's success creates arrogance and enemies, it is only a matter of time before a crisis will light the fuse of the powder keg. The more extensive malpractice has become, the more enemies have been created and the more violent the downfall will be. The challenge for the future is whether companies have become aware of this spiral (after Enron, Worldcom, etc.), this dormant volcano, and are inclined to prevent this from happening again.



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5. CONSEQUENCES FOR (CORPORATE) COMMUNICATION

- It can be seen as a task of the corporate communication professional(s) to develop a program in order to create a sense of belongingness on an efficient level amongst all employees. Besides, it is advisable to have a dialogue going on about organizational issues that will be brought up. Senior management should be active participants in this dialogue. This can be an excellent way to change dominant logic where it needs to be changed. Good ideas and critic of junior employees, and fresh ideas and critical observations of new employees, not yet indoctrinated by the prevalent dominant logic, could help to adapt the dominant logic to changes in the environment. If, as a part of the corporate communication function, the dominant logic of a firm is analyzed (see Von Krogh et al., 2000) the blinders can come to light and can be dealt with before a fatal crisis occurs.
- Brännback (1997) summarized the findings of some 10 scholars as follows: “the concept of a product is becoming information-based, distribution is no longer necessarily physical. Understanding the true meaning of market orientation or customer orientation becomes a key to success.” “Information-based” implicates that communication will be involved. It is about ten years later now and it seems that the development of voice is not in line with the technological possibilities.

- Quite recently governments in the US (Sarbanes-Oxley), Europe (Basel II) and the Netherlands (*Code Tabaksblat*) have accentuated legislation in order to be able to scrutinize financial information companies provide. This seems a logical move after the outrageous scandals, e.g. Enron and WorldCom, the world has been confronted with in the 21st century. But it seems to be business as usual, because most corporations do not show the urge – and if so reluctantly and minimally – to become more transparent and open for dialogue. So governments took public opinion to the heart and decided that it is necessary to exact more transparency. Paradoxically some outlines of the legislation seem to negatively influence competitive advantages and administrative procedures. I suppose – for the benefit of the company – communication professionals could take up the gauntlet, not only because managers' dominant logic prevents management to do it, but also because it is on the territory of the communication specialist.
- Despite research (Enz and Schwenk, 1991 in Morrison and Milliken, 2000) shows that expression of multiple points of view relates positively to decision quality and subsequent to organizational performance, the dominant belief is that agreement is good. Dialogue deserves to be promoted and communication professionals are predisposed to support this.

Christina Bierma

Measuring Reputation in the Care Sector; A new experience

Testing a Reputation Measurement Method for care organizations at West-Friese Zorggroep De Omring

Around her 30th year Christina Bierma discovered that she wanted to become a communication professional. That desire became reality, because today she's working as Concern Manager Communication & Marketing at Care Group De Omring. In this dynamic environment she faces many challenges in the domain of Corporate Communication. As advisor of the Board and staff, spokeswoman and manager

of her department she enjoys her work. Christina started her career in the financial sector at the Rabobank, with a financial background. In that company she got inspired by the communication work that was done and it made her step into this profession. By means of an alternative route of working and learning she grew into her new job. Beside communication training she finished her study Business Administration in 2001. With

much pleasure and enthusiasm she established in 1997 her own Communication Company, Bierma Communication. After five years of advising local Rabobanks on communication issues, she was in for a new challenge on a more corporate level. In the last five years she gained a lot of experience in the corporate communication functions in her current job. This MCC study contributes to that.

WHY MEASURING REPUTATION MATTERS FOR CARE ORGANIZATIONS?

Reputations matter more and more. This becomes evident when you read articles in newspapers and when you follow current events on television. Many companies are aware of this and nurture the factors that improve reputation and protect it from being harmed. Large commercial companies have managed and measured Reputation for over 10 years and notice the influence of a good reputation on their market value.

Care organizations are behind in this awareness and development. The care market however, is changing rapidly into a more liberal and competitive market with highly demanding customers and other stakeholders. New strategies are required to survive these changes. Corporate Reputation is a mirror¹ that reflects the success care organizations have at convincing stakeholders about the current and future validity of their strategy.

Therefore, there is reason to catch up on reputation management as a corporate communication instrument and start measuring it. Corporate reputation is a collective construct that describes the aggregate perceptions of multiple stakeholders about a company's performance². Measuring reputation would be a collective assessment of the care organizations ability to fulfil the expectations of all stakeholders.

The reputation measuring method tested and described in this report can assist care organizations to do so. The insights given in this thesis can help them to adjust to new demands of stakeholders and evolve into care entrepreneurs with a distinctive profile.

With this research I hope to make a small contribution to Care organizations on their way to become professional companies managing reputation through corporate communication. I wish you a pleasant time during the reading of this report.

¹ *Fame and Fortune, how successful companies build winning reputations, C.J. Fombrun and C.B.M. van Riel*

² *C.J. Fombrun, N.A. Gardberg and J.M. Sever (2000), The Reputation Quotient: A multi-stakeholder measure of corporate reputation', the journal of Brand Management, Fombrun, 2000*

Aim of this research

The goal of the research is to develop a reputation measure instrument for care organizations that enables them to measure their reputation. This reputation measure instrument measures three parts:

- a. The brand familiarity of the care organization,
- b. The category in which respondents think the care organization is active
- c. The reputation, expressed in a valuation figure given to the organization as a whole and valuation figures given per dimension of the reputation.

This research is done among the most important stakeholders of a care organization.

Care; a different world?

Although care organizations are not used to thinking in profits, in an important way reputation can contribute to their companies. A good reputation brings financial value for a firm. Quantifying it however is still very difficult in the social sector. This particularly rings true in the care sector, where the accountability is differently organised than in the commercial sector. However care organisations have to focus on financial performance in order to survive.

In order to achieve success in health care, a company does not have to become 'more like a business'³. Working in this sector for almost 5 years, I fully agree with this conclusion, because this sector distinguishes itself from business in some specific ways⁴:

- Business Metrics are different in health care.
- There is a diffuse power structure within which things have to be done.
- Attracting the right people to work for care organizations is more demanding.
- Uncommon to business, there is no motive to be profitable.
- Building the brand is highly important to be attractive.

"The successful 'language of business' is no recipe for success in the social sector', according to Collins. This forced me to look closer to existing reputation methods that were often used in the profit area. Only then I could see if adjustments were necessary for the care sector in order to test a method that was shaped for measuring reputation in care. I want to add information on categorization; familiarity and want to use dimensions that address attributes that are important for care organizations. By doing this I want to research if this new method can fulfil the special needs of organizations in health care.

³ *Good to Great, monograph edition Social Sectors, Jim Collins*

⁴ *Good to Great, monograph edition Social Sectors, Jim Collins*

Globally there are many methods for measuring reputation. After deciding that I wanted to test a reputation measurement instrument in a care organization, I took a look these already proven measurement instruments to find out if I could learn from them. An interesting survey, reported in my thesis that inspired me a great deal.

But are these also able to measure reputation in non-profit companies in the care sector? There has been little research on the effectiveness, results and use of reputation instruments in this area. Non-profit care companies are making up arrears regarding commercial companies that have a longer history in working with reputation management and research.

THE REPUTATION MEASUREMENT METHOD

The relevance of a positive reputation

The importance of reputation research is comprehensive. Both for the object (organization), as for the subject (individual, member or stakeholder group) the image is very important. Bernstein (1986) indicated image very well I think with the following words: Image is a representation in the mind. It affects attitudes, which in turn affect behaviour. No company can afford to ignore image. The impression it creates – consciously or unconsciously, whether it wishes to or not – inevitable affects people who do business with it”

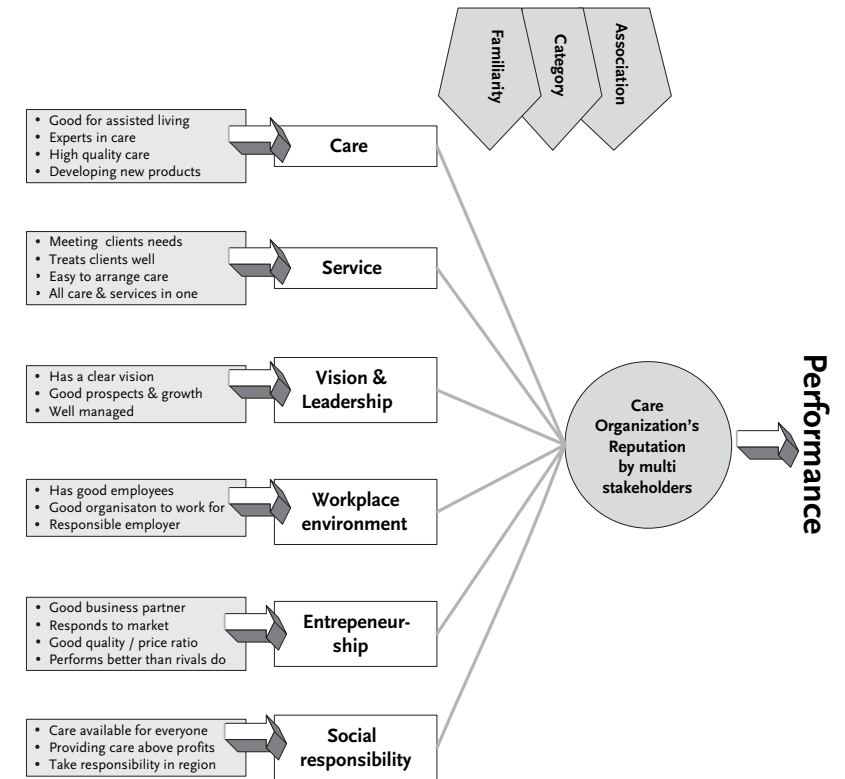
In order to link the effect of information on people to the way reputation is built; insights from psychology are often used. Especially theories in the field of information processing. The Elaboration Likelyhood Model theory of Petty and Cacioppo (1986) is an example of this. In their conception an image is created by means of several stimuli, which are represented by or as a result of an object (read organization in this context) to a subject (read stakeholders in this context). According to Petty and Cacioppo information in mind of people go through these phases: exposure, attention, comprehension, acceptance and retention. This is important knowledge to understand the data from this research on associations and appreciation given by stakeholders.

The knowledge concerning the elaboration level of stakeholder was important for me in order to decide which method of research I should choose. It affects the success for gathering reputation data in this research. All the stakeholders had an average to high attitude towards De Omring. Their image varies from an attitude to a complex structured image. Interesting so find out how images were among the stakeholders examined in this care organization.

Implication for this measurement method

The average stakeholder (subject) that I selected for this research could handle explicate methods and therefore I could use more explicate attributes in my statements. This corresponds with using lists of statements on an attitude scale like I used in my questionnaire. I gradually selected a method, what resulted in the following model.

Reputation Measurement Method



The original six drivers of the RQ model inspired me and on behalf of the choices I had made in this research, I created six dimensions that measure the beliefs in and appreciation towards issues that are relevant for non-profit care organizations and her stakeholders. The main arguments to create this original set of dimensions was:

- **Entrepreneurship**

Care organizations are transforming from product offering driven providers into organizations that provide services that match the demand of the market and customer. New markets, new rules and government policy are due. But what do stakeholders expect and appreciate regarding to entrepreneurship? I believe the quality and size of entrepreneurship that care organizations express can be an important asset of their reputation in the future. To test this I added the dimension; entrepreneurship.

- **Service**

Apart from the high quality care that is being offered in the bare product care, services are highly important to meet the new demands. This explains why I divided the original driver Product and Services into two drivers; Care (as the basic product that is delivered) and Services (as the capability of the company to meet the flexible demands of clients and stakeholders). Services (Customer Relationship Management) can be seen as a relatively new field that plays an important role in future survival of care organizations.

- **Care**

The representative of the attribute Product attributes on associations about the bare Care product. As explained under Service, this is a dimension that can't be left out because of its importance.

- **Financial Performance**

Although financial performance is important for a care company itself to stay sound and continue existing, it is in a (semi) regulated market often less important to many stakeholders. I removed this original RQ driver because I agree that financial performance is not a performance measurement attribute to stakeholders in this sector.

- **Social Responsibility**

A famous attribute on the list of most used attributes. CSR is from the beginning (Florence Nightingale) strongly attached to the Social Sector. In business it's becoming more and more influential on reputation⁵. Reason to test how this dimension is appreciated in Care organizations.

⁵ Reader and Presentations Reputation Institute, New York Study Trip, 2006

- **Workplace Environment**

The Health Sector where customer relations are very dense is the most problematic sector to provide customer satisfaction (Chase, 1978; Bas, and Ardıc, 2004). Since the service is human health, how the reputation perceived is important. Service has to be offered by the employees of care companies. All reasons to make it a dimension in my research.

- **Vision and Leadership**

An often-used attribute in reputation measurement. In business it's a proven important condition for a good reputation⁶. In Care markets too now they move in to liberal markets? Reading the newspapers one can conclude that overall reputation of management in the Care Sector is not very positive. For me enough reason to add this dimension to my research.

Additional research on Familiarity

An important element in measuring reputation is familiarity, because of the assumption that 'familiarity' is essential since, without awareness, reputation cannot exist.

Additional research on Categorization

In which category do stakeholders place care organizations? Repositioning the brand by re-categorizing is sometimes the case in changing markets. For example by adapting new functionalities, emotional elements (appeal), linking to other brands or linking to other categories. The questions that were added to this instrument supplies companies information on this part. It might help them to make changes in their product range or market they operate.

Additional research on Associations

Although brand theorists suggest that what a person knows about a company (corporate associations) can influence perceptions of the company's products, little research on these effects exist. Therefore I added questions about associations to this instrument in order to generate more information about the ????

⁶ Presentation Analyst research, Hill and Knowlton, New York May 2006

CONCLUSION

I did this research with the desire to open up the window towards reputation measurement in Health Care organizations. That's why I developed and tested a practical reputation measurement tool that can be readily applied by management in the Care Sector. The outcome of this instrument tested in Care can be called successful. The results presented are on some parts valid and on some indicative. On a practical level, this instrument contributes to the lack of information on Health Care's reputation measurement and related associations, categorization and brand familiarity among stakeholders.

Conclusions on some of the research questions

Indeed, Corporate Reputation of De Omring was measured effectively by this method. The results of the representative sample among clients and members give clear outcomes. The small samples among other stakeholders are only indicative. Overall this confirms that the method can be used for measuring reputation among multiple stakeholders.

My study on the dimensions shows most interesting results as I will explain right below. Overall regarding the method can be concluded that it weights and produces the information required for monitoring the overall reputation of care organizations.

The findings suggest that Service (30 %) and Entrepreneurship (32%) have a high influence on the corporate reputation. These dimensions were added to this method to test if they are specifically important for stakeholders regarding their relation with care organizations. I discussed in my thesis that the bare Care product (technical assets) was of less importance in the eyes of clients, but that the way it was offered creates the most appreciation among stakeholders (Service)⁷. The frequency and quality of Health Care services are affected by how the organizations percept quality, if the services are reliable or not, the strength of its communication with society and its social responsibility mentality towards society⁸. This underlines that customers think Service attributes importantly to reputation.

The way care organizations present themselves as business partners and the way they respond to changes in the market, were brought together in the dimension Entrepreneurship. The results show this these attribute score highly on corporate

reputation too. Perhaps not surprising, but confirming its importance in corporate reputation is the score of 25% on Social Responsibility. In relation to Entrepreneurship it shows an almost equal weight on corporate reputation. Customers appear to shift their traditional valuating of Care as a social responsible sector, towards a sector that is in business and has to act that way. However the attitude of care organizations towards society, in an entrepreneurial or responsible context, highly affect reputation and weighs on it significant. An interesting conclusion for the Care Sector I think. I conclude that the above discussed confirms the tested dimensions have a clear influence specifically on the reputation in the Care Sector.

The connection with branding

From the results I can conclude that this instrument (questionnaire) measures familiarity effectively. The care company's corporate branding strategy affects apparently the familiarity among her stakeholders, because stakeholders mention De Omring varying from 66% to 100%⁹ of the time. A study¹⁰ on this topic shows that branding strategy affects the relationship between corporate associations and customer product attitudes. When firms like De Omring use a monolithic branding strategy (when the corporate brand is dominantly visible), corporate associations have stronger influence on people. They use it as a salient cue for visible brands. Significantly less than 50% of the associations are Corporate Associations, shown by the results in this research. From this I conclude that the corporate brand Omring effected clients highly in mentioning the brand (familiarity), but the Corporate Associations given by clients and members compared to that are not very high.

Familiarity, Categorization and Associations

Concluding I discovered by using this method that Corporate Branding (familiarity) and associations (corporate, product and social responsibility) are strongly connected and have their influence on perceptions of stakeholders (reputation).

The determination of the category is also an important step for care organizations in general I think. If not placed in the right category (there are 7 sub markets in Health Care!) people might get the wrong (Product Dominated) associations of a company. This assumption should lead to actions with help from corporate communication (re-categorize) in order to protect the reputation.

⁷ Based on the results BSR Zorgbeleving research done for Plectrum, 2005 / 2006

⁸ Cigdem Satır, *The nature of corporate reputation, a study in Health Care*

⁹ Results are indicative because of the small sample that was taken

¹⁰ Guido Berens, Cees B.M. van Riel and Gerrit H. van Bruggen, *Journal of Marketing*, July 2005

Concluding this means that the CA influences the product attribute perceptions of clients and it also influences the overall corporate evaluation people make. Having CA like the care company in question has, is useful when the care organization wants to introduce a new product in the market. People evaluate this product according to the CA they already have.

I end my conclusions with a valuable conclusion for Care organizations. Although SR associations may have little effect on product perceptions directly, they are useful for gaining more trust and liking for the company in general¹¹. SR associations contribute to a better performance too and help in times of crisis to diminish damage in reputation. To increase reputation overall this natural associated asset of Care should therefore be nursed.

LESSONS FOR THE FUTURE

Start measuring reputation and improve performance

I would recommend Care managers to start measuring their reputation. They could do this with the specific information about Care given in this method, because it is easy to apply and can be done reliable. But there are many instruments available they can use for this purpose. Measuring alone however will not be effective. Managers should take the step and anticipate on those dimensions of reputation and outcomes (familiarity, category) that show a weak score. I recommend them to attend to attractive features of a company and the options available to improve them. For instance to charge higher or lower prices for products or service, or to implement innovative programs. As a result of this, the intangible entity of reputation is undoubtedly a source of competitive advantage¹². I discussed in the beginning of this thesis that Care is in a change process to meet new market forces and more demanding customers needs. Reputation management, based on measurement, can help them make this change effectively.

Use Corporate Functions

The discussed effects of Corporate Branding (different types of associations, familiarity), Corporate Strategy and Media Management as corporate communication functions are evident. Reputation does not stand-alone. I recommend care managers to integrate corporate communication and these functions in order to manage reputation

¹¹ Aaker, 1996

¹² P.A. Argenti, *Corporate Communication*

better by integrating them in their activities. Especially Media Relations demands for instantaneous information and attention because of the increasing public watchfulness. Managers must be prepared to answer this demand by considering all stakeholders beliefs held in reputations. An easy to do media coverage exercise, can be helpful to analyze which attributes are addressed and which are not. But also brand management is highly important for management to effectively match the different types of associations (CA, SR, ODA, PDA). In this way they raise the value of their brand and products and improve reputation.

Compare Reputation in a Benchmark

I hope that this instrument will be used in Health Care and that organizations will start comparing corporate reputation in a way rankings like Fortune's America's Most Admired Companies and the Reputation Track featured in the Financial Times do. This would create a new benchmark for Care and stir up performance in this Sector by managing Corporate Reputation as an intangible element. In this way it brings in a new management tool.

Further research necessary

This study of measuring corporate reputation in Care was experimentally of character. It provides in this way some evidence that indeed reputation can be measured effectively and this method provides care management with a tremendous amount of information to improve their performance. To get more methodological certainty on measurement methods in Care, more research is necessary. The uniqueness of the attributes and dimensions for Care should be done in follow up research. Therefore I strongly plead for more theoretical research on this topic.

The readers of this abstract that are interested in the results of this thesis, can contact cbierma@omring.nl for more information.

C.C.R.M. Brouwers

“We have met the enemy and he is us!”

Carine Brouwers is married and lives with her husband in Muiderberg, a little village near Amsterdam. She studied Translation Studies at the University of Amsterdam, with a focus on French and German.

After her study she worked on various French accounts within different firms. In 1998

Carine followed a Public Relations course (PR B) and went working as PR officer for Pokon & Chrysal, an international company specialised in the care of plants and flowers. In 1999 she was appointed communication manager of Pokon & Chrysal with the responsibility for internal and external communication.

In 2001 Carine went working with Stork N.V. as senior communication consultant within the Corporate Communication & Investor Relations department. Her working field is constantly changing, but constants are the internet, the intranet, the general meeting of shareholders and the annual report.

1. DEFINITION OF CORPORATE GOVERNANCE

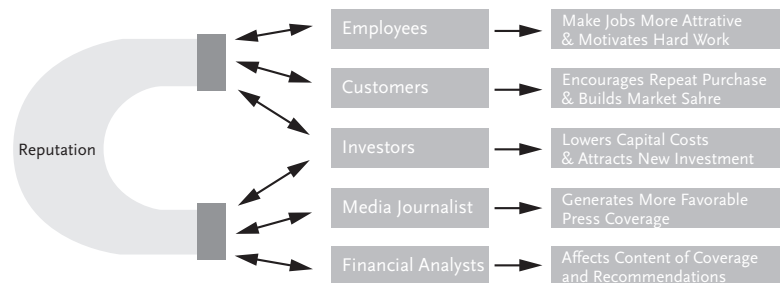
There are many different definitions of Corporate Governance. The definition followed by the AFM (Netherlands Authority for the Financial Markets) is one of the more complete:

A set of rules, which oversee and regulate management and control of companies. Through the institution and operation of internal bodies and external controls the corporate governance system defines the division of roles and rights amongst the participants in company life by assigning duties, responsibilities and decision-making powers.

What is missing from this definition is a reference to what I would call the basic principles of Corporate Governance: integrity and transparency. That means another sentence should really be added to the definition: *Integrity and transparency play a key role.*

2. INTRODUCTION

The way in which a company sets up its Corporate Governance structures has a major influence on its **reputation**. "A good reputation works like a magnet: it attracts us to those who have it" (Fombrun & Van Riel, 2003).



It is therefore strange to see that many companies regard Corporate Governance as no more than a legal matter. The communication discipline is only called on for the texts which, as required by the Code¹, have to be published in the company's annual report or on its website.

