

CHAPTER 7

A CONCEPTUALISATION OF THE RELATIONSHIP BETWEEN CORPORATE TRUST AND CORPORATE REPUTATION

1 INTRODUCTION: TOWARDS A CONCEPTUAL MODEL

The key premise of this study is that a for-profit organisation's ability to generate sustainable wealth and ensure its own commercial sustainability over time is dependent on its stakeholders' continued commitment and supportive behaviour, which in turn is dependent on the level of trust its stakeholders have in the organisation.

Since a for-profit organisation as a social system will not be able to operate sustainably without the approval and support of its stakeholders, this study contends that the loss of its stakeholders' trust is regarded as one of the most significant threats to the long-term economic sustainability of an organisation. As such, this researcher then argues in this study that any organisation that wants to implement its strategy and ensure long-term sustained growth needs to create trust between itself and all its internal and external stakeholders. It is held that an organisation can do this when it both *becomes* and *is seen to be* a trustworthy and ethical organisation, which highlights the importance of understanding the relationship between corporate trust and corporate reputation.

Based on the perceived lack of conceptual clarity of the corporate trust construct and its relationship with corporate reputation, the primary purpose of this study is to explore the concept, dimensions and variables of trust, in relation to reputation, within a corporate context and a framework of corporate sustainability, with the aim of developing a conceptual model of the relationship between these two constructs.

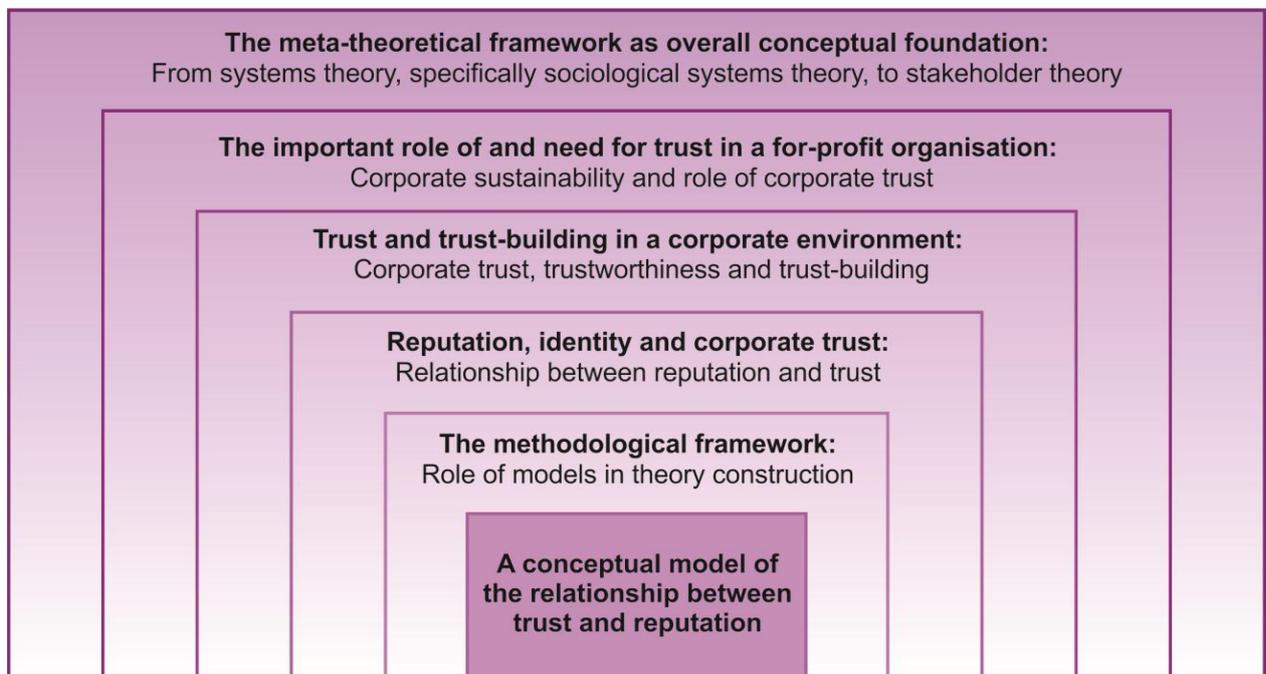
In order to conceptualise the corporate trust construct and its relationship with corporate reputation more holistically, this researcher used the existent literature to investigate the nature and meaning of and relationships between the concepts of corporate sustainability, corporate trust and trustworthiness and corporate reputation, in relation to corporate identity.

