TOWARDS A CONCEPTUAL MODEL OF THE RELATIONSHIP BETWEEN CORPORATE TRUST AND CORPORATE REPUTATION

by

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DECLARATION

I hereby declare that this thesis, which I submit for the degree PhD Communication Management in the Faculty of Economic and Management Sciences at the University of Pretoria, is my own work and has not been submitted by me for a degree at another university.

WAJ van der Merwe

11 February 2013

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ABSTRACT

This study endeavours to conceptualise the corporate trust construct and its relationship with corporate reputation more holistically, to address the current perceived lack of conceptual clarity of the relationship between these two constructs.

The key premise of this study is that a for-profit organisation's ability to generate sustainable wealth over time and ensure its own long-term economic sustainability is related to its relationship with its entire stakeholder network. Since an organisation is dependent on its stakeholders' approval, commitment and supportive behaviour, it is important to understand what influences and drives their perceptions and assessment of an organisation, and their decision to support it. This highlights the importance of understanding the relationship between corporate reputation and corporate trust.

For this purpose this researcher has developed a conceptual model founded on basic, theoretical research, with the aim of clarifying current and existing theory and providing a new theoretical perspective. A conceptual model is a simplified and systematic representation of reality, which is made explicit in some abstract form. The descriptive and explicative properties of a model delineate the complex elements of the system more clearly, which fosters systematic thinking and enhances understanding.

The model developed as the result of this study suggests an inverse direction to the generally accepted view in current literature of the relationship between corporate trust and corporate reputation. Where trust is usually regarded as an attribute or antecedent of corporate reputation, this study has conceptualised trust as an outcome of corporate reputation and as the more comprehensive construct in the relationship.

Corporate reputation has been conceptualised as being merely a means to an end – to earn stakeholders' trust and thus their commitment and continued support – and not as an end in itself.

Trustworthiness, and not trust, has been identified as the key driver of corporate reputation. Seven key areas in which an organisation should display its trustworthiness

have been identified. These are proposed as the new antecedents of corporate reputation in order to build a reputation that will lead to stakeholders' trust and support.

Finally, recommendations have been made and the areas requiring further research have been identified.

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