Those texts give the impression that the emphasis is on complying with the legal requirements of the Code – as if it is simply a matter of working through the questions on a checklist. In fact the Code means a lot more than this. Because the essence of the Code is not just what the rules say. The essence lies in integrity of behaviour and in transparency.

Newspapers and magazines have devoted a great deal of attention to Corporate Governance. Reading those articles, one finds that when top managers of listed companies speak publicly they rarely have anything positive to say on the subject. Criticism is gradually becoming predominant, and this can have an adverse effect on good implementation of the Code. Because good implementation is more than just complying with the Code on paper. Really putting the Code into practice means embedding its principles in the organisation and in its identity.

Why is the essence of the Code not expressed in the rules? Why are top managers so critical? Why are their criticisms a threat to good implementation of the Code? And what is the role of the communication discipline?

These are the questions that will be answered in this thesis on the basis of both theory and practice.

3. A BRIEF HISTORY

The Tabaksblat committee presented the finalised Dutch Corporate Governance Code (the Code) in December 2003. This Code took effect on 1 January 2004. The Code consists of 21 principles together with a large number of best practice provisions. For Dutch listed companies, compliance with these principles and best practices is legally mandatory, on the basis of the 'apply or explain why' principle.

¹ The Dutch Corporate Governance Code is called 'the Code'. This Code took effect on 1 January 2004.

The rules for good governance are not just something that has been made up on the spur of the moment. Until recently, we had a paternalistic supervisory model in the Netherlands, under which the legislator placed power in the hands of company top management. The disadvantages of this model included the following:

- Numerous protection constructions
- Low transparency
- Inefficient capital structures
- No say for ordinary shareholders
- Hardly any form of supervision

In a rapidly changing and more globalised world with increasingly vocal stakeholders, resistance to this outdated model had been growing for some time. That means there was a movement towards new rules in this area. Scandals like those of Enron, Worldcom and Ahold have considerably accelerated this movement, and new rules for Corporate Governance have been rolled out worldwide.

As far as scandals are concerned, these have taken place as long as there have been listed companies. In fact good corporate governance has been a hot item since the foundation of the world's first listed company, the VOC (Dutch East India Company). The directors of the VOC, the 'Lords Seventeen', refused to be held accountable by their shareholders. And not only did they refuse accountability, they also refused to pay any dividend. The dissatisfied shareholders united and applied, right up to the Dutch parliament, for *more insight into the results*, more *influence on the company's decisions* and an *end to the self-enrichment* of the 'Lords Seventeen'. In brief, there were already concerns at that time *about transparency, influence and top management incomes!*

There were also plenty of scandals in the following centuries. A few examples are the South Sea Bubble in England in 1720, and Jay Cooke and the Northern Pacific Railway in 1873, resulting in the collapse of the American stock market in the 1873 Panic. More recent examples are Barings in The United Kingdom and Banco Ambrosiano in Italy.

Each new scandal has been followed by renewed calls for transparency and 'checks and balances'. However, the implementation of rules and checks alone is not enough to prevent scandals such as those of Worldcom, Ahold and Enron. Indeed, Enron won prizes for many years for its excellent Corporate Governance policy.

So if the Code does not prevent scandals, then what's the use?

First of all, the existence of the Code and the fact that it is embedded in legislation ensures constant attention for the subject of Corporate Governance. Secondly, the best

practices of the Code have ensured that companies have been forced to devote attention to their governance processes. This alone, as surveys and interviews show, has led to tremendous improvements.

But really good Corporate Governance starts with embedding the underlying principles of the Code – integrity and transparency – in the culture and everyday business of the company. If this is not done, the implementation of the Corporate Governance policy of an organisation will amount to no more than lip service.

4. WHAT IS THE ROLE OF COMMUNICATION?

An organisation can only survive if it has and retains access to the five capital factors that are essential to carry out the primary process of an organisation: labour, capital goods, raw materials, legitimation and reputation. Good governance has a strong influence on reputation.

Communication is vital in gaining access to the five capital factors referred to above. Communication in the context of the underlying concepts of corporate communication can be described as follows (Van Riel, Identiteit en Imago, 3rd edition):

The distribution of information to internal and external target audiences by a variety of specialists (internal communication and marketing communication) and generalists (management communication) within an organisation, with the aim of creating an environment in which the organisation is able to maintain the continuity of its operations ('licence to operate').

Two separate communication streams can be distinguished in communication about corporate governance:

- mandatory communications
- voluntary communications (taking positions/underlying vision)



An organisation can distinguish itself both internally and externally by the way in which the mandatory communications are published and by highlighting the underlying vision.

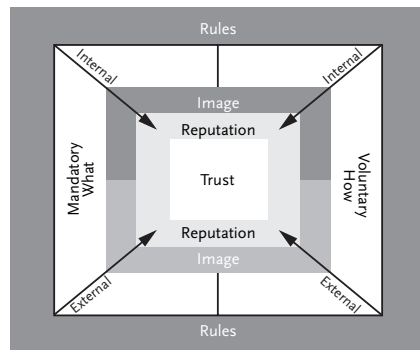
The significance of internal communication is that if integrity of behaviour is not actively promoted as a part of the corporate identity in both word and deed, then there is a danger that the focus on this behaviour will be lost in hectic everyday business, with a resulting increase in the chance of 'accidents'. While for the external target audiences, trust in the organisation will be increased by showing that it is not only working internally on complying with the principles and best practices of the Code, but also on embedding the underlying principles.

This underlying vision must be communicated by the managers of the organisation. Of course they need the support of the company's corporate communication specialists in doing so, but the essence is that they will themselves both 'talk the talk' and 'walk the walk'.

Summarising:

Communication in the area of Corporate Governance has both external and internal angles. Both influence reputation. The first through the employees image, the second through its investors image.

Management communication is the communication form that will have the greatest impact: it is both personal and direct.



As described above, management communication is very important in the overall communication approach. But as interviews, articles and surveys show, it is those managers in particular who are critical of the Code. This creates the image among employees that the Code is insignificant, that it is a bureaucratic waste of time. These are not exactly views that will promote good implementation!

The attitude of many top managers is a barrier to the implementation of good governance.

5. WHY DO SO MANY TOP MANAGERS HAVE A NEGATIVE ATTITUDE TO THE CODE?

Answering this question reveals a strange inconsistency: on the one hand virtually all top managers declare that they endorse the principles of good Corporate Governance and the way in which these are incorporated in the Code. But on the other hand they are constantly critical of the Code. The surveys, articles and many interviews that I have read for this thesis show that many of the negative reactions are the result of a fear of transparency, of the time demands that the implementation of the Code places on management, of the increased costs, the bureaucracy and the risk-averse behaviour that is supposed to result from the Code.

In addition, a great deal of ill feeling has been caused by the mandatory disclosure of the salaries of managing and supervisory boards.

If we look at the objections of top managers, then we see that the time demands and the costs are of a temporary nature. Both of these decline as soon as the Code has been implemented. As far as the increased bureaucracy is concerned, a company can make big gains by actually increasing the freedom on other fronts of people who become 'victims' of increased regulatory pressure. Because increased decision making freedom leads to increased motivation, which in turn leads to better performance (Kees Cools, *Controle is goed, vertrouwen is beter*, p. 112/113). And as far as risk averse behaviour is concerned: when top managers are asked if this is true they say that it is certainly not the case in their companies. But at the same time they say that proposals to the managing and supervisory boards are now provided with better supporting arguments and information (*Kees Cools, Controle is goed, vertrouwen is beter*, p. 63).

What remains is the fear of being transparently accountable for results and risks.

What causes the fear of transparency?

As stated earlier, we come from a fairly archaic structure whose disadvantages included a multiplicity of protection constructions, little transparency, inefficient capital structures, no say for ordinary shareholders and hardly any form of supervision.

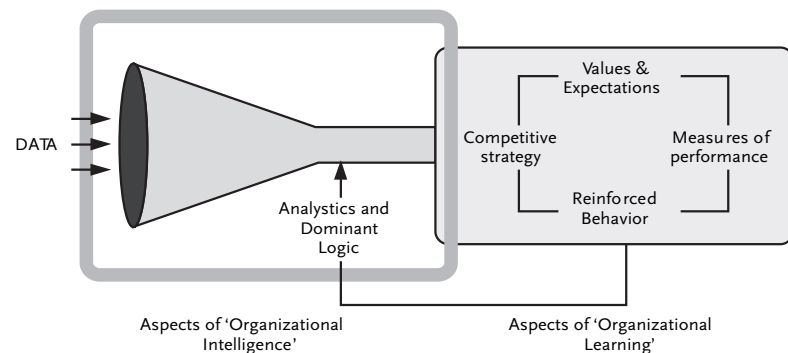
This is the model that people are used to, and that with which managers feel comfortable. Or, as Michael C. Jensen² said: "Indeed, it was not long ago that 'managing earnings' was considered an integral part of most managers jobs. And that game while basically dishonest, is also a very dangerous one, because in the end, it is one that managers are not likely to win."

² Professor of Business Administration at Harvard University

Under pressure from the outside world, the model has been updated. However, even though managers are familiar with these changed conditions, they still continue to base their actual thinking on the previous structure. Top managers are guided by their 'dominant logic', and this dominant logic is a major barrier to the effective implementation of Corporate Governance.

The term 'dominant logic' was introduced by Prahalad and Bettis (The dominant logic: a new linkage between diversity and performance {1986}). "Dominant logic is the way in which managers {in a firm} conceptualize the business and make critical resource allocation decisions" (...) "This dominant logic is stored via shared schemas, cognitive maps or mind sets and is determined by the managers' previous experiences".

"'Relevant' data are filtered by the dominant logic and by the analytic procedures managers use to aid strategy development. These 'filtered' data are then incorporated into the strategy, systems, values, expectations, and reinforced behavior of the organization."



"This inherently results in adaptive ability so long as changes in the underlying logic are not necessary. It allows the organization to 'anticipate' the environment. However, this adaptive ability has limitations and carries with it toxic side effects. The organization anticipates that the environment will be very similar to the current and past environment, not necessarily the actual future environment. The dominant logic is in a sense a local optimum that represents an equilibrium solution. However, it is not a global optimum, and when conditions change a new local optimum (new dominant logic) must be developed quickly (including unlearning the old dominant logic) if the organization is to survive."

They state that companies must increase the bandwidth of their filter or adjust the filter to a different bandwidth to be able to respond successfully to the changes in society. However, most companies will only be able to implement this change when their continuity is severely threatened; when the problems have become so great that they have no choice but to look at things differently.

6. CONCLUSION

There is a fundamental principle in communication: if you want your message to be understood, you will have to bring about changes in knowledge, attitude and behaviour. Communication professionals will have to convince their top management of the value of and the need for a more broadly based approach to communication in relation to Corporate Governance. But to do that, they will first have to break through the dominant logic of their top management.

Many of the objections that have been expressed to the Code are right: it does indeed make major demands on management time, the costs are high, and if you're not careful you will fall into the deadly embrace of bureaucracy. But this does not detract from the fact that the Code is necessary to restore confidence and trust in the business community.

A movement towards clearer reporting and communication has followed each new accounting scandal, and over the centuries we have seen constantly increasing calls for transparency.

This constant trend towards increasing transparency makes it vital to act in good time, just as was the case in the transition from sailing boats to steamships. Holding fast to old thinking simply costs negative energy and time.

Companies that take timely action can make major gains: gains in time, gains in the trust of all their stakeholders, and ultimately – as a result of that increased trust – also financial gains.

Companies that fail to act, or that do so too late, will suffer damage to their reputations, and run a disproportional risk of, sooner or later, being confronted with a crisis.

Cristina Cerioni

How to implement a successful Reputation Management Function

Born in Italy (Jesi – Ancona) on 5th April 1973 Background studies in account. Work experiences in several companies in Italy as account executive From 1995 to 2005 Work experiences for ten years in Peralisi Group an Industrial company specialized in the production of Olive Oil machine and Industrial Separators and Centrifuges. The work experience in this company was really interesting, as I have the opportunity to work in several departments to better understand the Company Corporate Value and his Organizational Identity. After ten year during which I grew up in my professional carrier until when I arrived in a point in which thanks large vision of the Company achieved, I decided to continuous to specialize in the Corporate Communication Strategy which I think is very important for the Company Reputation. In 2005 I decided to have an experience abroad

in order to see how international Companies develop and manage the Corporate Communication Strategy and their Reputation For my choice I though about Nederland as on of the best International Cities in Europe, high level of innovation, technology and business management. I immediately started to work in an American Company which showed me a very interesting and different stile to manage the Corporate Communication. It was very interesting to see a different organization and to learn how to improve the Communication also in Italian Companies. During this year I also decided to follow an MCC - International Master in Corporate Communication in ERASMUS UNIVERSITY in Rotterdam, one of the best University I never seen, as quality and variety of programs, as organization, as innovation style of studies, as kindle and high professionalism of tutors and teachers. This Master has

been one of the best experiences in my life, I really discovered another style to do Communication and very interesting to adapt all the strategies also in the Italian environment. Now I would like to bring and adopt the experience made in Nederland thanks the International environment where I worked for and the MCC Master in Corporate Communication in the Peralisi Group Italy in order to develop an International view of Corporate Communication able to bring Peralisi Group in the new International Market being competitive and improving his Reputation. I really would like to say thank you to all the Team members of Erasmus University MCC International Master in Corporate Communication for the great course they use to organize every year, for his high quality and practical topics analysed about Corporate Communication.

AGENDA

- Introduction to Reputation
- Under which condition will it be relevant to implement a SR policy to PIERALISI GROUP
- PIERALISI GROUP
- Organizational Identity
- Reputation
- Corporate Branding
- How Can Reputation Management Be Measured?
- Corporate Social Responsibility
- Best Corporate Citizens in USA
- Result of Research and Analysis CSR
- Conclusion
- Recommendations for PIERALISI GROUP

References

SUMMARY

How to implement a successful REPUTATION MANAGEMENT FUNCTION AT PIERALISI GROUP especially with SOCIAL RESPONSABILITY PROGRAMS

- This thesis wants to emphasize how Companies with strong reputations are better able to attract customers, investors, and quality employees and to survive crises.
- A good Reputation in a Company can be achieved by a successful reputation Management able to follow in all the decision making process a set of core principles through which they build Visibility, distinctiveness, consistency, authenticity, and transparency.
- To build a strong Reputation in order to create differentiation and competitive advantage is important to be trustfulness and Social Responsible with concrete and continuous activities in the respect of the core value of the company.
- The benefits from a CSR programs will not only be emotional (employees), social and cultural (society), but also economic (stakeholders) with the most important "return" in a stronger REPUTATION.
- In this thesis I wanted to show how Social Responsibility programs could be useful for the Society especially the poor world and in the same time how big is the return for the company in terms of Reputation and Image.

- I focus my thesis in PIERALISI GROUP, an Italian Company with a big Reputation, as a family company and leader in high quality industrial machines and services, suggesting them to focus more their strategy also in Social Responsibility in order to achieve a stronger involvement of all his stakeholders, reinforcing his Reputation and people identification.

1. Introduction to Reputation

- **CORPORATE REPUTATION** is a mirror that reflects a company's as a whole, his success to convince stakeholders about the current and future validity of its strategic direction. Describes what people think and feel about a company based on information they have been exposed to about its products, employees, social initiatives, past performance, future prospects. The perception of products influence our personal, emotional, not rational reactions to the way the product is presented to us by a company which we trust and for which we have a good opinion. The reputation of people and companies influence our investment decisions in much the same way.
- A good reputation acts like a magnet: it attracts us to those who have it.
- A good reputation is an excellent calling card: It opens doors, attracts followers, brings in customers and investors, it commands our respect.

2. Under which condition could be relevant to implement a Social Responsibility Policy in PIERALISI GROUP

- Every organization needs to consider Corporate Philanthropy and Social Responsibility when thinking about its own REPUTATION. A 2001 survey conducted by public relations firm Hill & Knowlton revealed that three-quarters of Americans consider Social Responsibility issues when making their investment decisions. First corporate philanthropy and social responsibility programs should be consistent with a company's vision to be perceived as credible.
- *To sponsoring a program that allows and encourages employees to volunteer their time in the community will be more effective than giving money to a local charity (Corporate Communication – Paul Argenti)*

3. PIERALISI GROUP

- The **Pieralisi Group** has come a long way from the small, initial nucleus of a small village the centre of the Italy (Jesi - Marche) in 1947. The Corporate purpose is the conduction and installation of every kind of business, and more precisely the conduction of facilities for the manufacturing of every type of industrial machinery; the company can also conduct the sales of agricultural and industrial machinery and related products nationally and abroad. Therefore, the company can perform all operations (industrial, commercial, financial, real estate and securities) retained useful for the attainment of the corporate purpose.
- Furthermore, it may purchase interest and stock, at well specified prices, in other companies or businesses having analogous or related corporate purposes, both directly and indirectly, absorb and take-over said companies and merge with the same
- Gradually, the Pieralisi Group has aggressively confronted the Italian Market with its own sales and assistance network
- The Pieralisi Group stands in the market with an integrated system of production, sales, financial and service companies, that develop a turnover of over 170 million Euros per year with a workforce of over 600 employees. In addition to the 15 production and commercial sites strategically placed around the world with a combined surface area of 90.000 sqm, there is also a system of branch-offices, agents and dealers and a capillary network of centres for technical assistance and spare parts, where over 130 before and after sales technical staff work to guarantee a high level of service to over 23.000 customers.
- There are over 38.000 Pieralisi machines and plant systems currently installed throughout the world in countless fields of application, and in a position to satisfy any necessity concerning centrifuging.
- The Pieralisi Group's entrepreneurial system has been divided into three large divisions, which cover its traditional market areas. This organisational structure is split into specific sectors so as to have greater rationalisation and provide a prompter service.
- **OLIVE OIL DIVISION**
- **INDUSTRIAL DIVISION**
- **ECOLOGICAL SECTOR**
- **SUGAR PRODUCTION SECTOR**

4. PIERALISI GROUP PURPOSE AND CORE VALUES

- The Pieralisi Group is a **FAMILY COMPANY** founded in the **CORE VALUE** of the President **Mr. Gennaro Pieralisi** who born in the company, grew up in the factory in contact with the real production. From young he showed his passion for the innovation and the new research in the Industrial sector. He his a sort of "artistic engineer" very good in technical issue but also very creative, looking forward new application and new machine design still now. His passion for the company and for the new technology has due their family tradition and behaviour. The History of Pieralisi is actually the **CORE VALUE** of the company. The Pieralisi family, hand down the company from the generation of father to sons and in that process the old generation grew up their sons training them in the technical aspect but especially pass on the family belief and their enthusiasm to discover new application, to try and to achieve the company goals. The Traditional Pieralisi Family **CREDO** is the **COMPANY** as whole, a group of people who feel a part of the family. The **FAMILY FEELING** is the most strong **IDENTITY** of the **PIERALISI GROUP**, a family who grew up very fast and that today try to defend and to defend his Core Value with the new employees generation.
- 5. **ORGANIZATIONAL IDENTITY** = collection of characteristics that form essence (organizational core) of an organization in the eyes of the members of the organization (Albert and Whetten 1985). That are realistic if fulfil the important criteria as:
 - **CONTINUITY** = characteristics have already been applicable to the organization for a long period of time.
 - **CENTRALITY** = characteristics are evenly spread over all branches of the organization
 - **DISTINGUISHING ABILITY** = organizational characteristics are unique
 - Advantage for Top Management:
 - Guiding Organizational Members regarding the desired identity characteristics (this what "we" belief)
 - Advantage for Employees: Providing a platform for identification (creating a sense of belongingness)
 - Organization's core: **CONTINUITY – CENTRALITY - DISTINCTIVENESS**
 - Pieralisi Group is consisted represent a multiple identities, different business units involved in different sectors in order to support all the Pieralisi Group business and to let him expand is range of export all over the world.

6. Corporate Branding

- “A Corporate Brand is the name plus the logo used by a group of companies, unified in one legal entity” (Van Riel, 2005). The activity of Corporate Branding (CB) is the communication to all stakeholders in order to create or maintain a favorable reputation (Van Riel, 2005). CB is therefore mainly about communicating, both to internal as well as to external stakeholders. In the process of CB the company has to bring together both identity and reputation of the company and be aware of the variables that affect these two. Corporate Brands need to appeal to all the different groups of stakeholders and therefore is more complex than product branding, the brand is closer to the core and wellbeing of the company (Davies and Chun, 2002). The problem with communicating in a consistent way to all stakeholders is that they have different demands. In the ideal situation, corporate identity and corporate reputation of a company are exactly the same. There is, however, a possibility of gaps existing between these two parts of the corporate brand resulting from the difficulty of different demands and expectations of stakeholders (Davies & Chun, 2002). These potential gaps need to be monitored and measured in order to prevent reputation crisis (Dowling, 1994:92 in Davies & Chun 2002:146)
- **Pieralisi Group** is a Family brand, which endorse the multi identities brands of all the unit business. The Brand strategy in pieralisi is decentralized and in this case there is a “*dispersed branding*”. This means that there is no clear unanimous strategy among all the decentralized operations. This is a branding strategy in which local autonomous decision-makers are likely to stay focused on their local activities. It is a strategy of routine activities, which will provide problems if the environment suddenly would change from low to highly uncertain (Griffin, 2002:235)

7. Corporate Expressiveness

- Organizational members believe the organization to be regarding **continuity**, **centrality** and distinctiveness (beliefs of organizational members will predict behavior of employees, beliefs that can be distinguished in multiple identities)
- What the Organization Project about it-self by **communications**, **symbols** and **behavior** (you are what we can see, projections are colored by the perspectives of the domination coalition striving for a projection of the dominant logic of the company about what people see as the organizational core)
- The result and reaction of internal and external turbulences (Port Authority study Duckerich & Dutton)
- Selection of the logo by top management about what the organization wants to express by design for an external and internal perspective.
- People identification = organizational members = what people believe
- Emphasis by design specialists to see consistency as the main characteristic of identity management

- (“The paradigm are dominant”- workshop Van Riel)
- **Organizational Identity** implies having clarity about the preferred identity claims and alignment about what the **Organization Core** is and clarity about the organizational core increases **FOCUS** and results in a **better REPUTATION**.

8. Understanding the Reputation drivers

- The Drivers of the Reputation Quotient in Pieralisi Group impact the reputation as:
 - 1 **Emotional Appeal** = How much the company is liked, admired, and respected.
 - 2 **Products and Services** = Perceptions of the quality, innovation, value and reliability of the company's products and services.
 - 3 **Financial Performance** = Perceptions of the company's profitability, prospect, and riskiness
 - 4 **Vision and Leadership** = Perceptions of the strength and depth of the company's vision and leadership, and its ability to take advantage of opportunities.
 - 5 **Workplace Environment** = Perceptions that the company is good to work for, has high quality employees, and treats them fairly.
 - 6 **Social Responsibility** = Perceptions of the company as a good citizen in its dealing with local communities and the environment.
- **PERFORMANCE** = Clear vision for its future, Record of Profitability, Future Growth Prospects, Internal Capacity.