Since this is a conceptual study with a methodological focus on the role of models in theory construction, the researcher presents the summation of her study in a number of tables and figures, preparatory to presenting the conceptual model delineating the relationship between corporate trust and corporate reputation as the final outcome.

2 OUTLINE OF CHAPTER CONTENT

The content of this chapter is presented in line with the conceptual framework for this study, as presented in Chapter 1. For ease of reference, it is repeated here.

An outline of the overall conceptual foundation of this study



First, this researcher presents a table outlining and summarising the meta-theoretical framework as the overall conceptual foundation of this study, in order to contextualise her view of the corporate and social environment as held in this study, and to recap the key points regarding the theoretical foundation for the corporate/organisational, trust, reputation and stakeholder constructs.

Next, the researcher reiterates the important role of and need for trust in a for-profit organisation with a figure outlining the existing organisational approaches towards

sustainability as well as the proactive, ethical approach proposed by this study, based on the difference in the governance framework and stakeholder focus being applied. A figure proposing and illustrating this researcher's concept of corporate sustainability, with ethics as its core and underlying rationality, concludes this discussion.

Following this, the researcher provides two figures as a summary explanation of her concept of trust and trust-building in a corporate environment. The first figure, as provided earlier in Chapter 4, reiterates the difference between trust and trustworthiness, and provides the key antecedents of trust. A figure representing the continuum of corporate trustworthiness, based on the presence and level of the seven key antecedents of trust, is then presented.

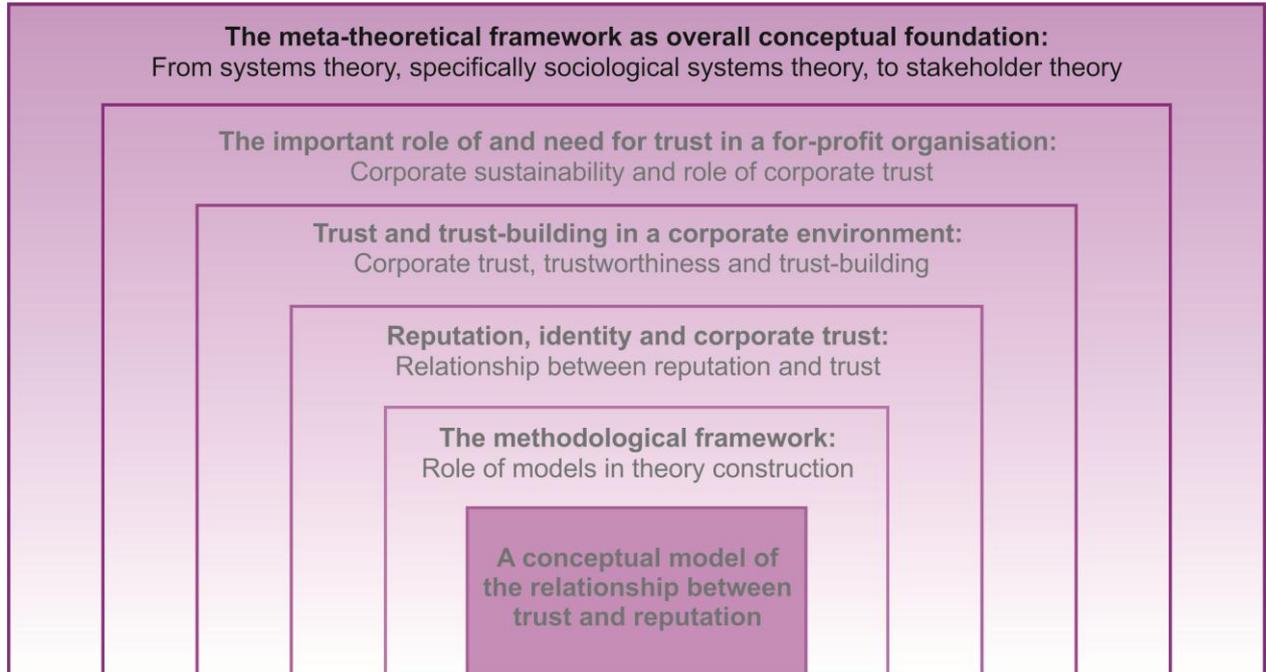
Finally, the chapter dealing with the constructs of and relationships between corporate reputation, identity and trust is summarised in a number of tables and figures. The existing approaches in literature to defining and conceptualising corporate reputation as well as this researcher's new strategic alignment approach to the reputation paradigm within the corporate identity/trust framework are outlined briefly and her *Strategic Alignment Reputation Framework* presented in Chapter 5, which aims to illustrate the basis of the reputation management process, is recapped and explained.

This researcher then disaggregates the key elements of corporate reputation in relation to the identity/trust relationship in order to clarify the interrelationship between these constructs, before outlining a summary of the high-level process of establishing a sustainable, trustworthy reputation that will earn stakeholders' trust, and therefore their support. The researcher concludes the overview of these three constructs by providing a framework that illustrates the corporate identity/reputation/trust process towards long-term corporate sustainability and highlights the strategic role of corporate communication.

The researcher concludes this chapter by proposing her definitive conceptual model of the relationship between corporate trust and corporate reputation as the outcome of this study.

3 SYSTEMS/STAKEHOLDER THEORY: THE CONCEPTUAL FOUNDATION

3.1 POSITION IN THE CONCEPTUAL FRAMEWORK



3.2 SUMMATION OF THE CONCEPTUAL FOUNDATION OF THIS STUDY

In order to clarify and conceptualise the need for as well as the relationship between corporate trust and corporate reputation, the conceptual foundation of this study (as presented in Chapter 2) had as key objective to first contextualise a for-profit organisation as an open social system and a social actor in its own right; one that is dependent on the social environment – the supra-system – in which it operates, as well as one that is capable of acting purposefully and adapting to feedback from its social environment (stakeholders), to ensure its continued systemic growth and survival.

The overview of the theory of organisations, and the organising process theory as a specific approach, was aimed at clarifying the development and evolvement of the nature of organisations since the founding of the early bureaucratic organisations.

This discussion highlighted the fact that a for-profit organisation has to contend with broader societal issues if it wants to thrive, despite the fact that there has been a period in the latter part of the twentieth century where there was a disconnection; where commercial organisations focused more internally on their own improved efficiencies and profits, and less on the impact they had on society. However, due to the changes in society, the rise of the stakeholder view, stakeholders' increasing power to mobilise and act against organisations that they disagree with, and the challenges that for-profit organisations face at the start of the twenty-first century, the increasing focus being placed on the role of and need for values, ethics, cultural processes and meaning systems in commercial organisations was emphasised.

The social theory, as well as the theory of action and decision theory as specific approaches to this theory, was then reviewed in order to lay the theoretical foundation for the corporate trust construct. The independent and purposeful nature of a for-profit organisation as a social actor in its own right, as well as its dependency on its successful interaction with its environment, was again highlighted. The connection between an organisation's intentions and actions, its interaction with its environment and the consequences of its actions were then outlined, in order to position the relevance of consistent organisational behaviour and to contextualise ethics as a critical guide to ensuring consistent trustworthy action and behaviour. This provided a sound basis for and clear link with the corporate trust construct.

As part of the theoretical foundation for the reputation construct, the social identity theory was examined in order to determine when, how and under what circumstances an individual will cognitively, emotionally and behaviourally identify with, commit to and trust another individual. Based on this, the organisational identity theory was then reviewed to determine the factors that are crucial in an organisational environment, which is subject to a more complex and less interpersonal relationship.

The importance of shared values/value congruence was again emphasised, and the organisation's ability to foster a sense of group identity with its stakeholders, because it connects symbolically with them through its behaviour, appearance and its communication and reputation-building activities, was established.

Corporate identity as a construct, contextualised as the character of an organisation, which is determined and displayed by its collective presentation of who it wants to be, who it is and what it says about itself, was then explored. The need for strategic alignment between its vision, behaviour, appearance and speech, in order to be and be perceived as ethical and trustworthy by its stakeholders, was highlighted.

In concluding the theoretical foundation for this study, the stakeholder theory was examined, and the concept of stakeholder capitalism in particular was highlighted, to clarify that a for-profit organisation is dependent on the approval and support of all its stakeholders to operate. However, it was also emphasised that the adoption of an inclusive stakeholder approach will do more than just ensure that an organisation retains its licence to operate, in that it can lead to creating more value for the organisation – to making capitalism work better.

This allowed for the contextualisation of corporate trust as an outcome of systemic behaviour, in terms of how ethically and trustworthy an organisation interacts with its stakeholders and environment. The continued need for stakeholders' approval of its actions, which will ensure its continued performance and chances of survival, was emphasised, and this allowed for the positioning of the importance of ensuring and acting on feedback from its stakeholders.