9. Corporate Story

Telling a Corporate Story is another way for a company to express itself and communicate to everybody outside the firm. The Corporate Story can be called successful if many different people inside the company tell the story (in their own interpretation) and if the story is then widely circulated to the audience outside the firm, to everybody who wants to hear it (customers, competitors, general public, etc). (Van Riel, Fombrun, 2006)

10. How Can Reputation Management Be Measured

- Reputation Management has to be measured for different reasons. A first reason is when one measures, more insight and knowledge is provided on how the concept of reputation management actually functions (Fombrun & Shanley, 1990:233). The second reason is a logical conclusion if one agrees upon the fact that reputations have a meaning. If this assumption (that reputations matter) is made, the following question should also be answered; can it be proven? In order to do, reputation management should be measured (Fombrun & Van Riel, 2004:2). Another rationale behind the measurement of reputation management is provided by the need to attach a certain level of significance or quantitative meaning to the qualitative and intangible notion of a reputation (Cravens, 2003:201)

11. Corporate Social Responsibility

- *How to drive a SR Program fit into the general RM approach:*
- *Literature:*
- **International business – society management linking corporate responsibility and globalization. (Rob van Tulder with Alex van de Zwart)**
- The theories explained in the article mentioned focus the attention in the importance of the Reputation mechanism in a Company. The International societal change introduced one mechanism that was deemed particularly address the social responsibility of companies: REPUTATION.

12. Corporate Social Responsibility and General Management (Organization)

- Is very important for the Organization to operate apart from governments, on a non-profit basis, not operated as (for-profit, market-oriented) companies. Organization should meet their social responsibilities (Drucker, 1999).
- Every Company need to be more accepting of paradox and change, and more humanistic in their approach. The new corporate score card should include factors such as the knowledge and welfare of employees and contributions to society and the environment. Personal welfare is more important than profit (Charles Handy, ibid. 1989).

13. When does CSR Create Economic Value

- CSR can generate positive “Reputation Capital” among communities and Stakeholders
- Reputation capital can provide shareholders with “insurance-like” protection for many of a firm’s idiosyncratic intangible assets, and insurance-like protection contributes to shareholder wealth

14. Best Corporate Citizens (CSR programs)

- Combined with other Corporate Social Responsibility initiatives, the MOVING THE WORLD programme also helped TNT claim the industry leadership spot on the Dow Jones Sustainability Index, *thus making the company a more attractive investment, as well (increase value).*
- *The following slides will show some of the Best Citizen in Corporate Social Responsibility Programs in order to show how American Companies and European Companies are involved in Social Responsibility influencing their Reputation, adopting an Ethic Code of Conduction for external stakeholders and for internal employees volunteers programs.*

SOCIAL RESPONSABILITY



- *Corporate philanthropy and Social Responsibility programs should be:*
 - **CONTINUITY**
 - **INVEST LONG TERM**
 - **CONTEST WITH DOMINANT LOGIC (agricultural development)**

To sponsoring a program that allows and encourages employees to volunteer their time in the community will be more effective than giving money to a local charity (Corporate Communication – Paul Argenti)



MOVING THE WORLD PROGRAMME

TNT in collaboration with a voluntary association WFP (the United Nations World Food Programme) called MOVING THE WORLD SPECIAL. The TNT and WFP collaborate together to carry out projects in more than 30 countries from Angola to Zambia with **SPECIALIST SUPPORT PROGRAMME**. More than 130 TNT



- **THE VALUE INSIDE**
SC Johnson’s 2005 Public Report
- The 2005 SC Johnson Public Report is our summary of SC Johnson’s commitment to, and progress against, our sustaining values. In it, you will find stories that describe our ongoing efforts to drive global development and growth that benefits SC Johnson, the people around us and the planet we all share.

Procter & Gamble Global Operations



Our corporate cause helps children in need, ages 0 to 13, get off to a healthy start, receive access to education and build life skills for a brighter future. We are collaborating with expert public health groups to help promote safe drinking water for children in developing.

Motorola Foundation



- Education – Innovation Generation
- Motorola supports systemic and continuous improvements in schools at all grade levels, concentrating on mathematics, science, and engineering, especially for under-represented groups. We fund best-in-class organizations around the world that inspire and target innovation generation. We encourage ongoing education exploration and celebrate a spirit of discovery in all we do.

IKEA code of conduct



IKEA believes that good working conditions and the protection of the outside environment at our suppliers is a prerequisite for doing good business. Our code of conduct, “The IKEA Way on Purchasing Home Furnishing Products” (IWAY), was introduced in 2000. we use resources wisely At IKEA, we shall always strive to minimize any possible effects to the environment, which may result as a consequence of our actions. projects we support The IKEA Group contributes to projects on forestry, the prevention on child labor, and initiatives that support children’s development.

Indesit Company



Indesit Company believes that profitability and the satisfaction of its interlocutors can grow together out of trust and dialogue, in a process of ongoing interaction and growth. For “relational” capacity is a fundamental value for Indesit Company. About a year on from its first monitoring of stakeholder relations, the Company renewed its efforts in 2004, this time across four countries: Italy, Russia, Poland and the UK. The aim of this survey of stakeholder relations management, conducted in collaboration with Eurisko, was to measure: level of knowledge about the Company; overall opinion of it; the satisfaction, solidity, management, commitment and trust in relations with the Company; quality of personal relations; image; level of trust; degree of familiarity and opinion on the name change. The survey was conducted by telephone interview and the sample stakeholders were taken from five categories: the media, institutions, business community, academic community and suppliers.

15. Conclusion

- In Conclusion, the main research question “*How to implement a successful Reputation Management Function at Peralisi Group especially by Social Responsibility Programs?*” now can be answered showing the effectiveness of a CSR Programs adopted by other Companies worldwide which, as a mirror, in the way are involved in SR activities, reflects and improve their Reputation.
- The presentation started with an introduction in Reputation definition in order to understand the importance for Peralisi Group to defend and improve the Corporate Story and Identity of the Family Company to be able to maintain his good Image not only for the production, high-quality of machines and innovative services, but as global identity, for external and internal perception about a Company as a whole.

16. Recommendation for Peralisi Group

- **Social Responsibility** = Perceptions of the company as a good citizen in its dealing with local communities and the environment.
- The life of Peralisi as family company is characterized by charity project in which they participated, (donation to the hospital of the city), but a really strategy and a concrete and continuity project in Social Responsibility are not developed by the organization. The company participates occasionally to some charity project without continuity and without involve all the internal organization (employees, business units...), are only family actions.

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Alexander Döll

The Reputation of an Airport Operator

Dynamically balancing divergent interests

Alexander Döll (1971) graduated from the Christelijke Hogeschool Noord-Nederland in 1996. During his study he specialised in Mass Communication by among other things attending Masterclasses at the University of Karlstad in Sweden.

After having completed his study, Alexander worked at KLM and communications consultancy firm Poseidon Communicatie. In 2002, Alexander switched to Schiphol Group where he was asked to professionalise the Internal Communications discipline, which is part of the

Corporate Communication & Public Affairs department. Since March 2006, Alexander has been responsible for the Communication Team within Corporate Communications, which is responsible for 'communications on the main operational processes of Amsterdam Airport Schiphol', the 'brand policy of the Schiphol Group and Amsterdam Airport Schiphol', 'sponsoring, donations and PR', the 'Corporate Social Responsibility policy of Schiphol Group' and the internal design studio.

In addition to his work at Schiphol, Alexander is on the

board of 't Schiphuis, an initiative of Schiphol Group, Humanitas and the Municipality of Haarlemmermeer aimed at giving homeless people an opportunity to reintegrate into society. He is also on the board of the library in Amstelveen, a guest lecturer at the Management Studiecentrum in Utrecht and Rotterdam and Member of the Advisory Board of the Ypsilon Academy (internationally-oriented institute offering education in the core areas 'International Business Management', International Marketing' and 'Communication'.

Everyone in the Netherlands has had some experience of and has formed an opinion about Amsterdam Airport Schiphol and its parent company, Schiphol Group ... about the frenzy, the shops, parking, the noise, the salary paid to CEO Gerlach Cerfontaine, problems with luggage, you name it. *Schiphol* causes a stir and everyone in the Netherlands gets to peek behind the scenes of this airport operation.

Still, negative reports are inevitable. The days are shrouded with a focus on issues, particularly on the part of the media but also Schiphol Group itself. Little remains of Amsterdam Airport Schiphol as a national icon, jobs generator or splendid airport city in the news reports and all the attention they devote to environmental harm, noise nuisance, safety and other matters which involve a social and political tug-of-war.

A sound reputation and active stakeholder management are vitally important to a business. Schiphol Group also has a major stake in ensuring that it is appreciated in a general sense. According to Freeman (1998) there is a tense relationship between the profit maximisation strategy pursued by a business and the prevailing norms, values and expectations of society. It is therefore in the interests of the organisation to identify its stakeholders, to understand relations between them and to find harmony between the different, frequently contradictory interests of stakeholders.

Stakeholder management is complex within an airport operation. An airport and its stakeholders often play a dual role. For instance, government is both a shareholder and enforcer in the case of most European airports, and staff and local residents are involved in both positive and negative terms. Apart from this, stakeholders such as Luchtverkeersleiding Nederland [Air Traffic Control the Netherlands] (LVNL – which determines the use of runways for take-off and landing) and airline companies (which control the network of routes: the *raison d'être* of a mainport) control a large part of an airport's operations. An operator that manages an airport, exercises hardly any control over this. The perception of stakeholders within a group can also differ considerably from one to another. For example, everyone experiences noise nuisance in different ways. Appreciation has a positive impact on minor or major decisions in relation to an organisation. It is in the interests of Schiphol Group to have an insight into this appreciation, so as to be able to direct it where possible. Such appreciation is also known as an organisation's reputation.

Rightly or wrongly, in the past 10 years Schiphol Group has not developed a reputation as a credible interlocutor that prudently deals with the interests of its stakeholders, certainly not where environmental and nuisance issues are concerned. Although Schiphol Group may be right in formal and technical terms, it is mainly viewed by many groups of critical stakeholders as a steamroller which forces through its own

plans. Schiphol Group is huge, anonymous and not transparent. At best the stakeholders view the airport (and its operator) as a 'necessary evil' in a densely populated environment, albeit one which functions well as an airport.

Discussions involving Schiphol Group always touch on the dilemma between 'economic growth and prosperity' and 'environmental harm and welfare'. Schiphol Group needs to resolve this dilemma satisfactorily together with the aviation sector. Social debate (the opportunities for the economic growth of Amsterdam Airport Schiphol within a pre-arranged environmental regime) is being conducted at many levels based on various perspectives. This means that it will never be possible to find a single all-embracing framework within which all stakeholders will achieve maximum satisfaction. In turn, the outcome of this is that there cannot be anything more than a dynamic balance of divergent interests. It is imperative that the aviation industry – with Schiphol Group leading the way – constantly manages to promote its own economic interests effectively as part of this dynamic equilibrium. It is impossible to achieve full control over the discussions concerning the airport. It would also be counterproductive, because other stakeholders would deny Schiphol Group the right to make any pronouncements about legislation and regulations, monitoring methods and policy on enforcement.

Active communication with stakeholders plays a key role in this process. Ultimately, not only does this ensure that a company is more in tune with its surroundings but also that its neighbours have a better understanding of it (Van Tulder and Van der Zwart, 2003). Clearly formulated, accessible information is a prerequisite for all of the parties who are involved in operating a business, for maintaining confidence in each other and for ensuring that it is possible to make prudent choices in the midst of conflicting interests (Kaptein and Wempe, 2000). This demands the structural devotion of attention at the strategic level and a focus on communication. Van Ruler (1998) defines communication management as 'maintaining a specific type of contact between people within an organisation and between the latter and its surroundings with specific objectives in mind'. According to Scholes and Clutterbuck (1998), it is important to adopt a comprehensive approach towards different stakeholders and to coordinate policy accordingly. The question is not *whether* there should be communication with stakeholders but how communication with and between the different stakeholders should be managed.

The credibility of Schiphol Group within the social debate will benefit from the use of clearly defined terms which all stakeholders can avail themselves of, even if these concepts are less than correct when viewed from a technical perspective. The key concepts of 'economic growth' and 'environmental harm' cannot be used objectively.

Economic scenarios are by definition based on variables and assumptions which are open to discussion. Both environmental harm and noise nuisance are highly subjective in their perception. Schiphol Group cannot change anything in this respect. What Schiphol Group can do, however, is do the best it can in terms of communication so as to ensure that it is perceived to be less technocratic. The political establishment has also acknowledged that the monitoring methods and definitions used to date have helped to create a sense of elusiveness within the debate, especially on the part of ordinary people and consequently also those who live in proximity to Amsterdam Airport Schiphol.

The further evolution of Amsterdam Airport Schiphol towards becoming a mainport within an environmental legislative framework features high on the political agenda. In addition, Schiphol Group may itself enter the capital market this year through the sale of its share capital. Within this context, it does not seem wise to pretend that it is possible to retain full control over communication about and in relation to Schiphol Group, and Amsterdam Airport Schiphol in particular. If the airport is to conduct its operations, understanding, acceptance and support need to be secured within its surroundings. In this respect it is important to establish a balance between economic, social and ecological responsibilities: responsible business (Kaptein and Wempe, 2000). The question at the heart of responsible business is the choice which businesses need to make between conflicting stakeholder interests. In view of the fact that it is impossible to realise each interest of every stakeholder, it is important that stakeholders can rest assured that a company will deal with their interests in a prudent manner (Kaptein, 2001).

As long as it acknowledges the limitations of its own controlling role within the prevailing situation, and acts accordingly, Schiphol Group will be able to adopt a position in relation to communication which serves its interests best. This position entails that the airport operator position itself as an internationally active enterprise with a pronounced macro-economic value for the Randstad region, a business which is required to abide by the legal confines which delineate its operations just like any other organisation, a company whose own economic performance is obviously its own primary concern subject to the rules governing the community within which it operates.

Madelon den Dulk

Strategic issues management as a management tool to improve the reputation of Dutch interest groups

Madelon den Dulk (1969) is manager communications at Holland International Distribution Council (HIDC) and a member of its management team. She started her career working in Brussels and The Hague as a junior account manager at European Public Policy Advisors (EPPA), a European network of public affairs consultants. In 1997 she started working as a PR,

PA and media advisor at Postkantoren BV, a joint venture of Postbank and TPG Post. In 2002 she started working for HIDC at the communications department. Madelon studied History at Groningen University and wrote her thesis on censorship and propaganda in Latin American historiography. During her study she did internships at the communi-

cation departments of the United Nations in New York and at European Combined Terminals (ECT) in Rotterdam. Before studying History, she spent a year at the University of California in Los Angeles (UCLA), studying World Arts and Cultures. Madelon likes spending time with her husband, family and friends and enjoys travel, art, music, cooking, golf and literature.

1. INTRODUCTION AND BACKGROUND

The idea to study strategic issues management theory and its relation to reputation management was born in February 2003 during the Part-time Executive International Master of Corporate Communication Programme. In an Advanced Elective Course on strategic issues management taught by Associate Professor Pursey Heugens at the Erasmus University Rotterdam, we discussed that when an issue arises in society, sometimes stakeholders decide to combine forces in a new (temporary) coalition in order to address this specific issue more effectively. Once such an organization has started, the lifecycle of the issue usually runs parallel to the life cycle of the organization. When in due course the issue has been addressed successfully or has faded away, the founders of the organization have to make a critical decision. Will they continue to jointly address other relevant issues? Or will they run down the tasks of the organization, merge with another organization or decide to end its activities?

The answer to this question will depend for an important part on the reputation the organization has built up while addressing the original issue. If this reputation is strong, it might be beneficial for its founders to continue the organization and start addressing other issues that are of mutual interest. If the coalition operates successfully on these issues, it will strengthen the reputation of its members. A strong reputation offers many advantages; it mobilizes the support of internal and external stakeholders and builds reputational capital.¹

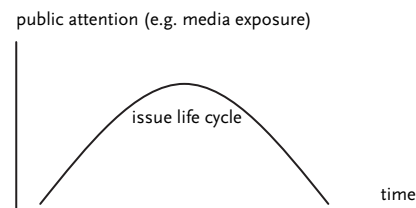


Figure 1: Relation between attention in society for an issue related to the course of time (life cycle of an issue)²

¹ Fombrun, C.J. and Riel, C.B.M. van, (2004), 'Fame and fortune. How successful companies build winning reputations', Upper Saddle River, NJ, Prentice Hall, 1-22

² Based on a figure from a lecture of P.P.M.A.R. Heugens on strategic issues management at the Erasmus University of Rotterdam, February 17th, 2003.

I believe that strategic issues management can help HIDC and other (Dutch) interest groups to make the strategic decisions that are best for their reputation and the reputation of their members. In my research paper I have tried to find out if my assumption is true by research on strategic issues management literature (theoretical). Also, I have interviewed 10 interest groups within the transport sector on their issues management practices and their views on cooperation within the sector (empirical). I have studied transport interest groups and the transport and logistics sector as a whole to try to find out if strategic issues management can help them to improve their reputation.

2. HYPOTHESES AND MODEL

In my paper, I have tested the following hypotheses:

Hypothesis 1: Issues are important to interest groups. Through strategic issues management, individual interest groups can improve their reputation and by doing so, acquire new members and keep existing ones, mobilize support of internal and external stakeholders and attract new resources.

The literature study showed that issues are an important resource for organizations. Issues management is a means of organizing the corporate communications and public affairs activities of an organization, e.g. an interest group. Based on the literature study, I think that strategic issues management is indeed a management tool an interest group can use in order to improve its reputation. Several authors support this view and one even proposes that many organizations will in the next future switch from a stakeholder-oriented corporate communication approach to an issues based corporate communication approach.

How can interest groups use strategic issues management in the right way? The reputation of an organization can be improved if such an organization works on strengthening the five key principles Fombrun and Van Riel (2004)³ have distinguished: visibility, distinctiveness, authenticity, transparency and consistency. If these key principles apply to an organization as a whole, I presume that these five principles also apply to the way the organization deals with specific issues. This means that the five key principles can be useful instruments to deal with strategic issues

³ Fombrun, C.J. and Riel, C.B.M. van, (2004), 'Fame and fortune. How successful companies build winning reputations', Upper Saddle River, NJ, Prentice Hall, 1-22.

professionally. A good reputation will help interest groups to acquire new members and keep existing ones, mobilize support of internal and external stakeholders and attract new resources.

Since the hypothesis applies to interest groups in general, I assume that it will also apply to transport interest groups in particular. Being a transport interest group, this clearly also is the case for HICD. This assumption is supported by the results of the interviews, which demonstrate that managers of transport interest groups consider strategic issues management to be a useful management tool within their public affairs strategy. However, it was in this context surprising to learn that none of the interviewed organizations, actually systematically measured their performance in the field of strategic issues management.

In my paper I analyze that transport interest groups are confronted with the trend that public goodwill on transport and logistics seems to be on its return due to issues like increasing traffic congestion, growing concern on the effects of air and noise pollution on public health and rising costs of new Dutch infrastructure projects. Since issues are important to interest groups and the issues mentioned here do receive a lot of attention in society, it is important that transport interest groups use strategic issues management to deal with these issues. If they do this well, it will improve their reputation which can help them to gain members, social support and resources.

In the model I developed, this hypothesis is visualized by drawing a line from the invariable entity of strategic issues management (SIM) to the variable entity of the reputation of the interest group (IG). This model shows that if an interest group makes use of strategic issues management, it will affect its reputation.

Hypothesis 2: Through cooperation on strategic issues management, an industry sector as a whole can improve its reputation.

An individual interest group can improve its individual reputation by using strategic issues management. The reputation of an industry sector is for an important part built on the reputations of the individual interest groups that represent this sector. It seems logical to assume that if interest groups attune their strategic issues management policies to one another and cooperate on addressing issues of mutual interest, they can improve the reputation of the industry sector they represent. To do so successfully, they can use the five key principles of Fombrun and Van Riel (2004). Naturally, this positive effect on the reputation of an industry sector would even be greater if leading companies within this industry sector actively support the strategic issues management policies of the interest groups that represent them.

The hypothesis seems to be supported at least partly by Schmidt, Van den Toren and De Wal (2003)⁴, who state that organizations and interest groups representing an industry sector, are aware of the growing importance of the reputation of their sector. They see the communication with stakeholders on the vision, issues and points of view of the sector as an important activity, which will grow in importance in the future. As the literature study shows, this is more important than ever due to the sensitivity for media exposure of these types of organizations. Strategic issues management is therefore commonly seen as a useful tool by these organizations to improve the reputation of their sector. In this context it seems logical to conclude that strategic issues management and cooperation between interest groups within the same industry sector improve the reputation of this sector.

The results of the interviews demonstrate that individual industry organizations and interest groups that represent the transport sector, are aware of this growing importance of the reputation of their sector too. The managers of the transport interest groups consider public affairs activities with regard to issues relating to the transport sector to be very important.

Interesting is that the results of the interviews show that the issues that were mentioned by these organizations to be most important, all are of influence on the transport sector as a whole and not just for their individual organization or members: The influence on the future of mobility in the Netherlands of the infrastructure strategy of the Dutch government and of companies operating in the Netherlands, Dutch and EU-legislation and policy (liberalization, innovation) and their effects on the Dutch transport sector.

This hypothesis is visualized in the model by showing several individual interest groups (IG's A, B, C) which are connected to the reputation of the industry sector as a whole. This means that if these individual interest groups use strategic issues management, the industry sector as a whole can improve its reputation. Question is of course how many interest groups will have to really use strategic issues management to realize this improved reputation, how they use it and to what degree they have to cooperate to ensure that their strategic issues management is geared to one another. Although the model shows that individual interest groups have an influence on the reputation of the industry sector, it does not tell exactly how and to what extent. This would need further exploration. However, it seems clear that since that strategic issues

⁴ Schmidt, D., van den Toren, J.P. and De Wal, M. (2003), 'De positioneringsdialoog' from *Ondernemende brancheorganisaties. Balanceren tussen belangen*, Assen, Van Gorcum.

management does have a positive influence on the reputation of an industry sector, it would help interest groups to cooperate on issues that are of mutual interest in order to strengthen this effect.