3.3 OVERVIEW OF FIGURE PRESENTED AS A SUMMARY ILLUSTRATION

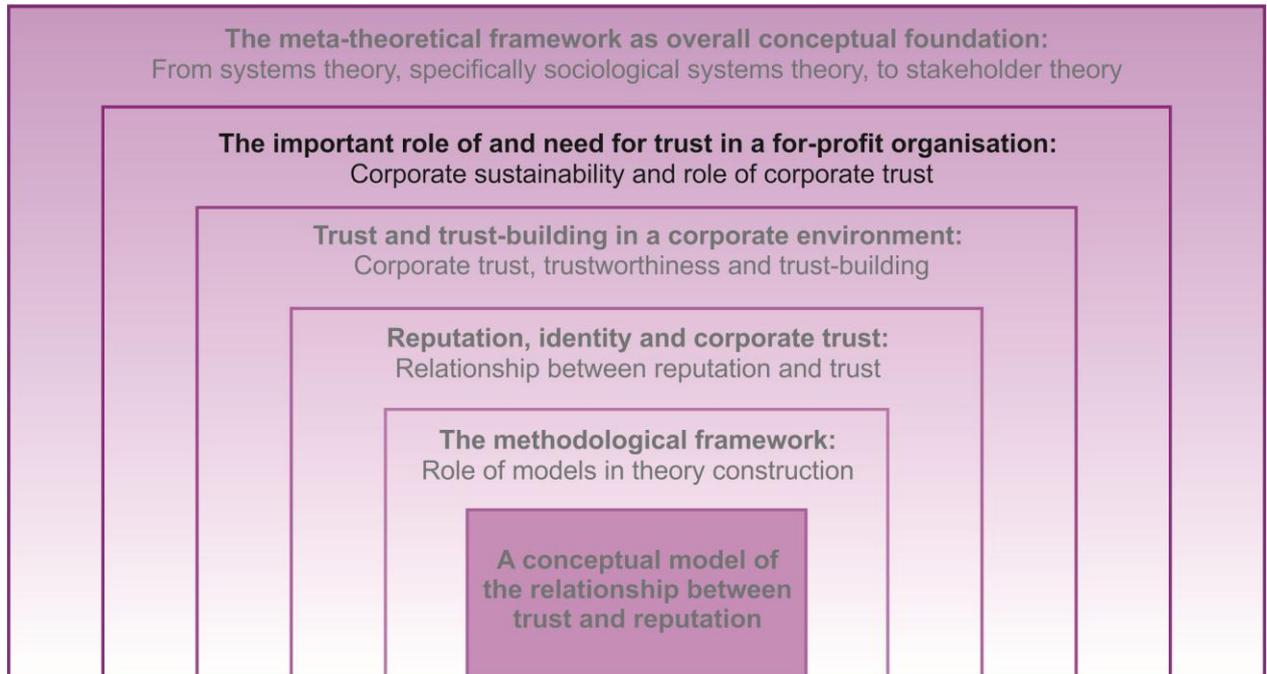
The brief overview of the conceptual foundation of this study as discussed above is outlined and summarised in Figure 9. This conceptual foundation also serves as the background and basis for the presentation of the tables and figures to follow, in preparation for the proposal of a conceptual model to clarify and explain the relationship between corporate trust and corporate reputation, as the final outcome to be presented by this study.

Figure 9: An outline of the meta-theoretical framework as the overall conceptual foundation of this study – from systems theory to stakeholder theory (Researcher’s own construct, based on literature reviewed in study)



4 THE IMPORTANT ROLE OF AND NEED FOR TRUST

4.1 POSITION IN THE CONCEPTUAL FRAMEWORK



4.2 SUMMATION OF THE VIEW ON THE IMPORTANT ROLE OF AND NEED FOR TRUST

This researcher established the important role of and need for corporate trust in Chapter 3, by positioning it as a key ingredient to ensure the long-term economic sustainability of a for-profit organisation. The construct of sustainability, described in King III as the primary moral and economic imperative of the twenty-first century based on the fact that it is regarded as one of the most important sources of both opportunities and risks for modern-day business organisations, was examined.

In line with the observation by King III that the current incremental changes towards sustainability are insufficient and that a *fundamental* shift is required in the way for-profit organisations and directors act and organise themselves, a new approach to corporate sustainability, one with ethics as its underlying rationality, was offered. Corporate sustainability was then contextualised as the process of ensuring that an organisation

operates in ways that secure its long-term economic performance by avoiding short-term behaviour that is socially or environmentally detrimental.

The importance of trust in a corporate context to facilitate the fundamental shift that King III refers to was then established, in line with the global focus being placed on the issue of sustainability, in particular on corporate ethics, responsible corporate citizenship and sustainable business practices. It was observed that people in today's society see for-profit organisations as being morally bound to behave in a way that is good for society and to do so in a sustainable way (Marsden & Andriof, 1998:339).

The need for trust was positioned within this context. Since human behaviour is often difficult to predict, all relationships – also economic relationships – have to be built on trust; and it was theorised that trust in turn is dependent on the value-based and consistently trustworthy nature of a for-profit organisation. In line with this, it was also suggested that ethics, as the 'law that governs human behaviour', should be used as a guide to ensure consistent value-based corporate decision-making and behaviour.

It was also posited that this has increased the need for board members and directors to understand not only what their legal and fiduciary duties comprise, but also, more critically, what their moral duties encompass. While failure to perform their legislative and fiduciary duties properly may render directors personally liable, it was held that failure to perform their moral duties may put the sustainable future of the for-profit organisation at risk if stakeholders lose their trust in the organisation, similar to what happened at Enron, Arthur Andersen and WorldCom.

4.3 OVERVIEW OF FIGURES PRESENTED AS SUMMARY ILLUSTRATIONS

Figure 10 illustrates the existing different organisational approaches towards sustainability as well as the proactive, ethical approach proposed by this study, based on the difference in the governance framework and stakeholder focus being applied. Figure 11 summarises the new concept of corporate sustainability, with ethics as its core and underlying rationality, positioning corporate trust as an essential prerequisite for a for-profit organisation's sustainability.

Figure 10: Different organisational approaches towards sustainability, based on the governance framework/stakeholder focus being applied

(Researcher's own construct, based on Bakan, 2004:144; Caux Principles for Business; Haque, 2010; Jones, 2007:196-197; King 2009:13, 100-101 and Palmer 2011:1-2)