Hypothesis 3: The reputation of an individual interest group has an effect on the reputation of the industry sector it represents. Also, the reputation of the industry sector has an effect on the reputation of the individual interest group.

In the previous paragraph I concluded that if individual interest groups use strategic issues management, the industry sector as a whole can improve its reputation. The first part of the hypothesis mentioned above seems to be supported by this conclusion. I might add that this is also true for individual companies. A good example of a Dutch logistics company which contributes to improving the reputation of the transport and logistics sector, is TNT.

As mentioned before, the reputation of the transport and logistics sector in the Netherlands is not very good. A consequence of this negative image of the sector is for example that it is very hard to get qualified and motivated employees for transport and logistics companies and that national and European policy makers tend to make legislation which does not have the desired results. These effects of the bad reputation of the sector obviously also affect the transport interest groups (and their members), e.g. by having difficulties in finding qualified employees and by fighting a constant battle against negative and hostile public perception instead of being able to take the lead in defining the issues. This supports the second part of this hypothesis, that the reputation of an industry sector as whole has an effect on the reputation of an individual interest group.

In the model, the effect of the reputation of an interest group on the reputation of the industry sector, is represented by the line between the individual interest groups (IG's A, B, C) and the reputation of the sector. The effect of the reputation of the sector on the individual interest groups is also represented by this line, which makes it a reciprocal connection.

Hypothesis 4: In order to realize a better reputation for themselves and for the industry sector as a whole, interest groups can professionalize their strategic issues management policy by using the five key principles of Fombrun and Van Riel (2004). Also, interest groups can professionalize their strategic issues management policies through cooperation, specialization, communication and evaluation.

At the beginning of this chapter I already mentioned that interest groups can professionalize their strategic issues management policy by using the five key principles of Fombrun and Van Riel (2004). If interest groups would deal with issues in a visible, distinctive, authentic, transparent and consistent way, they will not only improve their own reputation but also help to improve the reputation of the industry sector as a whole. I think that interest groups can also professionalize their public affairs policies by improving their achievements in the fields of cooperation, specialization, communication and evaluation. I will illustrate why:

- **Cooperation:** If transport interest groups cooperate closely and act pro-actively in their strategic issues management policies when dealing with the same issues and talking to the same stakeholders, this would help improve the reputation of the transport sector as a whole.
- **Specialization:** By specialization through issue teams, interest groups can professionalize their strategic issues management. This will help them to improve their reputation.
- **Communication:** To deal with issues professionally, interest groups should not only communicate on issues with each other but also with other relevant stakeholders like members, media, financiers, politicians and governments. They should practise the instrument of internal and external stakeholder dialogue in order to bridge the gap between internal and external views on an issue.
- **Evaluation:** Interest groups have to measure the results of their strategic issues management activities in order to know if their activities have a positive impact on their reputation and on the reputation of the sector. Interest groups can only professionalize if they evaluate their strategic issues management policies in an objective and quantifiable way.

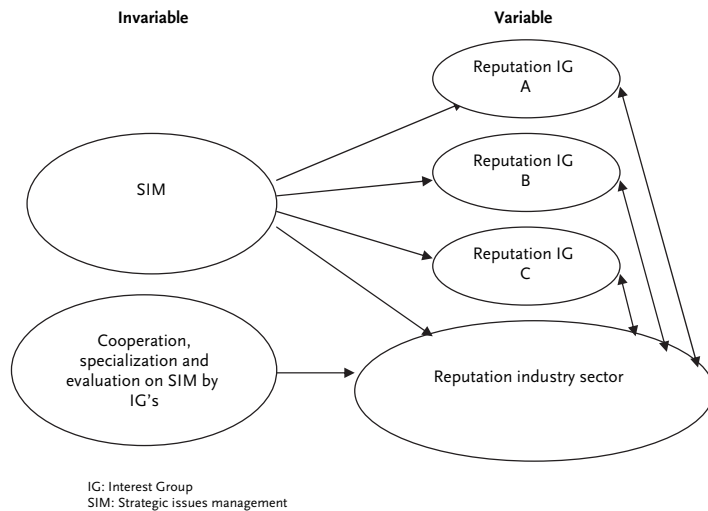


Figure 2 : Relation between strategic issues management (invariable) and cooperation of interest groups on strategic issues management and the relation between the reputation of interest groups and the reputation of the industry sector (variable).

3. CONCLUSIONS AND RECOMMENDATIONS

Conclusions:

1. With regard to strategic issues management, interest groups and industry organizations are a special category of organizations. During my literature research on strategic issues management, I found out that for these types of organizations little specific literature on strategic issues management exists. Although it became clear that strategic issues management can also work in non-marketplace arenas, most of the literature is written for profit organizations. I found this surprising since dealing with strategic issues is the core business of interest groups and industry organizations. Although most interest groups do practise some form of strategic issues management and some do so quite successfully, I found little literature that is specifically aimed at their situation. I think it would be interesting to do more research on strategic issues management and interest groups, e.g. to compare best practises of issues management policies among different interest groups that represent different industry sectors. In this way, it would be possible and useful to

develop a benchmark tool for strategic issues management, tailor-made for interest groups and industry organizations. Many interest groups and industry organizations can benefit from a more professional public affairs and strategic issues management.

2. Interest groups would be sensible to monitor their key issues carefully. Within their strategic issues management policy, they should take into consideration the life cycles of the issues they are dealing with. In this way, they can anticipate not only on the development of an issue but also diminish instability and disruptions within their interest group. In this way, interest groups will be better able to manage the continuity of their organization.
3. Most organizations still work from a stakeholder oriented corporate communication approach instead of an issues-based corporate communication approach. I think an issue-based corporate communication approach will make it possible for especially interest groups to work more professionally. They will be able to better unite their efforts, speak with one voice on an issue and use their resources more effectively. An issue-based approach will help interest groups to better manage their reputation and operate more professionally.
4. With regard to the transport and logistics sector, I found that some transport and logistics companies are dealing very professional with strategic issues management. Interest groups that represent them can in many cases learn from the best practises of these companies.
5. Interest groups should not only focus on strategic issues but also to a certain extent on non-strategic issues. Since interest groups often represent both small and large companies, they have to find a balance in addressing issues that are important to both of these member groups. Both small and large members have to feel that the interest group is listening and acting on their behalf, even though not all the issues that are addressed seem to be strategic. However, if an interest group wants to be broadly based within the sector, it has to take into account the interests of both small and large members.
6. Within their strategic issues management policy, interest groups have to distinguish between strategic issues concerning their members and issues concerning their own organization. In order to be successful, they have to focus on the first type of issues without neglecting the second type. Both are important for their reputation and identity. However, the first type of issue are key; without them, an interest group has no basis for existence.

7. In the literature studied, there seem to be different points of view on the benefits of appointing a specific issue manager within an organization. Van den Bosch (2003)⁵ advises not to appoint a specific issue manager since each individual within an organization has his/her own valuable contacts with the outside world. Each employee has a view on specific issues and as long as he/she is aware of them and their relevance for the organization, there is no need for a special issue manager. This seems to contrast with the view of Van Venetië (2006)⁶ who supports the idea to appoint specific issues teams. In my view, the appointment of issues teams for interest groups is a good idea. However, I agree with Van den Bosch that within these teams, people with a close contact with relevant stakeholders should be appointed.

Recommendations:

1. Strategic issues management is a particular useful instrument for interest groups. Interest groups should increase the impact of issues management by changing the structure of the interest group by transforming from a stakeholder-driven organization to an issue-driven organization. In order to do so successfully, they should choose structural solutions⁷:
 - Make clear who's in charge on any of the key issues and who's saying what to whom on these issues. Establish clear issue ownership. Be consistent;
 - Choose an issue-driven approach and integrate activities in the field of corporate communication, public affairs and media relations;
 - Set up an interdisciplinary issues management team, which at least includes people from corporate communication, public affairs and media relations;
 - Develop an organizational issues matrix in which the most critical issues can be determined. In an organizational issues matrix an organization can estimate the urgency of an issue by measuring the magnitude of impact against the probability of impact (see also the next paragraph). By using the issues matrix interest groups can better identify, analyze and prioritize their issues and decide which ones to address and how (positioning);

5 *Lecture on strategic issues management by F. van den Bosch, Erasmus University, February 17th, 2003*

6 *Venetië van, E. and Luikenaar, J. (2006), Het grote lobbyboek. De ongeschreven regels van het spel, Zutphen, Plataan.*

7 *Heugens, P.P.M.A.R., presentation at Boer & Croon profdag, March 11, 2005.*

2. See issues as an opportunity, not as a threat, take an entrepreneurial perspective and a pro-active issue adoption. Develop an opportunity matrix in which the best issues are defined to engage and maintain the public interest. In an opportunity matrix an organization can estimate the magnitude of impact against the feasibility of impact. Make sure that the drivers of the issue have the authority to engage and maintain the public interest;
3. Raise issue awareness within the organization. A professional strategic issues management can only be realized by involving the whole organization. Just appointing an issue manager is no solution (and might even work contrarily). Conduct strategic issues management in such a way that the interest groups can gain time in order to give their employees and members the opportunity to adapt to a changing environment;
4. Evaluate and appraise performance on issues regularly. Measure the results in the field of strategic issues management according to the five principles of Fombrun and Van Riel (2004)⁸ and stimulate cooperation, specialization, communication and measurement of issues management results.
5. Focus not only on external but also on internal perspectives. I conclude that in many Dutch interest groups the effectiveness of issues management policies could be improved. Many organizations fail to unleash the true potential of their issues management systems because they are too focused on the outside world, thereby neglecting internal structural and cultural obstacles. Therefore, interest groups should not only focus on external perspectives, but also on internal perspectives. Looking at issues from an internal perspective can increase the impact of their issues management. In order to realize this greater impact, many interest groups will not only have to change their structure (as mentioned above) but also their working culture. This means that people within interest groups responsible for issues management have to make better use of issues selling techniques. They can do so by e.g. using the logic of a business plan in order to demonstrate the urgency of an issue, 'chunking' problems into series of small wins, tying the issue to a valued goal like the reputation of the interest group and by involving higher-ranking people in the selling process.

8 *Fombrun, C.J. and Riel, C.B.M. van, (2004), 'Fame and fortune. How successful companies build winning reputations', Upper Saddle River, NJ, Prentice Hall.*

6. Make better use of issues management tools, since issues management is the core business of interest groups. Some issues management techniques can be very useful for interest groups to use in order to improve their reputation. These instruments are:

- **Portfolio management**

Portfolio management means that an interest group has to consider carefully which set of issues it should adopt in order to improve its reputation. To decide which issues the organization should adopt, interest groups should look carefully at the issues they already have in their portfolio and identify the organization's prior positions on all the issues in their portfolio. Next, they should evaluate the organization's prior performance on all of the issues in their portfolio. By weighing each new issue against the background of all previously adopted issues (both position and performance), interest groups will be better able to judge which new issues to adopt when building a strong reputation. Interest groups should increase the impact of issues management by portfolio management.

- **Scenario writing**

Interest groups should create different scenarios and try to eliminate the unfavorable ones, in order to deal with an issue successfully. They have to explain to stakeholders why the unfavorable scenarios are no option. Interest groups have to raise awareness within government and politics by pointing out wrongs in these scenarios as a result of legislation and by formulating solutions. Interest groups should form creative teams in order to develop scenarios. Innovative and creative responses – or, even better, the ability to predict future social and environmental trends – can improve an organization's operational efficiency and cost structure, offer new business opportunities, create new markets and enhance competitiveness.

- **Constructive conflict**

Interest groups should apply the concept of constructive conflict in communications with stakeholders. They have to communicate to stakeholders; make sure the internal and external environment of an organization are connected. The majority of issues arise because organizations do not understand why stakeholders have a problem with the organization. By choosing Parker-Follet's concept of constructive conflict to look at issues and by using circular behaviour in dealing with them, interest groups can incorporate this approach in their strategic issues management policy and deal with issues through integration. In this way, a solution can be found in which all stakeholders have found a place and neither of them has to sacrifice anything; they create a 'win-win situation'.

- **Controversy gap**

Interest groups should bridge the controversy gap between the views of external and internal stakeholders on issues: they have to look for an insider view solution by increasing transparency of the organization, find a common interest that appeals to all stakeholders involved, look for best practices in the world or start a stakeholder dialogue. A stakeholder dialogue can be started by an organization to *voluntarily* adopt a posture of negotiation with stakeholder groups.

7. Monitor and analyze carefully trends that have an effect on interest groups. I have listed some important ones in my paper, although there are many others, like increasing media coverage of companies and interest groups.
8. Call in help from members that rank high in reputational benchmarks and that already practise a professional strategic issues management policy. Learn from their best practises, cooperate on the issues they address and incorporate these in the strategic issues management policy of the interest group. However, also look at issues from a grass root perspective; what are the issues that people in society really find important? It is the challenge for an interest group to look at issues concerning their members and concerning society as a whole.
9. Appoint staff members and managers within the organization with a good knowledge of stakeholder concerns and expertise in the needs of members. Make sure they are part of the strategic planning process. Hence, their expertise is not lost. Those managers who are sensitive to stakeholder needs are in the best position to represent their interests inside the organization. For this representation to occur successfully, those people must have some credibility and some meaningful role to play in the organizational process.
10. Make a distinction between at least 2 types of resources or issues; on the hand the issues that directly affect the members or sector of the interest groups, on the other hand issues that affect the interest group itself. In the case of transport interest groups, the first types of issues are e.g. legislation on air quality or the availability of sufficient infrastructure. The second types of issues are e.g. availability of qualified employees or government funding. An interest group has to be aware of its key resources to be able to become less dependent on them when market, political or other external factors make this necessary. This means that interest groups should develop a policy on both types of issues.

ii. Openly address members on their company's behavior and their responsibility to other companies, to the government and to society. Industry organizations and interest groups have to take position to improve the reputation of their sector. However, make sure that the issues that the interest group or coalition address, have the backing of the members.

Recommendations for transport interest groups on strategic issues management

1. Focus on issues management instead of stakeholder management. Since the transport and logistics sector is in many ways a contested sector like e.g. the defense and tobacco sector, issues management is a better instrument for transport interest groups to improve their reputation than stakeholder management. It is recommendable for transport interest groups to develop a professional issues management policy in particular in relation to issues like noise and air pollution and infrastructural planning. As a contested industry, try to set the example in sustainable development, try to be part of the solution. Study and learn from best practices in issues management in other contested sectors like e.g. the building sector and the chemicals sector.
2. Set up an interdisciplinary issues management team, which at least includes people from different interest groups that are specialists in corporate communication, public affairs and media relations.
3. Develop an organizational issues matrix for the most important issues for the transport and logistics sector, e.g. like in figure 3:

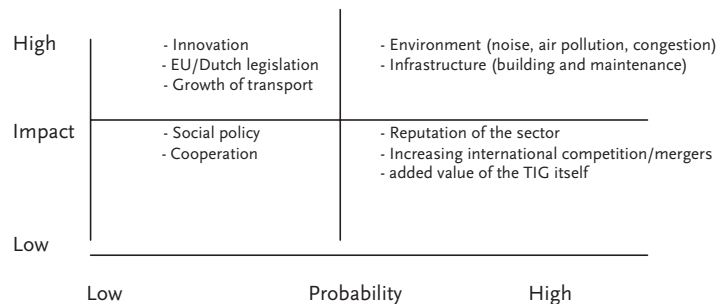


Figure 3: Issues matrix

According to this figure, the issues in the right top quadrant are most critical for the reputation of the transport and logistics sector. The issues in the right bottom quadrant are important issues but represent an acceptable problem to the sector. The issues listed in the left top quadrant can be defined as having a high impact but a low probability of presenting problems to the sector and the issues listed in the left bottom quadrant are important but not of an urgent nature. Please note that this is my personal view and not necessarily the one of the interest groups themselves.

4. Get out the defensive mode: There must be confidence in the social contribution of transport and logistics. Transport interest groups and their members need to be less defensive about their core role in society. They need to be able to demonstrate the contribution made by their economic multipliers such as employment and income generation, technology transfer, training, supply chain development, innovation and wealth creation.⁹

⁹ Nelson, Jane (2004), *Turning ethical values into business value. Global Agenda Magazine*, pp 103-105.

Alice Ester

Every organization gets the absenteeism it deserves

Alice Ester, born 1962 in Utrecht. Was in the fortunate position to live abroad with her family and later alone. She came in contact with various cultures, all having different norms and believes. Her childhood dream was becoming a medical doctor and later a cardiologist. Working in the hospital she noticed that good patient care needs more than good nurses and doctors. She realized that being able to influence the strategy of a hospital (or other

organization) would be a benefit to everyone, mostly the patients. Going for a masters in business administration seemed the logical choice. After having finished this study and working in a merger of a large company she realized another ingredient is essential for any organisation to excel. That's how she came in contact with CCC. She decided that education in corporate communication and reputation management

together with strategy are essential for organisations to succeed. The last years, Alice has been doing consultancy work, ranging from strategic to communicative. She is the co-founder of the first Dutch Stem Cell Bank (Stam Cel Bank Nederland), for safe and secure stem cell storage from cord blood and bone marrow. Today, I am grateful and proud to have been able to finish the MCC programme.

Absenteeism is a serious problem for society, it has many aspects. In my opinion the personal consequences and costly burden on society are enormous.

This study has investigated the direct causes of absenteeism.

The conceptual model developed in this research has used existing and validated components to measure direct causes of absenteeism. I deliberately included a wide range of factors in my conceptual model for I believe absenteeism has various causes and can be influenced on various levels. Individual, group, intergroup and organizational data was gathered.

Previous studies have shown that high quality internal communication is important for companies to enable the alignment of employees with the strategic objectives and thus with organizational performance. This study contributes to the existing literature on absenteeism by demonstrating a link between employee communication, individual and group absentee behavior and thus on alignment and organizational performance.

Self enhancement, self categorization and self verification, all increase self esteem (ie well being) and together with group self esteem (ie well being) through employee communication have shown to increase organizational identification. This has a positive effect on absenteeism and will increase performance. Through employee communication, communication openness, creating participative safety, participation in decision making and seriousness absenteeism is influenced in a positive manner.

An ideal communication climate is characterized by supportiveness, participative decision making, trust, confidence, credibility, openness, and high performance goals.

Employees generally attach great importance to the amount of information they receive about relevant issues. The consequences of the communication climate within a team and the communication flow with other teams and management have a strong impact on the performance in a team. Employee support and behaviour towards the strategic direction is influenced by:

1. the amount of communication from management
2. the amount of communication content related to strategic issues and
3. the climate of communication in particular had a strong influence on employee attitudes and behaviors regarding the company's core strategic issues.

Corporate communication, employee communication and human resource practices are seen as precursors for SBA. Communication, the involvement and empowerment of employees have been argued important in creating alignment. SBA leads to better organizational performance

Five dimensions of organizational culture (i.e. job challenge, communication, trust, innovation and social cohesiveness) on employees' withdrawal intentions and behavior have previously been studied. Three forms of employees' withdrawal intentions (i.e. from the occupation, job, and organization), and one form of employees' withdrawal behavior (i.e. self-reported absenteeism) were examined. An organizational culture that provides challenging jobs, diminishes employees' absenteeism and withdrawal intentions from the occupation, job, and the organization. There was a positive relationship between a culture of innovation and employees' (less !) withdrawal intentions from the job.

In the study using the WALT construct absenteeism was related to:

- Interaction frequency; high interaction frequency has a lowering effect on individual and team absentee parameters.
- Conflict management style by domination shows a tendency towards lowering the individual absentee frequency
- Warmth in communication reflexivity, the personal touch, has a tendency of lowering the team absentee percentage.
- Leader member exchange aspect- professional respect influence individual absentee parameters
- Cynicism has a negative effect on team absentee length.

Existing surveys have proven to be excellent indicators of alignment and performance, they are suitable for higher employees. For lower employees these surveys have given disappointing results. For lower employees, other measures should be used to measure their attitude and behaviour towards the organizational performance. They have other needs, openness, safety, and be taken seriously, which affects their everyday work. They are less engaged with strategic objectives which in my opinion is understandable.

I suggest instead of doing the expensive surveys, costing working hours of personnel and valuable consultant hours measuring effects, absentee parameters should be evaluated.

MANAGERIAL IMPLICATIONS

This thesis provides management guidelines to use the available data at HR (absenteeism percentage, absenteeism duration/length and absenteeism frequency) as one of the first warning signals within teams and organizations that strategic business alignment and thus performance needs attention. High absentee figures is one of the alarm signals that management should use as an indication of dissatisfied employees. Alignment and performance can be increased by taking these figures seriously.

When high absentee figures are a fact management should consider to enhance employee communication, by focussing on openness, participation in decision making, creating safety, taking employees seriously, share adequate information and work on the 'we'/'us' feeling in a team.

Joyce Hulst

The Blue or the Orange Lion?

Identity, identification and internal branding at Postbank

Joyce Hulst (1973) studied Business Communication and International Economics at Radboud University (Nijmegen).

She started her professional career in October 1997 as a communications officer at the Financial Markets unit of ING Barings. This role included the responsibility for a variety of communications activities as well as setting up a communications department for Financial Markets Amsterdam.

In January 2000, Joyce was asked to join the Media Relations team at ING Group's international headquarters in Amsterdam. She acted as a spokesperson on a variety of issues with regard to ING's activities in Western Europe and Asia/Pacific, but her main responsibility was financial communication. This included editing the press releases on ING Group's quarterly results, answering media enquiries and preparing media interviews with ING's Executive Board members.

In May 2004, Joyce started in a new role as Manager Public Relations & Public Affairs at the Communications department of Postbank in Amsterdam. Together with her team she manages Postbank's communication to media, consumer organizations and other stakeholders. She is also responsible for internal branding.

Joyce lives in Bergschenhoek with her husband Harold and son Mick who was born in December 2005.

INTRODUCTION

Postbank emerged from the Rijkspostspaarbank and the Postcheque & Girodienst. The Dutch government had urged both services to integrate as a result of which a new corporation was established in 1977: the Postgiro/Rijkspostspaarbank. This company merged with the Amsterdam Municipal Giro services in 1979. In 1986, these services were privatised and transformed into Postbank N.V. In 1989, Postbank merged with NMB Bank. Two years later, in 1991, NMB Postbank Group merged with the Dutch insurance company Nationale-Nederlanden and ING Group N.V. was founded. Over the past 15 years ING has become a multinational financial institution offering banking, insurance and asset management services to clients in over 50 countries.