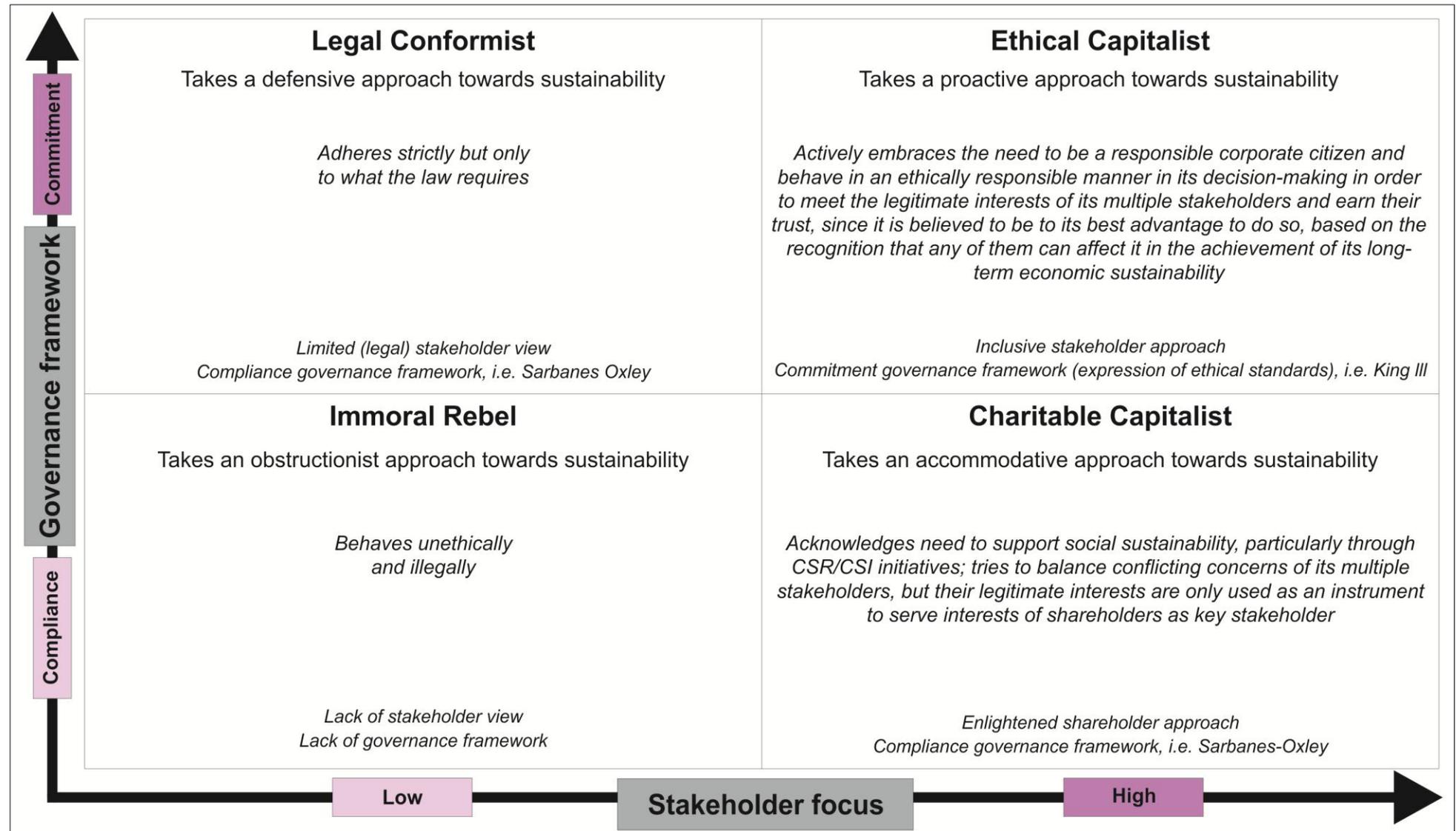
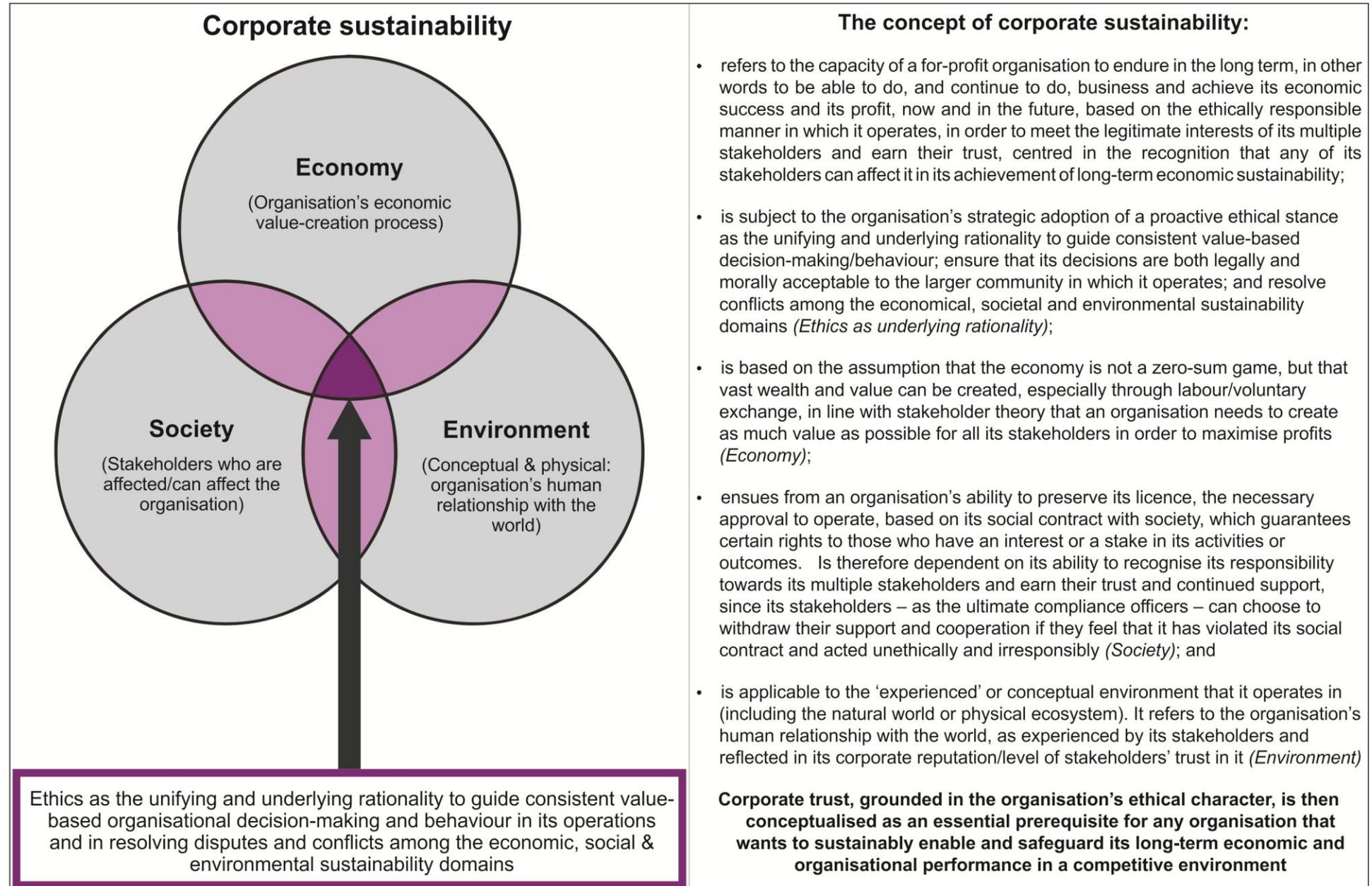