Postbank has remained active in the Netherlands operating under its own brand name. With its 7.5 million private account holders, it is one of the largest financial-services providers in the Netherlands. Postbank is leading when it comes to the development and introduction of new products and services. In the seventies, it had already developed the home-banking concept and in the eighties it was the first Dutch bank to introduce electronic banking services. Currently, Postbank still focuses on direct channels such as internet and telephone services but its products are also sold via over 800 postal offices, a sales force of tied agents and via independent intermediaries.

RESEARCH QUESTION

As mentioned above, Postbank has been part of ING Group since 1991. ING Group is one of the leading financial institutions in Europe. At the same time, Postbank has a rich history as one of the largest banks in the Netherlands with a solid reputation among the Dutch public and a significant number of employees that have worked with the bank for numerous years. Within ING, Postbank is known for its specific organizational culture and Postbank employees are known for their commitment to the 'blue lion' (the Postbank logo). The ongoing discussion within ING Group about rebranding business units to the ING name and logo (the orange lion) and the desire at Postbank to effectively communicate its new external positioning and brand values to employees, have led to questions about the identity of Postbank, the identification of employees with Postbank and the impact of ING's corporate branding policy in this context.

The central research question of this thesis is:

What is the importance of the 'Postbank' brand for the company's identity and the identification of employees with the company?

Related questions we would like to answer are:

- How does identification with Postbank compare to identification with the parent company ING?
- Which impact does ING's corporate branding policy have in this respect? (stand alone Postbank brand versus parent brand ING)
- What are the differences between (groups of) employees with regard to identity, identification and branding?

LITERATURE REVIEW

The central constructs in this thesis – identity, identification and corporate branding – have been the subject of many scientific publications in the past decades. Although there is a lack of consensus regarding the meaning and definition of these terms it is clear that especially identity and identification processes are important in contemporary organizations.

In this thesis we define organizational identity as those characteristics of an organization that its members believe are central, distinctive and enduring. Organizational identity is the (collective) answer to the question 'Who are we?' as an organization. Perceived organizational identity is an *individual* member's believe about the distinctive, central and enduring attributes of an organization.

Corporate identity or corporate branding refers to the strategically planned and operationally applied internal and external self-representation of an organization. The organization's self-representation is expressed through behaviour, communication and symbolism.

The image of an organization is viewed by some authors as the external perception of the corporate brand and the identity of an organization as the *internal* perception of the corporate brand. This description of image and identity clearly shows that corporate branding is not only important for the external stakeholders of the organization, but also for the internal stakeholders. And to maintain credibility as an organization the outside world (image) and the inside world (identity) must be aligned. A specific internal branding policy can be a tool for companies to improve the alignment between internal and the external perception of the corporate brand.

The third central construct, identification, refers to the process whereby an individual's beliefs about an organization become self-referential or self-defining. Organizational identification is the degree to which an organizational member defines him- or herself by the same attributes that he or she believes define the organisation. The literature on identification contains a lot of evidence of the way in which organizations can benefit from stimulating identification within their members. For example, identification has been linked to greater employee compliance, lower attrition, lower in-group conflict and an increase in behaviours congruent with the organization's identity.

Finally, literature suggests various links between the strength of (perceived) organizational identity, the attractiveness of the (perceived) organizational identity, the attractiveness of the perceived external image and organizational identification. A number of these links are visualized in figure 1 (see below). The proposed links were also used to formulate the hypotheses of this thesis (see next paragraph).

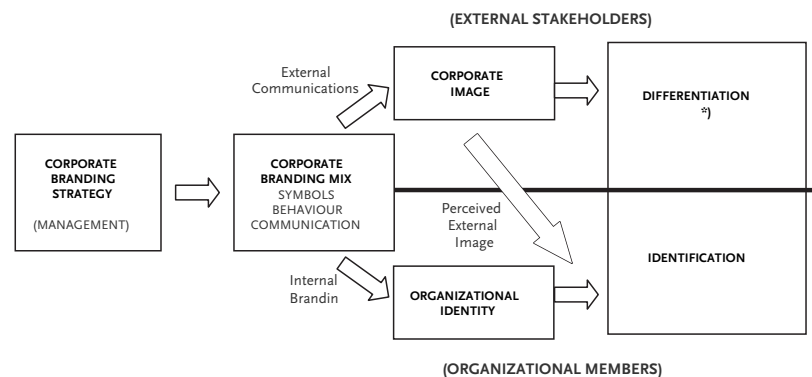


Figure 1: Organizational identity, corporate branding and identification: a model

*) Differentiation refers to the proces of differentiating a company and its of ferings from the competition, thus stimulating customer loyalty.

HYPOTHESES

Based on the literature review we formulated the following hypotheses with regard to the links between organizational identity, identification and corporate branding at Postbank:

1. The greater the attractiveness of the perceived organizational identity, the stronger an employee's identification with Postbank.
2. The stronger an employee's identification with Postbank, the weaker the identification with parent company ING.
3. The longer an employee worked with other ING-companies, the stronger the employee's identification with ING and the weaker the identification with Postbank.
- 4a. The stronger an employee's identification with Postbank, the more important keeping the stand alone brand name Postbank.
- 4b. The stronger an employee's identification with ING, the less important keeping the stand alone brand name Postbank.
5. The greater the attractiveness of the Postbank's perceived external image, the stronger an employee's identification with Postbank.
6. The longer an employee has been employed by Postbank, the greater the attractiveness of the perceived organizational identity and the stronger the identification with Postbank.

Apart from testing these hypotheses, the effect of the personal variables age, department, education and job level on identification with Postbank will be explored.

METHODOLOGY

The research material for this thesis was collected via a survey among Postbank employees that was conducted in the first quarter of 2006.

The questions in the survey were derived from an extensive qualitative pre-study. This study included content analysis of various internal publications, observations during company visits and interviews with managing directors, directors, managers and employees at Postbank.

The survey consisted of 132 questions on eight variables:

1. Desired identity
2. Projected identity
3. Perceived identity
4. Attractiveness perceived
5. Identification with Postbank
6. Identification with ING
7. Perceived external image
8. Desired behavior

Additionally, the survey included eight questions on the respondents' personal details. By means of statistical analysis of the correlation between the eight variables and the respondents' personal details we will be able to test the hypotheses and answer the research questions.

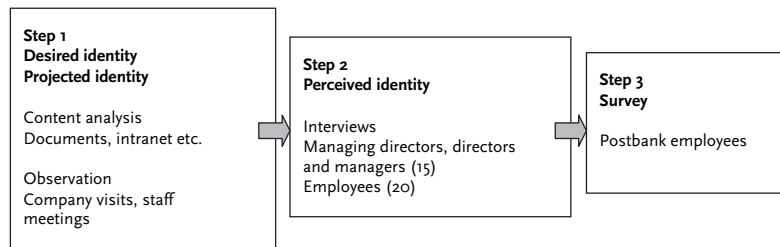


Figure 2: Research overview (Van Riel & Elstak, 2005)

One of the observations from the qualitative pre-study was the existence of 'gaps' between the desired, projected and perceived identity of Postbank. The gaps are marked with Roman numbers in figure 3.

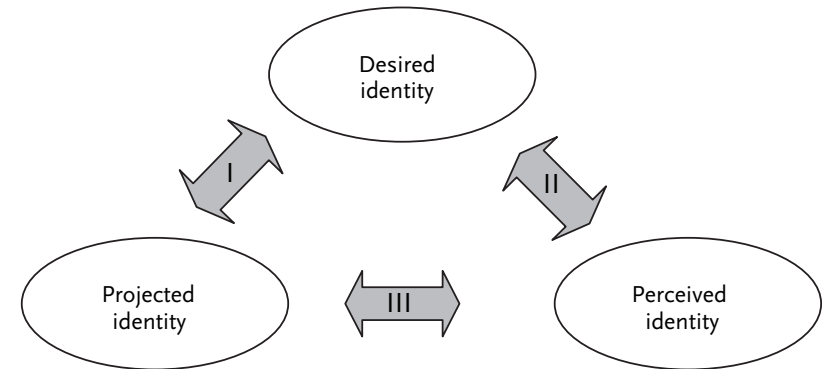


Figure 3: Identity gaps (Van Riel & Elstak, 2005)

In addition, some areas of tension were found within the perceived identity. These are shown in figure 4.

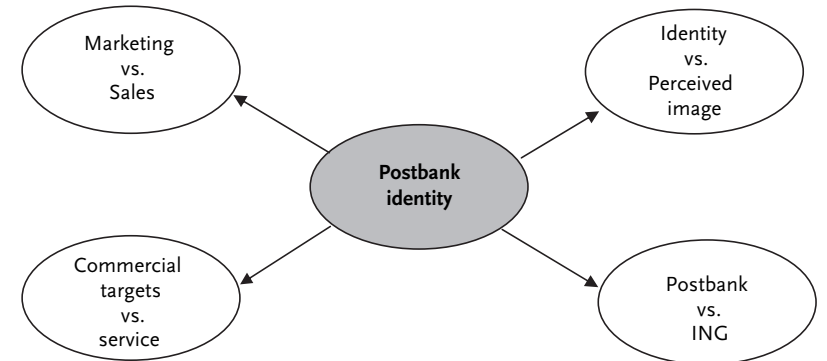


Figure 4: Perceived identity: Areas of tension (Van Riel & Elstak, 2005)

Given the research question of this thesis the perceived identity of Postbank is particularly important because this is directly related to the identification of employees with the company (Dutton et al., 1994). Within the perceived identity the tension between parent company ING and subsidiary Postbank from figure 4 is relevant and interesting. Are employees attached to Postbank or to ING and what role does their

opinion on corporate branding play in this respect? The desired and the projected identity, as well as the other three areas of tension within the perceived identity from figure 4 fall outside the scope of this thesis.

Through a personalized email 2934 Postbank employees were invited to take part in the survey. The questionnaire was internet-based and could be filled out and returned electronically. A total of 766 questionnaires (26.1%) was completed and returned.

RESULTS, CONCLUSION & RECOMMENDATIONS

Due to the confidential nature of the survey among Postbank employees the results, conclusion and recommendations of the study are not included in this summary.

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Caroline Idema

A study of the influence that the creation of a corporate story can have an organizational identity

Caroline Idema (1972) studied at the Hogeschool Rotterdam where she got her bachelor in Communication & Culture.

She started her working career in communication at a small advertising and consultancy agency in Den Haag as copy-righter. After one year she became account manager and specialized in kids-communication working for het Nationaal Jeugdfonds Jantje

Beton. In a co-production with this client and Kindernet, she wrote a television program for kids and produced it.

After four years in the advertising business, she made a step to a public enterprise: The Police Rotterdam-Rijnmond. For a special unit of the police force named the Seaport police she worked as a communication advisor and press-officer.

In October 2005 she moved to the headquarters of the Police Rotterdam-Rijnmond. Getting two key-assignments: Leading the process of the creation of the corporate story and leading the project Identity & Reputation which has to lead to corporate reputation management for the organization. Both assignments will be presented in January 2007. Work to do!

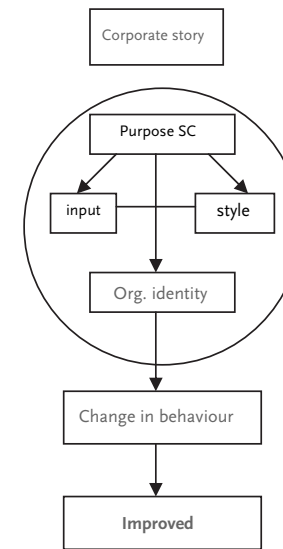
A study of the influence that the creation of a corporate story can have on organizational identity.

INTRODUCTION

In a world where many of us think that we can create almost anything, where changes follow each other more rapidly than ever, people need direction and meaning in their lives. This is not different in an organizational context. Also as employees, people more than ever want to identify with the values and standards that are characteristic of an organization. This is because our society has changed significantly; people focus much more on their private lives, so, increasingly, work has to be fulfilling and fun. Furthermore, the role of religion and of the government is changing in relation to commonly shared norms and values, so, more and more, people will seek for meaning and sense in what they do in other areas, for examples the company they work for. From the organization's point of view, having a strong and recognizable identity is important because this attracts people who want to work for and become a member of the organization, because they appreciate and underwrite the same values and motives as the organization and therefore will have extra motivation to partake in the company's goals and ambitions.

KEY PROPOSAL AND METHOD OF RESEARCH

In this thesis I have proposed that to work on a strong organizational identity one can use the creation of a corporate story. Starting with the goal of strengthening organizational identity, this can lead to a change in behavior, which presumably leads to a better overall performance. Focusing on the theory of organizational identity and the corporate story, interviewing several communication professionals and combining this with my own experiences at the Police Force Rotterdam-Rijnmond, has lead me to a collection of 'lessons learned'. The following model shows the main structure of the application of corporate storytelling. The company decides on the purpose envisaged in making use of the corporate storytelling which enables the creation of an ideal situation which, in turn, leads to an overall improvement of the company's performance.



The circle symbolizes the structure I follow in my thesis. First, why do organizations choose to create and use a corporate story? What type of objective do intend to reach? Then I explore the stage of collecting information and input; how do organizations find cornerstones upon which they can build a corporate story? Finally, on the right side in the circle, we can find 'style'. This refers to the type of structure organizations use for their story and to the type of approach that is in alignment with their objective.

THE IMPORTANCE OF HAVING A STRONG ORGANIZATIONAL IDENTITY:

A strong identity empowers your brand or organization. Knowing the ambition, characteristics and motives of an organization enables in- and external stakeholders to identify with the organization. A corporate story distinguishes and sets you apart from other companies. The identity gives the organization a personality, it becomes much more than a company that wants to make profit or reach their intended targets. To bind people to the organization but also to inspire them to defend the organization in times of crises, organizational identity is an issue that is always implicitly there. After all, it shows in the way people act. Organizational identity is expressed by communication, symbolism and behaviour (Birkigt and Stadler, 1986). But to find common values and

motives in a society where everything is changing so rapidly and people search for meaning in what they do, it is hard for organizations to focus on their organizational identity. As a consequence, it becomes even harder to steer towards desired behaviour.

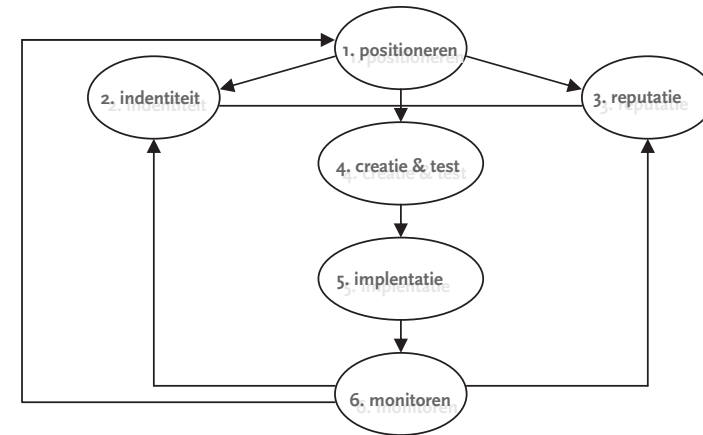
INTRODUCING THE CORPORATE STORY

The corporate story could be just the instrument to establish the authenticity of the organizational identity. Even more importantly, the process of creating the corporate story could just as well answer the key questions of the organization desired identity: who are we and who do we want to be?

A corporate story is the story of an organization written down in about 400 words (Van Riel 2003). It is a description of the essence of an organization, which serves as a steering mechanism for all sorts of communication and behavior of the company and its employees. The corporate story can be a source of inspiration for employees but also for external stakeholders. Some even say that the soul of the organization can be in the corporate story; the part that never changes. One important reason why the corporate story is used in the first place, is that people and society nowadays have much greater need for transparency. The corporate story can give people an insight in the organization. The corporate story combines the past – the present – and the future, with the idea to put vision, mission statement and corporate values in an authentic context of the organizations personality. Roth and Kleiner (1998) emphasize that a corporate story should not be used as a goal by itself, but as a framework for all communication and activities of the organization. It makes the story even more valuable when it is created from a multi-stakeholder-perspective as this makes the story sustainable over time. As a final remark, it can be said that the story is not static; parts of it can change over time. Furthermore, it must give people some space to make their own version or interpretation.

THE CREATION OF A CORPORATE STORY

In my thesis I use the model of creation made by Van Riel. In six steps he shows how an organization can come to creating a corporate story.



Short explanation of the model:

Step 1 is positioning the organization internally, as well as determining which stakeholders are most important to the organization. Step 2 is coming to standards on the organizational identity, in this process the organization must decide on the desired identity. Step 3 refers to measuring reputation. The next step, 4, is about writing the first concept corporate story and testing it in- and externally to get confirmation on the input of the story. Step 5 covers the implementation of the corporate story. A creative concept and a well-tested campaign are crucial to the success of the implementation. The model ends and, at the same time, begins with step 6: monitoring the story, which means keeping track of the content. Does it need to be evaluated or changed? The main purpose, however, is keeping the corporate story alive.

IN ADDITION TO THE MODEL OF CREATION BY VAN RIEL

Mainly based on my own experience within the police force and the interviews I had with Cees on this subject, I created an additional model. In this model I added two extra steps prior to creating the story. To maximize the success of this process, attention should be paid to the willingness of management to truly engage in the process of finding out what the organizational identity is and how big the gap might be with the

desired identity. Furthermore, I put forward the idea that, because of the novelty of the corporate story as an instrument in business, people might be enthusiastic precisely because of that without realizing that creating and implementing the story might – or should – have a great deal of consequences for leadership as well as individual behavior of people. Finally, I propose that external measuring could be used as an reputation moment by itself.

USING STORYTELLING AS AN (NATURAL) INSTRUMENT TO BUILD IDENTITY AND THE CORPORATE STORY

I knew from the start that I wanted to implement this instrument in my research; in my organization we started experimenting with storytelling as a work method to start up dialogue about identity and with great success. Storytelling is the art of portraying real or unreal happenings into words, images or sound. We tell stories to teach, to pass on morals and values, to make contact, to bring clarity, or to entertain. Gargulio (2006) states that stories are fundamental in the way we communicate. They are the most efficient way of storing, finding and passing on information. Since listening to stories requires active participation on the part of the listener, he says, storytelling is the deepest social form of human contact and communication. One other aspect that confirms the fundamentality of storytelling is the fact that we don't store information as abstract data in our brain. We memorize information as stories that combine with our personal experiences.

Turning our attention to a business context, Boje (1995) tells us that organizations are narrative systems. Wilkins en Thompson underline this by stating that members of an organization need stories to understand, classify and create their reality. So why not use this instrument which we all have as a natural talent, in an organizational context? Making it possible as an organization for people to share their narratives (experiences) can build company pride, but can also prevent people from making the same mistakes. These are just two examples. Stories can also be of great use for building relations with (potential) customers. The personal story of a company or one of its leaders shows the identity of the organization and therefore gives people an opportunity to identify with this character. Finally, stories can create a bond between people which means that they can create informal communication channels. These informal communication channels are the most effective in the whole process of internal communication. Why not use these to create a situation for change or to emphasize existing values?

What I want to state in this part of my thesis is that by using storytelling as an instrument in the creation of the corporate story, the building of organizational identity

starts in that process. This leads to the idea that, by finding building blocks to build the corporate story, one can also start the discussion on organizational identity and even start the process of awareness on corporate values or the need for change.

WHERE STORYTELLING CAN LEAD TO DIALOGUE INSTEAD OF DISCUSSION

Elaborating on the issue of storytelling I make a short intervention in my thesis by introducing the concept of using storytelling to create an organization where people communicate in a form of dialogue rather than discussion. I compare this to the *Ars Poetica* of Horatius – as the basis for dialogue – and to the rethoric of Aristoteles – as the bases for discussion-. Instead of trying to convince each other on the basis of arguments, which has been the way we do business in the past decades, organizations could steer to a setting where people simply tell each other their experiences (stories). The main goal then is to share and be able to listen to each other but also to recognize and react to the emotions and motivations the other person has. This does not mean that there's no room for facts and figures. It is essential to combine the emotional aspects with the actual data. This, then, accumulates to storytelling: an instrument that keeps people in business close to their personal but also the organizational values, morals and standards.

APPROACHES TO BUILDING THE CORPORATE STORY

Thinking of structure, media, different objectives and implementation

In the 'big picture' model (pag.1) you can see that the process of the actual creation of the story (thinking of choosing the story structure, style, tone of voice, approach and creative concept) starts at the same time when the organization knows why it wants to have a corporate story. The objective can be of relevance to the content of the story, let's say to the approach the story is build by and what kind of information is collected. In the theory, the functions of a corporate story are quite clear, but in practice you see that many companies do have a specific objective with their story (e.g. emphasizing corporate values, creating transparency, expressing corporate identity to build reputation and so on). This part of the thesis mainly draws from my own personal and professional experiences within the police force.

First, I propose that one should choose a style and structure that fits the type of organization. This means that, along with the content of the story, its style and structure should have some logical connection to the type of organization. To a certain extent it must live up to in- and external stakeholders' expectations. If not, the end-

product would not be an expression of an organization's (desired) identity. It could, instead, be perceived as a creative explosion, running the risk of not being taken seriously in relation to your actual behavior, products and service.

The second aspect I focus on is the tension I believe exists between 'a story' and doing business. A story, let's be honest, generates associations of fairytales and bedtime stories, not, in the first place, a valuable instrument in business. From a narrative point of view, a story should have all kinds of elements that make it attractive to listen to or to read, such as a hero who has enemies, who has to overcome obstacles. These are not exactly elements we associate with a business context. Organizations should find a proper balance (with their external advisors) to make the story *their* story as well as a story one will not forget.

This aspect must be taken into account, specifically for organizations that operate in a political environment, Van Riel underlines this partially with his multi-stakeholders-perspective approach, where important stakeholders are involved in the process of creating the story and testing whether images are recognized and meet expectations. I advise to take it one step further; naming important and relevant political players as a way to make it very clear where responsibilities lie and who you have to account to. Putting the political environment in a positive perspective in the story shows appreciation of this target group.

When an organization has a story, e.g. because of a rich past, an inspiring founder or a strong identity, which has never formally been recorded in a corporate story, one could choose for an external approach of producing the story. This requires asking mainly external targetgroups about their expectations and experiences with the organization. Of course this must be an important part of the final content of the story. It could be that internal expectations differ from external ones and that the corporate story brings these in line with the ambition of the organization.

Many corporate stories that can be found on the internet are what I call success stories. In my opinion, these stories create a feeling of window-dressing. You cannot see or feel what the company is really about, what real motivations are and how, for example, members of the organization feel about this 'desired situation'. Of course, a corporate story is not about all the crises an organization has been through or mistakes that have been made, but the connection to the real personality of the organization, its identity, must be present in the story explicitly, rather than implicitly. A realistic company has ambitions and learns to seek ways to do things. Only then people can identify with an organization.

When it comes to choosing a structure for a corporate story, there are two structures that are frequently used. One is the classical model, where past, present and future are combined with corporate values, the organization's philosophy and its ambitions. These are some standard topics that are told in corporate stories. Another structure is the hero-epos: the hero sets out on a journey or an adventure. He has to overcome obstacles, win wars, solve conflicts, conquer territory and the enemy, There is much at stake and there is little time. (Ramzy, 2006). All these elements bring power into a story and personalize the organization. However, both structures are no gap-filling exercise. The most important thing is that the content remains authentic. Ramzy explains that, in addition to the hero-structure, a good story shows a transformation and provides answers to essential questions of life, both individually and collectively.

LESSONS LEARNED

The lessons learned are brought together on the basis of research in literature, other publications, a number of qualitative interviews with communication professionals and are completed with my own experience and observation within the force.

I will discuss them in the same order as the process of the creation of a corporate story:

For what purposes do organizations choose to create a corporate story?

Theory and practice show differences that's clear. Van Riel states that the corporate story is to be used as a steering mechanism for all sorts of communication of an organization. It helps an organization to show itself as a unity, based on desired identity. Another function of the corporate story is to give insight into the motives, values and policy of an organization: this comes from the growing need for transparency to build trust with in- and external stakeholders (Van der Jagt).

Many organizations create a corporate story for specific purposes. This differs from internal motives like searching for or revitalising corporate values (Politie Rotterdam-Rijnmond), to external motives like making the company more visible (Sociale Verzekeringsbank). I did not find cases where organizations directly linked the corporate story to changes in behavior. The corporate story in that context is seen and used as only one instrument in a mix of many, that could influence behavior and overall performance. Most of my respondents thought that changing behavior with a corporate story is an overrated expectation.

As with any new trend, the corporate story sometimes is used just because it's hip to do so. But then the hype of the corporate story is only a small circle in the water in comparison to 'internal branding'. Searching for examples of corporate stories in Holland shows that the corporate story is not standard in the corporate communication mix.

Expecting the corporate story to solve a specific problem for the organization, in many cases seems to lead to disappointment. My conclusion would be that storytelling must not be used on its own, but always in a broader program of corporate identity and/or reputation management. And because many organizations use their corporate story to fix a certain problem, they feel it is not successful for them.

How do organization collect input for the corporate story?

Not much theory can be found on programs of creating a corporate story. Consultants and communication professionals in organizations, define their own method of creating the story and collecting input. In my research, I find great differences in the amounts of people that are involved in this process. A similar trend can be seen in the approaches used: where the Ministry of Foreign Affairs works from a typical top-down approach, the Police Rotterdam-Rijnmond speaks to more than a thousand employees (total 6.000) and so uses a bottom-up approach. Furthermore, the methods of research are different. This is not surprising, considering that corporate story is relatively new and people are searching for the best way to work with this method. One thing is clear, the method of collecting input has a connection to the purpose of the story.

In my thesis, I focus on one aspect especially: The process of creating the corporate story is just as important as, or even more important than, the product: the final story itself. After all, the relation to identity management in the theory is clear. Moreover, in several practices it has proven successful to invest in the process to create awareness on organizational identity.

Some potential risks can be identified; The most important one is that, once the story is finished, a consistent implementation program should be started. Publishing the story on the corporate website and make a book for all stakeholders, won't do much. Implementation must go much further than activities that are the responsibility of the communication department. The story in my opinion must be a tool that leaders actually start using; they should tell the story themselves. Also the corporate story-program must have a direct link to behavior-programs. Otherwise it's just words, it's just a story.

What kind of structure and style do organizations use for their corporate story?

There is no format for the actual realization of the corporate story. Communication professionals share the opinion that it doesn't even have to be an actual text. Creativity plays an important role in this stage of creation. It has to be in balance with the content of the story, the narrative structure and the type of organization.

Only some narrative structures are available. This specialty is underexposed. The organization must be personalized as a round character in the story. Key to an inspiring corporate story is authenticity. No creative campaign or months of energy and pushing the story can win from an authentic background, an authentic identity.

There is an important role for leaders in an organization to use and disseminate the corporate story in their personal leadership. The means to come to the creation of such a story can only facilitate this process, but should not be seen as a goal in itself.

Apart from monitoring the story on a regular basis there should be a program for keeping the corporate story alive in the organization and up to date.

ANSWER TO THE KEY QUESTION

In reference to the key question that served as the starting point to this project, it can be said that the creation of a corporate story can be a valuable asset to strengthen organizational identity. I come to this conclusion because the main topics in the search for identity are key to the corporate story; the desired organizational identity is the heart of the corporate story. Essential to strengthening identity is that the organization invests time and effort to talk to a large part of all the members.

If the corporate story is consistently used by leaders of an organization for a longer period of time, the effect concerning the organizational identity can be deemed sustainable.

In short, my research has demonstrated that results are available which show that a corporate story in combination with corporate storytelling can have a positive effect on the performance of an organization.

Olga Kolenburg-Keune

The role of reputation in alliances in Dutch Healthcare

Olga Kolenburg (1966) is Communication manager with Achmea, where she is responsible for the internal and external corporate communication of the Healthcare unit.

After her HBO Bachelor's course in Communication at the Hague University of Professional Education, she started her career in 1990 as PR officer for a major project at management consultants Twijnstra Gudde in The Hague.

After completion of the two-year project, she took a position as PR officer at Ziekenfonds Rotterdam (Dutch national health insurance fund), one of Achmea's legal predecessors. In 1992, she was appointed head of PR & Communication at Zilveren Kruis Achmea, one of the largest health insurers in the Netherlands.

Since 2004 she has been responsible for the external PR and media policy of Achmea's health insurance

operations. In this capacity, she was also in charge of setting out the media strategy surrounding the introduction of the new Dutch health insurance system (Basisverzekering). End of 2005 she became Communication manager of the Achmea Healthcare unit. In the summer of 2006, she successfully completed a Master's course in Corporate Communication at the RSM Erasmus University in Rotterdam.

SUMMARY

The role reputation plays in the formation of cooperation agreements/strategic alliances between parties in the Dutch healthcare sector has up until now been underexposed. This is a complex playing field – which is undergoing enormous changes – with considerable mutual dependence and where each party has its own interests. It is certain that strategic alliances between healthcare insurers and care providers – but also between other players in the care sector – will be formed to provide some necessary innovation in the care sector. It is of interest both to parties in the care sector and to corporate communications professionals to know which factors play a part in the formation of alliances and what role is played by reputation in this process.

Central to this thesis is ‘the role of reputation in deciding whether to form a strategic alliance in a complex environment, in particular in the Dutch healthcare sector’.

Reputation is the overall estimation of an organisation with respect to presumed competencies and responsibilities as compared with competitors (Van Riel, 2003).

A strategic alliance is a purposeful strategic relationship between independent organisations that share objectives, seek to derive reciprocal benefits and respect a high level of mutual independence (Mohr and Spekman, 1994).

I have researched the role of reputation in deciding whether to form alliances in the healthcare sector in a two-part study:

- A qualitative study: eight interviews with directors of healthcare organisations;
- A quantitative study: a survey of over 100 students, set up as an ‘experiment’ and based on the Dollinger, Golden and Saxton study ‘The effect of reputation on the decision to joint venture’ (1997). Central to this experiment is a hospital director’s decision whether to enter into a strategic alliance with a health insurer.

KEY FINDINGS OF THE STUDY

Reputation plays an important role in deciding whether to form an alliance in a complex environment. And: the better the reputation, the greater the willingness to enter into an alliance. Reputation is not the most decisive factor. Objective issues are considered first; after that, reputation comes into play. The degree of dependence on the intended alliance partner is also an important consideration.

HEALTHCARE

- *Reputation is the fifth most important factor in deciding whether to form an alliance in the healthcare sector;*
- *The better the reputation, the more likely the decision on an alliance will be favourable. The poorer the reputation, the less likely the decision will be favourable;*
- *Quality of products and services has most influence on the decision whether to form an alliance, followed by quality of the management and social responsibility;*
- *A reputation is multidimensional. However, the various dimensions of a reputation cannot compensate each other;*
- *The reputation of an organisation with respect to its products and services is enhanced if that organisation also has a positive reputation with respect to social responsibility and vice versa;*
- *Advertising can have a reverse ‘halo’ effect on reputation;*
- *People with a high tolerance of ambiguity (who do not avoid complex situations) and people with a high locus of control (internal focus) make more use of information about a potential partner’s reputation;*
- *People with a high tolerance of ambiguity make significantly more use of specific reputation components – namely quality of the management and social responsibility – in deciding whether to form an alliance and determining their feelings in this respect;*
- *A strategic alliance is, as a rule, expected to have a positive effect on one’s own reputation and that of the alliance partner;*
- *A strategic alliance gives a signal to the market, it influences competitors’ actions.*

AND FURTHERMORE:

Reliability, transparency and a similar management style are the most important conditions for an alliance partner. Major preconditions for an alliance are to formulate clear agreements, to allow one another some leeway and the intention to work together to solve problems and to maintain the relationship;

In the decision-making process within a hospital, the votes of the management board and the medical specialists carry most weight.

HEALTH INSURER

While the new healthcare system in the Netherlands and the advent of market forces do form an incentive for health organisations to enter into alliances with health insurers, there is also great caution. The market has yet to take shape, there is fear of ‘crowding out’/ loss of neutrality and there is a need for more mutual trust on both sides.

Reputation and willingness to form an alliance

The study shows that while reputation plays an important role in deciding whether to form an alliance in a complex environment, it does not hold first place. In a complex environment, many factors have an influence. These include objective issues, but also the force field in which one operates: the different interests of numerous players, the balance of power, etcetera. Organisations in a complex environment would appear to be enterprising with respect to continuity and growth, and cautious with respect to their own autonomy and identity. Objective issues are considered first, after which reputation comes into play. In addition, the degree of dependence on the intended alliance partner is an important consideration.

Reputation does have an impact on deciding whether to form an alliance in the healthcare sector. Among other factors it is ranked fifth, but it is considered important. Alliance potential is largely determined by hard facts (own position; the area of operation; market position of the alliance partner; objective factors such as the performance of the future alliance partner, its financial situation and the personal rapport between the directors), and next reputation comes in. The study shows that the better the reputation of the future alliance partner, the more likely the decision on whether to form an alliance will be favourable.

Reputation dimensions

Based on the Reputation Quotient (Reputation Institute, 1999) and research by Van Holthe (2005), I researched the following reputation factors: emotional appeal, vision & leadership (grouped in the quantitative study as 'management quality'), quality of products and services, and social responsibility.

Of the aforementioned reputation dimensions, the quality of products and services has the most influence on a decision whether to enter into an alliance, followed by quality of the management, and social responsibility.

A distinction is made between the various dimensions of the reputation. If one dimension is negative, this does not affect the overall reputation to the same degree. Reputation dimensions cannot compensate each other, but there can be a certain interaction. For example, the reputation of an organisation with respect to products and services is enhanced if that organisation also has a positive reputation with respect to social responsibility and vice versa.

The qualitative study showed there to be a 'halo' effect, i.e. an element that has a positive overall effect on an organisation's reputation. In this instance, it in fact concerns a reverse 'halo' effect: advertising statements would appear to have a negative impact on reputation.

Individual personality traits

Individual personality traits have an impact on the decision whether or not to form an alliance. The reputation of a potential partner is processed as information. This information is never complete and contains elements of uncertainty and risk. Every individual has a different approach to uncertainty and risks; this is called tolerance of ambiguity. Someone with a low tolerance of ambiguity will tend to avoid situations in which information is conflicting and interconnections are complex and new.

People with a high ambiguity tolerance make (significantly) more use of information about specific reputation characteristics – namely quality of the management and social responsibility – in deciding whether to form an alliance and determining their feelings in this respect.

Another individual personality trait that has an impact on deciding whether or not to form an alliance is the 'locus of control', i.e. the degree to which an individual believes that matters are influenced by internal or external factors (Rotter, 1966). People with an internal or high locus of control believe they have the power to exert influence, while people with an external or low locus of control feel that their own decision-making capabilities are limited by external factors outside their control.

People with a high locus of control (internal focus) appear to make more (albeit not significantly more) use of information concerning reputation than people with a low locus of control (external focus).

The qualitative and quantitative studies show that a person's views on market forces do not have an impact on the decision whether to form an alliance with a health insurer.

A judgement about the reputation of a future alliance partner is reached by a person's own experiences in his personal contacts with that partner, the experiences of management and medical specialists in dealing with the future alliance partner and "by word of mouth". All directors do see or expect to see their own reputation affected by an alliance with a health partner. Usually the (expected) impact is positive or neutral for both parties. Sometimes it is negative. Where an alliance with a health insurer is in play, a majority of directors do not know what the impact will be. Directors in the healthcare sector noted that a strategic alliance gives a signal to the market and influences competitors' actions.

Alliance experience

The directors interviewed all have considerable experience in forming strategic alliances, albeit alliances in the 'old' situation: cooperation on care with other care providers; cooperation in order to obtain cost efficiencies; cooperation in training doctors; alliances with other hospitals, for example to share best practices.

The main reasons for forming alliances are: to strengthen one's own market position; to improve one's own quality and services; more efficiency and cost savings; to learn from one another. Two directors also explicitly named as reasons: to strengthen the image of one's own organisation and to increase the overall appeal of one's own organisation.

A majority of the directors interviewed named reliability, transparency and a similar management style as conditions for an alliance partner. Major preconditions for an alliance are to formulate clear agreements, to allow one another some leeway and the intention to work together to solve problems and to maintain the relationship.

The chief director is the instigator in the forming of an alliance. One of the interviewees considers there is room for improvement in this process and others should also be able to put forward an idea. Internal stakeholders play a role in the alliance process and decision-making; the votes of the management board and the medical specialists in particular carry weight. It is noteworthy that consumer and patient organisations play little to no part in this. One of the respondents expressed concern that the patients' voice is still poorly organised.

The position of the intended alliance partner – supplier or competitor – makes a difference. The process usually runs less smoothly when a cooperation with a competitor is concerned. Nevertheless, players in the health sector do form alliances with competitors.

Another important factor is the degree of dependence on the intended alliance partner, such as a health insurer.

Alliance with a health insurer

While the new healthcare system in the Netherlands and the advent of market forces do form an incentive for health organisations to enter into alliances with health insurers, there is also great caution owing to the following factors:

- The market has yet to take shape. The advent of the Basisverzekering (basic public healthcare insurance) caused much movement in the consumer market, with about one-fifth of all Dutch residents switching health insurers (TNS Nipo, 2006). Which insurers will secure/retain a strong market position?
- The new healthcare system gives the health insurer a so-called 'director's role'. Increasingly, health insurers are independently able to award a budget to health organisations. This development is being closely monitored by health providers. How much power does the health insurer have? How great is my dependence on this party? And, to what extent could a relationship with this party impact the autonomy and identity of my own organisation?;
- Some fear of 'crowding out': that patients belonging to one health insurer will be given priority over patients of other health insurers;

- Trust is crucial in the forming of an alliance. This is apparent from the literature and was mentioned more than once by most interviewees - both as an important reputation factor and as a condition for an alliance partner. At present, the relationship between health providers and health insurers is in general not characterised by great mutual trust.

Market forces

Nearly all the directors interviewed are of the opinion that the old system was in need of change and that market forces provide new momentum. While not being a 'magic wand', market forces do provide a means of improving quality and services in the healthcare sector. The interaction between health insurers and health providers is a determining factor in controlling costs in the sector, according to one director. Another stresses that a hospital is just another company that must conduct its business efficiently.

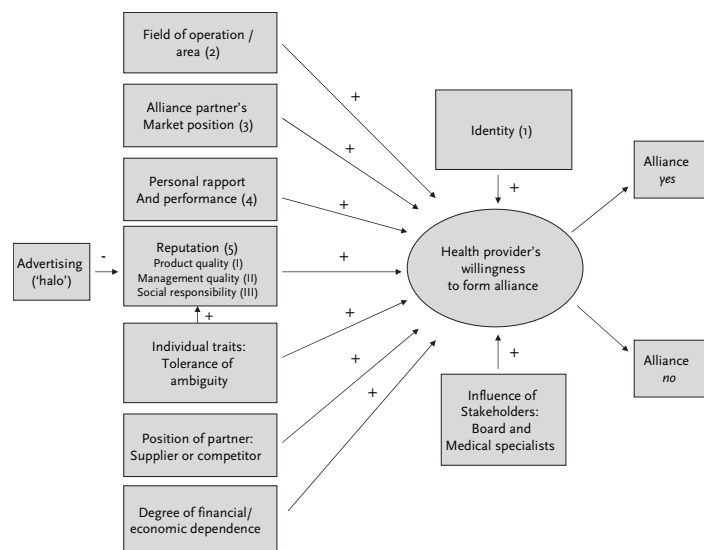
And finally

The principle that a positive reputation boosts one's appeal as an alliance partner also applies in the healthcare sector. It pays to stress the quality of products and services in combination with social responsibility, as these reputation characteristics reinforce each other in a positive sense. In the assessment of an intended alliance partner, the determining reputation factors are most likely to be quality of the management and social responsibility, given that I presuppose that directors in the healthcare sector are liable to have a high tolerance of ambiguity. This is partly evidenced by the results of the qualitative study, where vision & quality of the (chief) directors is named as being considered the most important reputation factor in deciding whether to form an alliance.

There definitely are prospects for strategic alliances between hospitals and health insurers. The hospital directors are businesslike and enterprising, forward-looking and can see the advantages of an alliance with a health insurer. But along with this enterprising spirit, there is also caution. The market has yet to take shape (which health insurers will be 'winners', which 'losers?'), hospitals do not want to lose their neutrality (no priority for patients of health insurer X) and there needs to be more mutual trust.

Alliance Model for the Healthcare Sector

The main factors which come into play in deciding whether to form an alliance in the healthcare sector are summarised in my own Alliance Model for the Healthcare Sector below.



Brief explanation

In entering an alliance in the healthcare sector, the care organisation will first consider its own *identity* / own situation, and then its own *field of operation* (the area), then the *market position* of the intended alliance partner. Next, it will explore objective factors such as *personal rapport* with the director and the *performance* of the potential partner. Subsequently, *reputation* plays a part, with, in descending order of importance: quality of products and services, quality of the management, and social responsibility. Individual personality traits, particularly *tolerance of ambiguity*, have an impact on the degree to which a person will make use of information about reputation in deciding whether to form an alliance. *Advertising* can have a reverse 'halo' effect on the reputation of the future alliance partner.

The position of the alliance partner – *supplier or competitor* – makes a difference. While cooperation with a competitor often goes less smoothly, it does not impede an alliance. The voice of internal stakeholders – particularly of the *board of directors* and the *medical specialists* – has a great impact on the decision whether to form an alliance. Last but not least: the interviews with directors about a possible alliance with a health insurer reveal

that the *degree of dependence* is also very important. How powerful is the other party? How great is my organisation's financial/economic dependence on the other party? But also: to what extent can such a relationship influence the autonomy and identity of my own organisation?

Further research

I was keen to ask medical specialists to complete the questionnaire for this experiment, given that this stakeholder group has such an important voice in the choice of alliance partners. I approached three hospitals with this request, sadly to no avail.

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René Kuijpers

Brand associations and evaluations by intermediates in the mortgage market

How business-to-business-brands need to secure their identity aspects to be a valuable subbrand in a multibrand organisation

René Kuijpers (1963) has 20 years professional experience in marketing & communications in the business-to-business area of the service industry. After finishing the Hotelschool in The Hague, where the basics of the concept of the service industry were learned in practice and theory, he started

his professional career in marketing. He gained experience in business-to-business marketing in the fmcg-industry at Conimex and Nestlé (Maggi, Buitoni, Chef) and the service industry at Crest Hotels and ABNAMRO. After these 10 years of marketing he started to specialize in communications

in the financial service industry at ING. Brands like Nationale-Nederlanden, WestlandUtrecht and ING Real Estate were serviced. Next to his professional career he followed several marketing and communication courses of which the MCC in 2006 is the latest achievement.

INTRODUCTION

I'm working for twenty years in marketing and communications in a business-to-business environment. During the MCC program a lot of lectures, literature and research has been studied concerning corporate and product branding in consumer markets. However, literature and empirical research in the field of business-to-business seems to be limited.

About multi branding topics there has also been a lot of literature and research published. The way how corporations have to deal with multi brand strategies is described in many books. However the variables and aspects to which product brands have to diverge from each other or the corporate brand is a relatively unknown area.

RESEARCH QUESTIONS

In this thesis a study has been made of brand associations and evaluations that intermediates make in the Dutch mortgage market. The main research question is "Which identity aspects need to be secured in a business-to-business-brand to be a valuable sub brand in a multi brand organisation?"

- The research starts with the identification of the identity aspects and brand associations that intermediates have of their suppliers.
- Then the examination starts of the degree to which these aspects might be shared with the corporate mother brand.
- Finally the desired level of corporate dominance to the product brands is examined in the eyes of the intermediates.

BRANDING STRATEGIES

The strategy to use the corporate brand to identify all of the company's entities is usually referred to as a 'monolithic or monobrand strategy'. The strategy to use multiple brands is referred to as a 'branded or multibrand strategy' (Olins, 1989; Kotler, 1994). Besides these two strategies, a third strategy has been suggested: 'an endorsement or sub brand strategy', which is a mixture of the monolithic and the branded strategy (Olins, 1989; Kapferer, 1993). David A. Aaker describes in *Brand Portfolio Strategy* (2004) a theoretical framework for a Brand Relation Spectrum. He describes four theoretical branding routes: a Branded House, Sub Brands, Endorser Brands and a House of Brands. But according to Aaker: "However in practice nearly all organizations use a mixture of all four branding routes on the brand relation spectrum. A pure house of brands or branded house is very rare. Even the big multinationals, which seem to follow a monolithic strategy, are not all completely pure a 'Branded House'

PRIOR EMPIRICAL RESEARCH ON BRANDING: BRAND ASSOCIATIONS AND EVALUATIONS

In a 1997 study, *Brown and Dacin* introduced two types of corporate associations: Corporate Ability (CA) associations, which are those associations related to the company's expertise in producing and delivering its outputs, and Corporate Social Responsibility (CSR) associations, which reflect the organization's status and activities with respect to its perceived societal obligations. In their study the authors examined the effects of both types of corporate associations on consumer product responses. The study demonstrates that: what consumers know about a company can influence their evaluations of products introduced by the company, CA and CSR associations can have important influences on consumers' company and product evaluations, but the manner in which each type of corporate association affects product responses may be different, and corporate associations can serve as an important context for consumers' evaluation of a company's products.