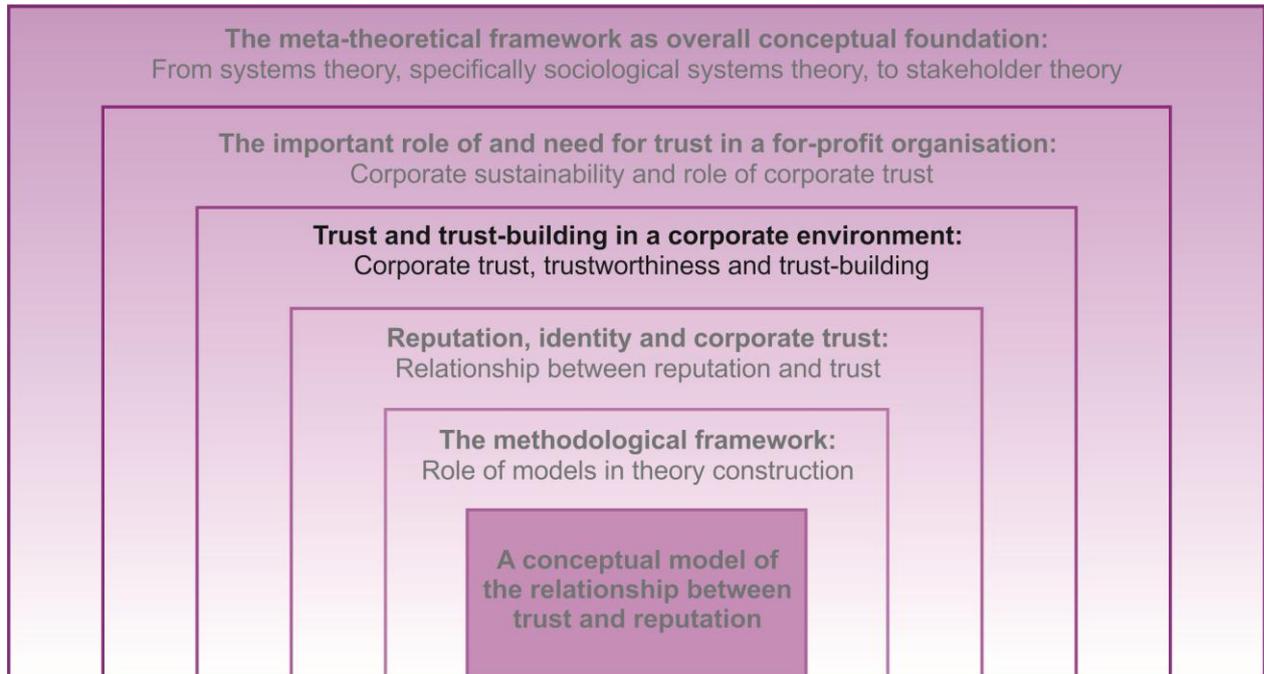
Figure 11: A new interlocking-circles approach to corporate sustainability, with ethics as its core and underlying rationality

(Adapted from Adams, 2006:2; based on Bañon Gomis *et al.*, 2011:180,185; Donaldson, 2008:173; Freeman *et al.*, 2010:9; Jones, 1991:367, King, 2009:9,13,21)



5 TRUST/TRUST-BUILDING IN A CORPORATE ENVIRONMENT

5.1 POSITION IN THE CONCEPTUAL FRAMEWORK



5.2 SUMMATION OF CORPORATE TRUST/TRUSTWORTHINESS CONCEPTS

In Chapter 4 the nature and dimensions of the trust construct were explored in detail. In defining this construct, a clear distinction was made between trust and trustworthiness. It was emphasised that although these two concepts are intricately related, they are not the same, with trust depending upon an expectation of trustworthiness, as well as the trustor's expectation of a moral element in the trustee's intent and behaviour.