There are many studies that have explicitly looked at the roles of CA and/or CSR associations in determining consumers' reactions to products. Particularly, the large literature on consumer evaluations of brands looks at the way in which CA-type associations with a brand may transfer to evaluations of (new) products that are marketed under the brand name. These studies have also looked at the psychological process through which this transfer of associations takes place, by examining mediators and/or moderators.

- 1 Moderating variables that researchers have looked at are
 - (a) consumer expertise, (b) consumer involvement and (c) perceived product risk.
 - a) consumer expertise;
Regarding expertise, research has shown that experts make less use of brand associations than novices, because novices have a tendency to rely more on heuristic cues (Dawar and Parker, 1994). However consumers with a high expertise may make more use of brands than people with a moderate expertise, because experts are more familiar with the reliability of brand associations as a cue to evaluate a product (Johnson, Soutar, and Sweeney, 2000; Rao and Monroe, 1988)
 - b) consumer involvement:
Similarly, regarding involvement, some studies have shown that brand associations have more influence on consumer judgments when people have a low involvement with the type of product and/or with the judgment itself (Maheswaran, Mackie and Chaiken, 1992).

c) perceived product risk;

Finally, when people perceive a high risk linked to a product, they tend to make more use of brand associations as a means to reduce the risk (Gurhan-Canli and Batra 2002; Levitt 1967).

The relation to mortgage branding

Consumers perceive mortgages as a complex product that is 'bought' only a few times in a people's life (on average every 7 years). Regarding mortgages the consumers' expertise and involvement is relatively low and the perceived product risk is high. Therefore consumers go to intermediates for a product and brand advice. (60% independent intermediates and 40% dependent intermediates) Independent intermediates make the product and brand choice for the consumer. In line with the research findings above, it seems plausible that in the mortgage-market brand, associations could have a lot of influence on consumer judgments. In contradiction to the consumers the intermediates have a high expertise and involvement and their perceived product risk is low. Thus irreversibly, could brand associations be low for intermediates in their product evaluation?

An interesting question is to find out *whether and what kind of brand associations have influence on intermediate judgments on product evaluations?*

2) The most important moderator that the brand extension literature has looked at, is 'perceived fit'. Fit can be defined as "similarity between the extension and the parent brand" (Bhat and Reddy, 2001). Studies have generally found that the higher the similarity between the product categories is, the higher is the degree to which attitudes and associations transfer from the parent brand to the product (Aaker and Keller, 1990; Bhat and Reddy, 2001).

The relation to mortgage branding

The mortgage market is dominated by the big Bank-Insurance corporations which all follow forms of multi-brand strategies. It is interesting to find out how the moderator 'perceived fit' between the product brand and the corporate brands influences product brand associations in the eyes of intermediates. In other words what is the level of accepted fit between the product and corporate brand. Or the main question of this thesis: *which identity aspects need to be secured in a business-to-business-brand to be a valuable sub brand in a multi brand organisation in the eyes of independent intermediates?*

3) Another important moderating variable that has received relatively little attention in the brand literature is the branding strategy that a company uses. Some interesting studies have been executed but again mainly focused on consumers.

A recent study of Berens, van Riel and van Bruggen (2003) made valuable additions to the earlier study of Brown and Dacin (1997). The study of Berens c.s. investigated the effect of CA and CSR associations with a financial services company, on consumers' reactions to products, and in particular the moderating role of corporate brand dominance therein.

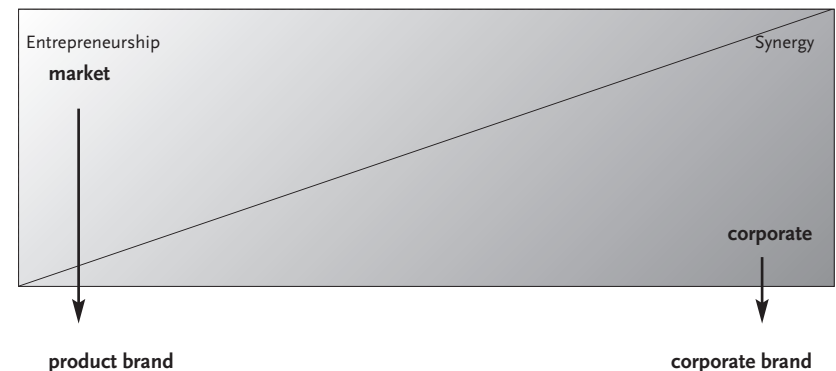
Their research demonstrates that corporate brand associations related to CA and CSR influence product evaluations and purchase intentions under different conditions. The influence of CA and CSR depends (again) on product-brand fit and product involvement, but the nature of these moderating influences in turn depend on the level of corporate brand dominance.

The relation to mortgage branding

Corporate brand dominance is proved to be another important moderator in the psychological process of product brand evaluation by consumers. With the increasing power of corporate branding of the big Bank-Insurance companies it is interesting to find out *what the judgment is of intermediates to the level of corporate brand dominance on business-to-business brands in the mortgage market.*

THE BANK-INSURANCE INDUSTRY: CORPORATE BRANDS OR PRODUCT BRANDS?

The big Bank-Insurance corporations (ING, ABN-AMRO, Rabobank, Fortis, SNS-Reaal, Achmea and AEGON) follow all a more or less multi-brand strategy. Due to the globalization trend and focus on share holders value the organizational structure tends to focus on the synergy side.



There is a strong focus on corporate branding and sale-out and rebranding of small local brands. Implementation of cost reducing synergy programs, creation of shared-back-offices, corporate internal motivation programs put pressure on the small product brands.

On the contrary there are some eye-opening statistics in the retail market, comparing the 1970 world with that of 1999, compiled by *Steven Cristol* and *Peter Sealey* in their book, *Simplicity Marketing*. The average supermarket contained 8.000 distinct product offerings in 1970 versus more than 37.000 in 1999. It appears in current competitive markets (*Kotler in Lateral Marketing 2003*) that "Many producers are not able to survive the strong pressure of the giant retailers and either disappear or are acquired by the 'big fishes'. Although there are now fewer producers, these producers continue to introduce more brands into the market". The following chart shows the growing number of registered brands in three countries between 1975 and 2000.

	USA	UK	Germany
1975	30.931	11.440	12.828
1995	85.557	33.400	21.934
2000	109.544	65.649	70.279

(Source: World Intellectual Property Organization)

According to Kotler, three factors lead to the increased number of brands: First, there was the need to adapt products to the specific needs of certain groups of consumers (segments), and even to smaller groups (niches). This was established through the application of segmentation strategies. Second, more brands make competitor attacks more difficult. It is harder to beat many brands all at once than to beat just the one that dominates a given category. Market atomisation also discourages new competitors from entering the market. Third, with more brands in the portfolio, the producer can negotiate better with the distributor. A higher discount offered on one brand compensates for a lower discount on another brand in the portfolio.

FINDINGS ABOUT BRANDING IN THE MORTGAGE MARKET

In the huge and competitive mortgage market all the Bank-Insurance companies are present with several (b-to-b) product brands.

1) Identity aspects

To get an answer on the main research question 'which identity aspects that the b-to-b brands have to secure in order to be a valuable subbrand in a multibrand organisation' at first the identity aspects and brand associations are identified that intermediates have of their existing suppliers. The yearly Image barometer of Blauw research is used. It is proved that intermediates do have clear brand associations of their providers. A parallel could be drawn with the study result which showed that consumers with a high expertise may make more use of brands than people with a moderate expertise, because experts are more familiar with the reliability of brand associations as a cue to evaluate a product (*Johnson, Soutar, and Sweeney 2000; Rao and Monroe 1988*) Intermediates evaluate about sixteen aspects of which 75% are related to CA-aspects. The identity aspect 'people' is the most important aspect around which the brand association is built.

(Very) important brand aspects	CA/CSR	Identity aspect
1. Keeping appointments	CA	people
2. Fast service	CA	people / process
3. Good acceptants / approvers	CA	people
4. Well-organized	CA	people / process
5. Competitive mortgages (interest-rates)	CA	price / product
6. Flexible	CA	people / process
7. Expertise	CA	people
8. Good / faultless administration	CA	people / process
9. Trust in the company	CSR	reputation
10. Good feeling about the company	CSR	reputation
11. Better performance than competition	CSR	reputation
12. Innovative products and services	CA	products
13. Wide product range	CA	products
14. Good reputation with consumers	CSR	reputation
15. Good Sales managers	CA	people
16. Attractive commissions	CA	price

2) Security of identity aspects in product brands

To investigate the research question in depth, qualitative interviews with independent intermediates were held. Because of the size of the sample, the results are not significant but indicative and useful for further quantitative research. As a checklist the 7 p's of the services marketing mix was used of (Lovelock & Wirtz, 2004): product, process, people, pricing, promotion, place and physical environment.

The main finding in this context was that the identity aspects product, process and especially people are the core competence of a mortgage-provider. The product brand must always diverge with the mother brand on these aspects to be a valuable brand towards intermediates. Except some specific process and IT related aspects might be shared. On the price aspect it is accepted that there are slight divergements within an acceptable range. With regard to the aspect promotion it is advised always to diverge and that business-to-business brands start consumer campaigns to help the intermediates in stressing the benefits of the specific product brand. Physical environment may converge and Internet will create new possibilities in the mortgage process.

MARKETING MIX ASPECTS TO BE SHARED WITH THE CORPORATE BRAND	Acceptable must converge	may converge	may diverge	Unacceptable must diverge
1. Product				X
2. Process		X		
3. People				X
4. Price			X	
5. Promotion				X
6. Place / distribution				X
7. Physical environment		X		

3) Level of corporate brand dominance

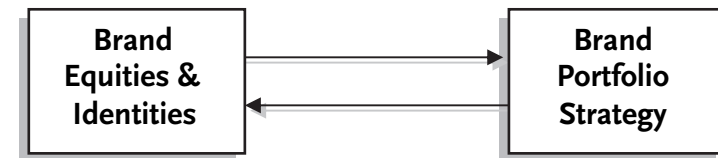
Further, the desired level of corporate dominance to the product brands is examined in the eyes of the intermediates. It is true that corporate brand dominance also influences the process of product brand evaluation by intermediates. In general endorsements will add value but there are some critical circumstances in which intermediates perceive an endorsement as not adding value. These circumstances are perceived 'misfit' in the distribution channel; perceived 'misfit' in image in the market segment; perceived 'misfit' in the core business on the demand side an perceived 'misfit' in involvement of employees. The stronger the misfit in these areas, the more it is preferred to diminish the corporate dominance and even refrain form endorsing. An interesting finding is that although on the supply side Bank-Insurance companies are

convinced that banking fits with insurance, the intermediates feel a difference in the activities of 'money taking' versus 'money giving'. When customers bring money, CSR-aspects like trust and confidence are more important then when customer take money. Highly monolithical operating corporations with both Bank and Insurance signals under one corporate umbrella brand need to be careful with possibly conflicting messages. A claim in banking will always be related to the application of the same claim in insurances and vice versa. Intermediates sometimes recall conflicting messages. A deeper quantitative research amongst intermediates and consumers is suggested to understand this perceived conflict in messaging between Bank- and Insurance activities to optimise the branding policies in this territory.

CORPORATE COMMUNICATION AND PORTFOLIO MANAGEMENT; RECOMMENDATIONS

According to Aaker (*Brand Portfolio Strategy, 2004*) a portfolio strategy should place brands in the right context. Knowing the brand's equity, identity and position strategy is a factor in making sure that the context is right. The future of a brand is not only related to its existing sales or market share but must also be valued on elements of brand equity like: awareness, reputation, differentiation energy, relevance, loyalty and extendibility.

The brand identity and the portfolio strategy are so intertwined that it is hard to develop one without the other. Without knowing the portfolio roles, it is hard to define a brand identity by deciding which associations should be enhanced or dialed down. Conversely, without knowing the brand identity it is hard to assign a brand to roles within the portfolio and to know where to take the portfolio strategy.



When a firm or provider establishes and maintains a distinctive place for itself and its offerings in the market, it is said to be successfully positioned. In the increasingly competitive service industry, effective positioning is one of marketing's most critical tasks. (G. Lynn Shostack, *Journal of Marketing, Vol. 51, January 1987 34-43*)

For some marketers (e.g. Ries and Trout 1981), positioning is strictly a communications issue. The product or service is a given and the objective is to manipulate consumer

perceptions of reality. As *Lovelock* (1984) rightly points out, however, positioning is more than just advertising and promotion. Market position can also be affected by pricing, distribution and, of course, the product itself, which is the core around which all positioning strategies revolve. So apart from promotion, pricing and distribution, the product is indeed a critical, manageable factor in positioning. Products often are engineered or changed in order to change its market position. Services are not things, however. *Mc Luhan* (1964) perhaps put it the best and most succinctly when he declared that the process is the product.

It is suggested that companies have to find an 'ideal' framework for the organization of the communication function, the communication process and the coordination of all forms of communication. The adoption and implementation of such an approach should actually make a difference to the success of corporate communication.

When companies explicitly choose not the monolithical road but the multi brand road, they have to install a coordinating body that is responsible for managing the brand portfolio.

Managing the brand portfolio starts with structures and systems of brand management. A person or group should be in charge of each brand. There should be a common brand planning system across all brands, and for each brand across all product-markets. The planning templates should be the same, using shared inputs, outputs, and vocabulary. But brand portfolio management also requires a mechanism to achieve portfolio goals, as well as the goals of a specific brand in a given product-market context.

The challenge of nowadays management in multi brand organizations is to create a healthy and focused brand portfolio and to take periodically a close look at the brands and line extension in the brand family to evaluate their roles and their performance in the different product categories and market segments. Create a village where all the different brands fit in and are productive. Marketing and communication officers should try to find a way in how to connect portfolio management and corporate communications in order to develop effective brand strategies for multi brand Bank-Insurance companies.

Henri Reuchlin

In Broad Strokes

Henri Reuchlin (1966) studied Chemical Engineering with a specialisation in bioprocess technology at the Delft University of Technology. He started his career as subcontract engineer for John

Brown Engineers and Constructors. In 1998 he joined the Centraal Brouwerij Kantoor (CBK), the association of the Dutch beer brewers, as manager for raw materials and technical

issues. Four years ago he became responsible for Public Relations and Public Affairs at CBK. Henri enjoys his beer best at home with his wife Saskia or in the company of good friends.

ABSTRACT

Introduction and problem definition

Every organization, and especially in a business environment, is concerned with the way it is perceived by its stakeholders. These stakeholders may be consumers, but also employees, financial institutions or government. This perception may be called the reputation of the organization. Reputation is considered by many as one of the fundamental resources for survival, on par with labour, capital and raw material. A favourable reputation leads to a better performance, not only on the marketplace, but also in labour and financial markets.

Many factors influencing reputation are well known and well researched. Criteria such as identity, vision and leadership, products and services, employment, social responsibility and financial performance are internal dimensions of reputation. But also external factors such as the country of origin and the industry to which it belongs, play an important role in stakeholder evaluation of the organization.

Although we note the effect of the industry to which a company belongs on its reputation, this phenomenon has received little attention. Perhaps this has to do with the fact that organizations from different industries do not compete in the common market place. On the other hand, generic industry reputation is important in several arena's, most notably the regulatory arena. Also on financial and labour markets organizations compete for limited resources. In case certain industries compete in a market of other limited resources, industrial reputation may be a point of interest as well. Finally, if the boundaries of a given industry are sufficiently narrow, organizations and products from one industry may even directly compete with organizations and products of related industries.

The observations made above lead to the following problem definition:

How and when can Industry Reputation contribute to Corporate Reputation?

The subsequent question is whether collective action to improve industry reputation through a trade association is advisable.

Surprisingly little is known about the effect of an industry on its constituent companies. For this reason first of all a thorough theoretical analysis is made, complemented with an analysis of initiatives in practice. The findings are discussed with communication professionals from several industry associations and with representatives from breweries, the industry of special interest in this thesis.

What is industry?

An industry is defined by the level to which participating companies possess the same characteristics - mainly defined by output. Industry boundaries are not cast in steel, but depend on the level of stakeholder involvement. This can be illustrated as a set of concentric spheres with the actual organizations in the middle.

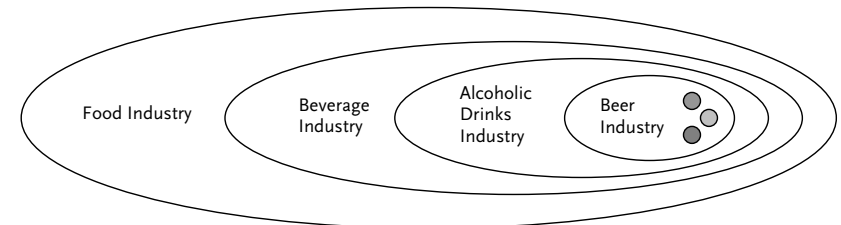


Figure a. An organization can at any one time belong to different industries, depending on the level of elaboration of categorization. In this representation the brewing industry is taken as an example. The grey dots represent individual breweries.

The more elaborated stakeholder involvement is, the less likely it is that an organization will be characterized by its industry. From this follows that different stakeholders will evaluate an organization in different ways, i.e. for neighbours a chemical company may be assessed on a company level with little impact of industry overall reputation, whereas for the general public industry characteristics will prevail. The central mechanism is that of categorization.

Basic mechanism

The basic mechanism explaining the relevance of industry reputation is that of categorization. People tend to classify organizations into categories and apply prior knowledge about the categories or schemas to evaluate new organizations. Industry stereotypes can play a constructive role of providing coherence, simplicity and predictably in complex decision settings. This industry stereotype then gets its own set of associations and reputation. The level of involvement of stakeholders will be different for the market leader than for other companies within the industry. The market leader has a strong influence on the industry whereas the industry has the strongest effect on the less important players. The process of categorization by industry is analogous to the country of origin effect.

Usually an organization will strive to express its differentiation from other companies. The laws of marketing demand an organization or a product to stand out from the crowd. To be able to do this however, first a common ground needs to be established to be different from. Organizations are torn between two opposing forces, the force to belong to a certain industry, which will help stakeholders to categorize the organization, and the force to be different from its peers. In this dynamic equilibrium concerted action may be useful to increase the level of the industry as a whole. The decision whether this should be a collective action, or based on actions of individual industry members, depends on the structure of the market and the nature of the issue.

Another aspect of stakeholders not being able to differentiate between constituent companies within an industry is that industry reputation behaves like a common resource. This means that industry reputation is not attributable to any one organization but applies to all.

From a theoretical point of view the role of industry reputation is based on three aspects:

- Industry operates as a platform of sameness, from which companies can draw their distinction. If the reputational level of this platform rises, the level of the corporate reputations of organizations within this category rises accordingly.
- Categorization makes evaluation by stakeholders possible. The level of elaboration is mirrored by the involvement of the stakeholder. For a stakeholder with low involvement but high impact, industry reputation plays an important role
- Reputation can be seen as a common pool of resources that is shared by many, without being attributed to any specifically. Like the sea is to fishermen, all enjoy its resources, and just one can spoil the resource for all by irresponsible behaviour.

Licence to exist

A useful tool to guide our thoughts is to regard any organization to be dependent on several licences in order to be able to exist. These licences are the licence to produce, the formal regulatory licences which are granted by Authority; the licence to operate, an informal licence granted by citizens within a social sphere, whether or not is respectable to operate that organization; and the licence to sell, which is granted by the consumer who consumes the products or services from the organization. Note that the same individual can behave at one time as consumer and at another as citizen. This partly explains why “the general public” favours biologically grown food, while the sales in shops remain sluggish.

Without the ‘licences’ it is impossible for any organization to prosper. These licences are presented in figure b.

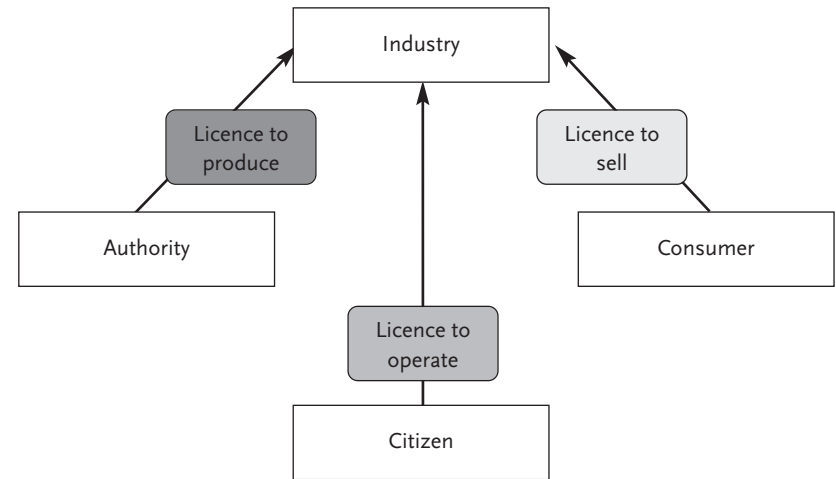


Figure b. Map of permitting relationships, or ‘licences’ between industry and several key stakeholders¹

Given the fact that involvement of the stakeholder is usually lower in case of the licence to operate than the licence to sell, it follows that the impact of industry reputation on the first is more profound.

Practice

Several industries have started initiatives to improve the reputation of the industry or the related product category. The study shows examples from several industries in the Netherlands and from different initiatives in the brewing industry world wide. An important finding from practice is that collective action is more desirable under adverse conditions. When companies are dealing with a negative issue, they tend to make as many partners as possible. Whether it is the decline in sales or the emergence of a threatening issue, there always seems to be a negative incentive for action. Smearing

¹ Dutilh, C.E. (2003) *Unilever and Sustainable Development as presented during the International Conference on Globalization and National Environmental Policy, Veldhoven, September 22, 2003.*

the issue out over an industry makes a single organization less vulnerable. This is especially true for the market leader, who, as the most visible organization, will attract the lion share of attention. Sometimes adversaries will single out the dominant organization over an issue in order to avoid having to fight a grey mass of a whole sector. An interesting point of note is that industry initiatives seem to thrive in the absence of strong brand management.

In conclusion it can be noted that collective campaigns tend to be conducted when two criteria are met:

- An external threat
- Absence from strong (consumer) brands

However the recent examples from the beer industry show that the second condition might succumb to the first one.

Model

Armed with information from theory and practice, a model for the influence of industry reputation is constructed. Besides this model, both theory and practice lead to some critical success factors that will determine whether it is advisable to improve corporate reputation through industry reputation. The relationship between industry reputation and corporate reputation is not a one way street. They mutually influence each other.

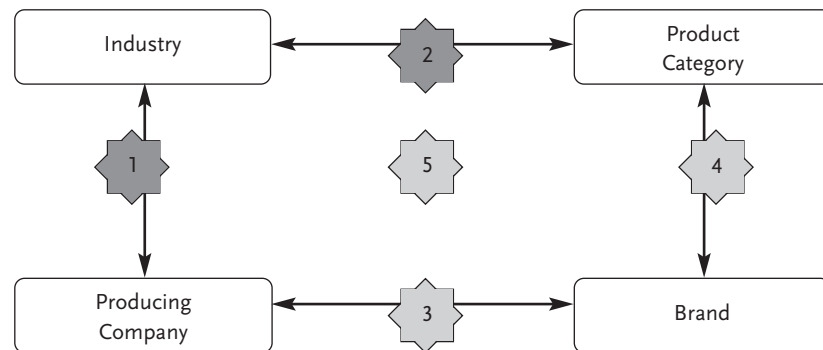


Figure c. Square of Industry Reputation influencing Corporate Reputation and the Product Category.

The current thesis focuses primarily on relationship 1, and to a minor extent on relationship 2.

If we combine the square of industry reputation with the different 'licences' a industry can obtain, we get an interesting box to guide our thoughts. These licences are:

- The licence to sell when the stakeholder of focus is the consumer
- The licence to operate when the stakeholder of focus is the citizen
- The licence to produce when the stakeholder of focus is authority

Note that these licences operate in a continuum.

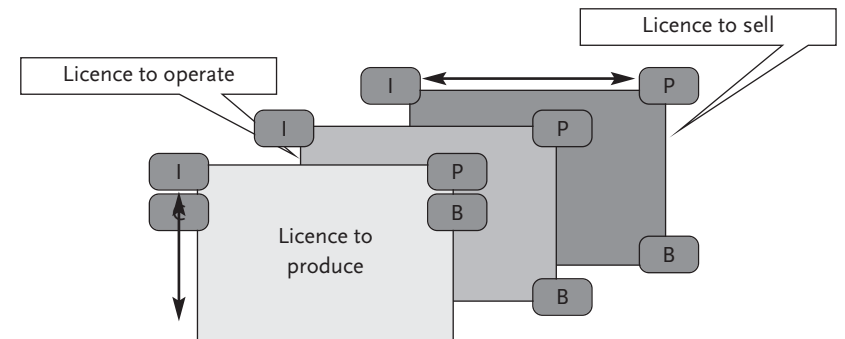


Figure d. When the square of Industry Reputation is placed in a continuum of stakeholders, a box of licences becomes apparent

The more we move from a “licence to sell” to a “licence to produce”, the importance of the relationship between industry and producing company will take precedence over the relationship between industry and product category. At the same time, we move from reputation to legitimacy. This is the reason trade associations predominantly focus on these relationships. Thirdly, categorization is not as elaborate on a licence to produce level as a licence to sell level. Therefore the industry reputation becomes more important when considering the licence to produce.

The model presented above provides some useful insights in the relationships between industry reputation and corporate reputation or the product category. It does not, however, take into account the critical success factors for collective action, when a raise in industry reputation can help improve corporate reputation.

From theory and practice the following considerations for success have been distilled:

- a. Involvement of the stakeholder.
The mechanism behind the relevance of industry reputation is categorization. If a stakeholder has a low involvement with the industry, industry reputation more than corporate reputation will guide his opinion.
- b. Market structure, distribution of market shares
A fragmented market or a market characterized by weak brands will favour activities to improve generic industry reputation
- c. Offensive or defensive initiative
Every organization likes to be uniquely connected with positive issues. Negative issues are left as generic as possible. An industry initiative therefore is often defensive in nature, trying to correct a negative issue.

A discussion with communication professionals from the brewing industry and two industry associations confirmed the general findings of this thesis.

Karin Roeleveld

Professional communications in midsize organisations

Factors influencing the integration of communication

Karin Roeleveld (1964) is a self employed interim communication professional, and has recently worked for industrial companies like Nerefco, Electrabel, Essent and consultancy firms like KPMG, PricewaterhouseCoopers, Tridion and GITP.

She started her working life back in 1982 at Eurocard in a support function in which she dealt from the sideline with communication projects and reputation issues. Soon she realized that this was the field in which she wanted to develop. She climbed both the communication and the marketing ladder gaining experience in both fields through working experience and additional training.

In 1990 she was expatriated to the European headquarters of Texas Instruments Villeneuve-Loubet (near Nice, France) where she was appointed Internal Communication Manager with additional tasks as Market Research Analyst. A massive reorganization decimated the central department and Karin opted out to study French language and literature at the University of Nice.

In 1993 she moved to Strasbourg (France) where she became Group Communications Manager of Wärtsilä Diesel International, a Finnish listed company. For this truly international function she travelled all continents to fully integrate

all newly acquired companies and to support autonomous growth in new areas.

Mid 1995 she and her husband Jeroen Koot moved back to the Netherlands to lay the basis for a Dutch family life with the arrival of Berend in 1995, Veerle in 1997 and Merel in 1998. Karin started her own company in 2001 and developed further in the field of aligning corporate communication to corporate strategy for which the MCC course gave new insights.

The family lives in Zeist and enjoys sailing, mountain biking, skiing and cooking.

INTRODUCTION

Research was done to examine:

which factors influence the integration of communication and the related reputation management at midsize organisations

The following five research questions were investigated:

1. Is it necessary for professional communications that all communication disciplines are reporting to one person?
2. What is the influence of leadership on the level of integration of communication?
3. Is corporate culture of influence on the integration of communication?
4. Does the market, in which an organisation operates, oblige professional communication?
5. Does research have a positive effect on the integration of communication?

Research

The research has focused on both literature as well as qualitative research. Interviews with 21 midsize organisations have been done and the following topics were discussed:

- The market in which they operate
- How they communicate
- How communication plans are made
- How the communication function is organized
- How they perceive their own reputation
- The role of the leadership and the corporate culture.

To get a balanced view I have researched a mix of organisations, some in the services sector, some industrial firms, an association, a small bank and (former) public state enterprises. Furthermore I looked for different organisational structures, partner structure, family owned business, everybody on the payroll and directors with major share packages. The organisations have between 80 and 700 employees (with four exceptions: one was smaller and three organisations were substantially bigger) and have communication departments that varied from 1 to 8 persons (here were 4 exceptions with 9, 10, 12 & 18 fte).

Definition of integrated communication

To the persons interviewed the following definition of integrated communication was given:

Well integrated communication supports the overall communication goals and looks per communication discipline if it is possible to accomplish positive spin off for other communication disciplines. The words 'integrated communication' may also be read as 'professional communication'.

Literature research was done: leitmotiv in the works of all scholars, coordination, synergy and added value, consistency and consensus, integration in business policies (management instrument), internal and external stakeholders.

CONCLUSIONS

One cannot draw one overall conclusion on the group of 'midsize organisations', the group was too diverse and the differences were too big. The group of midsize organisations however, can be divided in three groups with similarities:

1. The 'do it yourself' management
2. 'Caught in the middle' organisations
3. Professional organisations

1. The 'do it yourself' management

These organisations handle their communications and reputation management as if they were small size companies. The CEO has his very specific own ideas about communications and is supported by a secretary or communication staff member (sometimes with additional help from external agencies). The level of professionalism is directly linked to level of competence of the CEO in this field and the priorities given to reputation management (both positively as negatively).

2. 'Caught in the middle' organisations

These organisations communicate in so many ways through so many means that several communication staff are hired to execute the programs. These organisations do not employ a communications professional who is able to address reputation related issues on management level.

About half of the organisations researched in this study classify as a 'caught in the middle' organisation. The following remarks (there is some overlap) are valid for almost all organisations in this group:

- Ignorance: Many CEO's do not see the true value of reputation management or do not act accordingly. They think that reputation management is something for the communications department and that is has to do with the production of communication means
- Not the right staff: Midsize organisations cannot afford to hire top professionals in all disciplines, this is also true for the communication function
- Not enough management: Without clear directions communication staff tend to be very service minded to all the different departments without putting much emphasis on the overall picture
- No overview: Departments of around three staff members bear the most risk in the non integration of communication. Everybody is very busy with his/her own communication discipline and nobody has the overview nor the authority to improve the integration of communication
- No time: The CEO has no time anymore to give personal guidance and the communication staff is not professional enough to fill in the role of CRO.

3. Professional organisations

These organisations consider reputation management as an important success factor to the organisation. Therefore they have hired professional communication staff on management level to constantly work on improving the reputation.

In this group two types of organisations were found:

The larger organisations within the definition of midsize organisations. Organisations that have a midsize communications department (between 5 and 10 fte) headed by a communications professional on management level who has sufficient resources available.

The second group within this category form the organisations where 'value creation' is an important driver. The organisations have been acquired via a management buy in or are financed by venture capitalists. For these companies turnover and profit are important, but they are also managed on value creation. Investors in these ventures realize that the value of a company is heavily related to the reputation of the organisation. Therefore reputation management is an integral part of the corporate strategy and works as catalyst on the success of the company. The CEO of this type of organisation very naturally fills in the role of CRO and have themselves supported by the best communications professionals they can get.

HYPOTHESES

Based on many years of working experience in the field the following hypotheses were formulated:

1. I expect to find that successfully integrated communication is done in a setting where all communication disciplines report to one person which values integration of communication
2. I expect to find that within organisations with a strong corporate culture (where everybody is aware of the goals) integrated communication is practised naturally without much steering or interventions
3. I expect to find that organisations that do and value research to benefit from this research
4. I expect to find that organisations with small(er) budgets will be more inventive to look for positive spin off to other communication disciplines

The first three hypotheses were substantiated, both from the research as well as from literature findings. The answer to the fourth hypothesis is more complicated as there was only one organisation in the research that indicated that the budgets were smaller than wished. Although they found the solution according to H4 it would not enough proof to confirm this hypothesis. However, there were five organisations that indicated that they had so much budget to spend that almost any initiative could materialize. As disadvantage they indicated that it was not having a positive effect on the integration of communication. Based on these additional findings one can conclude that H4 is substantiated as well.

CONCLUSIONS AND RECOMMENDATIONS PER FACTOR OF INFLUENCE

To get a picture of which factors are of influence and the level of integration of communication the following five themes were discussed with the interviewees.

1. The influence of the organisation of the communication function

Is it necessary for professional communications that all communication disciplines are reporting to one person?

The research findings indicate that when marketing & communication are integrated in one department or when reporting to the same position there is more integration and thus more professional communication. This leads to working more constructively

on the reputation of the organisation. These findings are confirmed in the research of Prof. J. Cornelissen (in his book *Corporate Communications – Theory and Practise*, 2004) and Prof. William Ehling, Prof. Jon White and Prof. James E. Grunig (in their book *Excellence in Public Relations and Communications Management*, 1992.)

Recommendations

Ideally marketing and communication is integrated in the corporate communications department. If this is not possible the following recommendations will have a positive influence:

- If there is a compelling reason to organize Marketing separately, have the execution of marketing communication done by the corporate communications department to minimize miscommunications
- Have Marketing & Corporate Communication plans approved by top management and formulate common goals
- Make Marketing also responsible for the corporate reputation and turn this into a bonus criterion, so that Marketing will not only focus on their own (short term) goals, but will support the reputation of the organisation
- The CEO needs to be involved in reputation management and needs to assure that common goals are leading. The CEO needs to behave as an example
- Cater for good information exchange between Marketing & Corporate Communication so that information about customers, society, etc. are well known to everybody.
- Make sure there is a power balance between Marketing & Corporate Communication. When the latter is 'only' a staff function the CEO needs to advocate the importance of reputation management to the organisation.

2. What is the influence of the leadership on the level of integration of communication?

The following aspects have a positive effect on the integration of communication:

- The CEO understands the importance of reputation management, stores up knowledge and acts upon this knowledge
- Communication/Reputation management is an integral part of the corporate strategy
- The CEO puts time and effort in reputation management and supports the professionals in the execution
- The CEO has a vision and sets clear goals

- The CEO leads by example by showing that he/she values co-operation and positive spill over effects
- The CEO takes care of alignment. He/she aligns the organisation, the goals and the bonus structures to the corporate strategy. Ideally marketing & communication is integrated in one department.
- The CEO fills in the role of CRO
- The CEO capitalizes on the corporate culture in a way that it can work as a catalyst on professional communication
- The CEO makes sure that he/she is well informed on developments in the market, society and the own organisation.

Recommendations

The above conclusions from the research can serve as recommendations. In addition to this, one can add the role of corporate communications (or CRO function).

- A professional communication manager should be hired with authority and oversight of all communication disciplines. (Or the CEO should fill in the role as well). This function has a positive influence on the integration of communication and the pro-activity directed to the rest of the organisation.
- The corporate communication manager should have enough time for overview and integration
- The corporate communication department should be big enough to address reputation issues
- Internal communication should be addressed more seriously. Internal communication has great influence on corporate culture, which is an too important driver of reputation management not to integrate in the overall communication strategy

3. Is the corporate culture of influence on the integration of communication?

The research was not thorough enough to be able to indicated which dimensions (of Sanders & Neuijen) have which kind of effect on the integration, but the findings form the research show clearly that there are three possibilities:

- The corporate culture works as a catalyst on the integration of communication (f.i. organisations that are very open and focussed on teamwork)
- The corporate culture slows down the integration of communication (f.i. (semi) government bodies that find themselves in market circumstances, see also Vijay Sathe)
- The corporate culture is of no influence to the integration of communication, there is a status quo.

Recommendations

The research only confirms that corporate culture can be a factor of influence. This makes it a factor to take into account. Internal research is necessary to analyse to what extent the corporate culture supports the corporate strategy.

4. Does the market, in which an organisation operates, oblige professional communication?

The market can be of influence on the integration of communication. In some markets communication is done so professionally that it becomes 'a license to operate'. In other markets the level of integration can be less of a problem, especially in 'isolated' markets. Organisations that have to deal with politics and public opinion tend to run major risks when not communicating in an integrated way. Furthermore market leadership obliges integrated communication, market leaders are more scrutinized and 'errors' count more heavily.

Recommendations

It is essential to make an analysis of the market situation to be able to evaluate the need for reputation management. When professional reputation management is a factor of growing importance, the corporate strategy needs to be adjusted and the organisation needs to be aligned to this. When professional reputation management is not something that is dictated by the market is to be advised to investigate if integrated communication might be a good idea from an efficiency stand point. A well managed reputation is also of great value in case of a crisis.

5. Does research have a positive effect on the integration of communication?

Only a part of the research efforts lead to more integrated communication. Research has only a positive effect on the integration of communication when research goals are fixed upfront. One needs to know beforehand what kind of information is needed to be able to better manage the corporate reputation.

Recommendations

Research alone is not enough; integration of research goals is the most important.

- State upfront what you want to achieve with the research findings, which management information is needed to be able to make adjustments
- Exchange research findings with other department in the organisation (f.i. employee and customers satisfaction surveys)
- Analyse data which is available within the company (web statistics, sales figures etc.) and try to connect them
- Combine internal data with external surveys (reputation research etc.)
- Make sure that the different research findings fit to be able to draw the total picture.

The above findings and recommendations are very much in line with what Prof. Paul A. Argenti describes in this book *Corporate Communication* (2003) in Chapter 3: An overview of the Corporate Communication Function (page 51): "The success of a company's Communications strategy is largely contingent on how closely the communication strategy is linked to the strategy of the business as a whole. In addition to thoughtful design and careful planning of firm strategy, a company must have a strong corporate communication function to support its mission and vision. While the investor relations functions could be in the treasury department of a company, the internal communication function within the human resources department, and the customer relations function within the marketing department, all of these activities require communication strategies that are connected to the central mission of the firm. Corporate communicators must have not only a firm grasp of rapidly evolving technology but also an understanding of prevalent cultural issues, political trends, and shifting demographics, to keep themselves in tune with companies' diverse constituencies. In this way, the corporate communication function must add context and actively support the activities of the entire corporation."

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Mark Zellenrath

A Sticky Past

Mark Zellenrath is currently responsible for communications and public policy of UPC, Nederland, the largest cable operator in the Netherland. He works with a highly motivated team to improve the reputation of

UPC, one of the most exiting companies in the Netherlands to work for. Previously he worked as European public affairs manager for TNT/TPG and KPN in Brussels, and as spokesman for KPN. Mark studied Modern History at the

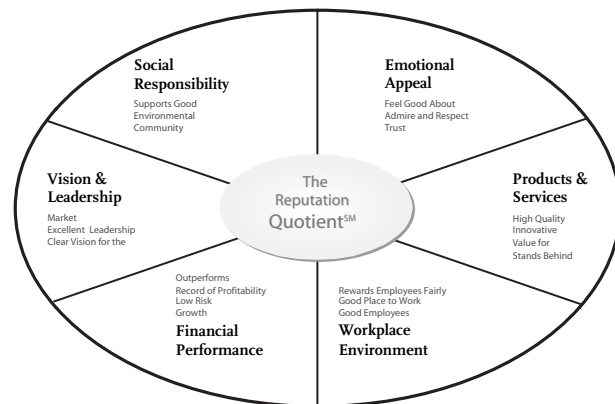
University of Utrecht. The historian Maarten van Rossem was his mentor. Mark lives together with his partner Wietske and two daughters Sterre and Anna in Huizen.

EXECUTIVE SUMMARY

My thesis, called 'A Sticky Past' is a thorough case study in which I applied Fombrun, C.J., Riel, C.B.M. (2003), *Fame & Fortune. How successful companies build winning reputations*, Prentice Hall, Upper Saddle River. I used this study as a framework for my investigations to uncover the corporate reputation of UPC. Corporate reputation is defined as the aggregate impression held by all the stakeholders of a company including clients, suppliers, investors, journalists, the labour market, social service organizations, governments, the business community and the public. I tried to find answers on the question why the reputation of the company is at it is and how it can be changed for the better. Actually, I have conducted the analysis as a basis for reputation management..

I applied Van Riel's and Fombrun's study using Reputation Quotient studies on UPC from the Reputation Institute. These studies are available from 2001 up to present. These studies have been proclaimed as 'a validated, robust research instrument with reliable criteria for the measurement of reputations'. I also made use of an extensive press analysis, derived from the RQ method. With the help of Lexis Nexis I have analyzed press publications concerning UPC during the period 1999-2005. My findings were supported by other consumer, press and stakeholder studies.

Fombrun and Van Riel conclude in *Fame and Fortune* that when people name a company that they do or do not like, they give explanations that can be classified within 6 dimensions: Emotional Appeal (EA), Products & Services (PS), Social Responsibility (SR), Vision & Leadership (VL), Workplace Environment (WE) and Financial Performance (FP) (see figure 2.2). Fombrun and Van Riel distinguish 20 attributes, which are also mentioned in figure 2. In the investigation into the reputation of a company the attributes are each measured on a 7-point scale.



Each RQ is calculated by summing the ratings for the individual RQ attributes, dividing by the total possible score (i.e. 7x total number of attribute answers) and multiplying by 100. The highest possible RQ score is 100.

The reputation is determined on the basis of the criteria mentioned above. The analysis of the reputation of UPC, looking at all dimensions of the reputation of UPC, both for consumers, stakeholders and press, support the conclusions of Van Riel and Fombrun in *Fame and Fortune* that:

- Most consumers ascribe high reputations to companies they like, trust and admire—the components of a company's "emotional appeal".
- Perceptions of a company's products and services are the key factor driving emotional appeal and hence overall reputation. The communications initiatives of companies seeking to improve their reputations should therefore heavily emphasize product quality, innovation and value.
- Perceptions of a company's workplace environment and social responsibility are significant predictors of how well consumers rate a company. Knowingly or not, consumers psychologically support companies that they perceive as behaving fairly and responsibly towards employees and communities.
- Interestingly, differences in perceived financial performance and leadership had little effect on consumer ratings of corporate reputation. In forming impressions of companies, these core business factors are clearly discounted by the public.'

My analysis also supports the conclusion that the dimension Products and Services is the most important for the overall reputation of a company.

Looking at the dimensions which determine the reputation of a company, one of the most important conclusions of my study is that the past of a company can be very sticky. For instance, in the case of UPC the following factors played a very sticky role.

- It is difficult for the company that it does not have a long history (such as that of Philips, for instance). Due to this deficiency, UPC and other cable companies are at a disadvantage when people are asked what they think of the company in comparison to a company such as Philips.
- UPC is a company that began as a colourful collection of utility companies. Still many people see it as a utility with all its negative connotations.
- Finally, the company is not a Dutch company; at least it is not seen as such by many stakeholders. And just the fact that your roots lie in the Netherlands ensure companies you stand a rung higher on the reputation ladder. UPC cannot profit from this; the company is seen as an American company. UPC suffers from the mixed feelings which exist in the Netherlands about America.

The perceptions of the customers of cable companies and other stakeholders are formed and moulded within the context established above. UPC and other cable companies have to deal with historical determined reputation disadvantages mentioned above. The past proves sticky, the analysis of RQ studies and the press shows. Much of the reputation can be improved by performing well. UPC succeeds in this to an increasing degree. The young company is, in this sense, reaching maturity. The emotional appeal begins to improve further, strongly linked to improved products and customer care.

Performing well is one thing. But UPC can improve its reputation very much by improving its communication, my analysis shows. In my investigation I have considered the communication aspects that Van Riel and Fombrun present in their book *Fame and Fortune*. These aspects are:

- Visibility
- Authenticity
- Transparency
- Consistency
- Distinctiveness

In my study I applied these aspects on the different dimensions of the reputation. This gives a clear vision on the strengths and weaknesses of the communication of UPC and makes it possible to scan where the communications strategy needs improvement. The analysis shows for instance very clearly that UPC is still invisible as an employer. Also the activities in deploys in the field of social responsibility are still invisible for its stakeholders. It makes it possible to define a strategy on clear themes. Concrete programmes with clear principles, core messages, support, resources and activities can be developed on the basis of the themes and issues. My study also stresses the importance of integrated communications. It also makes clear that implementation of the communication strategy is a long term effort, which should take into account that strategy needs constant adaptation to changes circumstances and images people have of the company.

One important conclusion of this analysis is that it is a strong advantage for a company when the mission, vision and strategy of the company are formulated clearly. It also helps very much when the identity is clear. The study also reveals the necessity of a constant dialogue with all stakeholders. But therefore a clear vision and mission are essential and is integrated communications a must. Taking these conclusions into account a company follows a safe route to detach itself from the sticky elements of its past. I showed that UPC is taking that route.