The difference between these two concepts was then highlighted to be that perceived trustworthiness (trust) is a belief that trustors have about the trustee, while trustworthiness relates to the characteristics of the trustee, which show him to be worthy of the trustor's trust. Trustworthiness was then clearly defined as *an objective quality displayed by the party which engenders trust*, and trust was definitively identified and defined as *a situational factor, as an outcome, of relationships*. This placed the focus clearly on the importance of internal factors, such as the intrinsic character, identity and values of the trustee that produce his trustworthiness, which in turn encourages the

trustor's trust in the trustee as a situational outcome. This underlined the fact that trust cannot be enforced; that a trustee can only earn it on the basis of his own trustworthy behaviour, which led to the proposal that trustworthiness is a key factor that influences trust.

Corporate trust was then proposed as a new high-level trust concept, and the nature of corporate trust was examined. Its key characteristics, including its symbiotic, adaptive and complex yet fragile nature, as well as the fact that stakeholders act prudently when they decide whether to trust an organisation, were highlighted.

Prudence in this sense was interpreted as being based on stakeholders' presupposition of a for-profit organisation's moral foundation and moral constraints, driven by a broader sense of and desire for community and shaped by an array of moral concerns such as fairness, decency and respect. Trust was therefore positioned as being morally desirable and as being both dependent on and the outcome of consistent trustworthy corporate behaviour. Ethics was positioned as the guide to ensure consistent trustworthy behaviour and as such the link between trust, trustworthiness and ethics was made.

The nature of and inclusive interrelationships between the key antecedents of corporate trust were then explored and defined. Based on this overview the need for the presence of all the trust antecedents for perceived trustworthiness to exist was emphasised. However, it was also stressed that ethical behaviour (defined as *the set of moral values that an organisation uses to direct its commercial activity and act fairly, honestly and responsibly*) and integrity (defined as *the ability of an organisation to consistently honour its word and ensure a high level of congruence between its words and its actions*) are the two key antecedents to corporate trust that become more pronounced and crucial in unfamiliar situations and circumstances.

Based on the earlier overview of the corporate and social environment within which business organisations operate in the twenty-first century, and the interpretation that this environment is fundamentally different from the world in which the first bureaucratic organisation functioned, it was observed that the future of modern-day corporations

seems to be less certain, less knowable and less foreseeable now than ever before. It was suggested that this is largely due to the fact that the shareholder view that was prevalent in the mid- to late twentieth century is increasingly being replaced by the stakeholder view, and that stakeholders today, either as coherent groups or as ordinary individuals, have the means to make their voices heard and act against those private sector organisations that they believe are breaching the social contract that provides these organisations with their legitimate status in society.

Chapter 4 also provided a detailed discussion of the benefits, barriers, sources, functions and importance of corporate trust. In particular, the link with corporate sustainability set the stage to position corporate trust as an economic imperative, and to propose that it is to the longer-term economic benefit of a for-profit organisation to create and maintain the conditions under which its stakeholders would be willing and would remain willing to trust the organisation, and take the risk of for example buying a product from or investing in the organisation.

With this, the intricate relationship between trust and trustworthiness was reiterated, and it was emphasised that it is only when stakeholders consistently experience trustworthy behaviour from the organisation, that they will develop trust in the organisation, which means that their belief that the organisation will continue to do exactly what it has contracted or promised to do is strengthened.

5.3 OVERVIEW OF FIGURES PRESENTED AS SUMMARY ILLUSTRATIONS

In Figure 12 the difference between trust and trustworthiness is summarised and the relationship between these is illustrated using the key antecedents of corporate trust. Figure 13 illustrates the continuum of trustworthiness, based on the presence/level of the key antecedents of trust, and reiterates the crucial role that ethical behaviour and integrity play in the perception of corporate trustworthiness and the formation of trust.

Figure 12: The difference between trust and trustworthiness and the key antecedents of corporate trust

(Researcher's own construct, based on literature reviewed in this study)

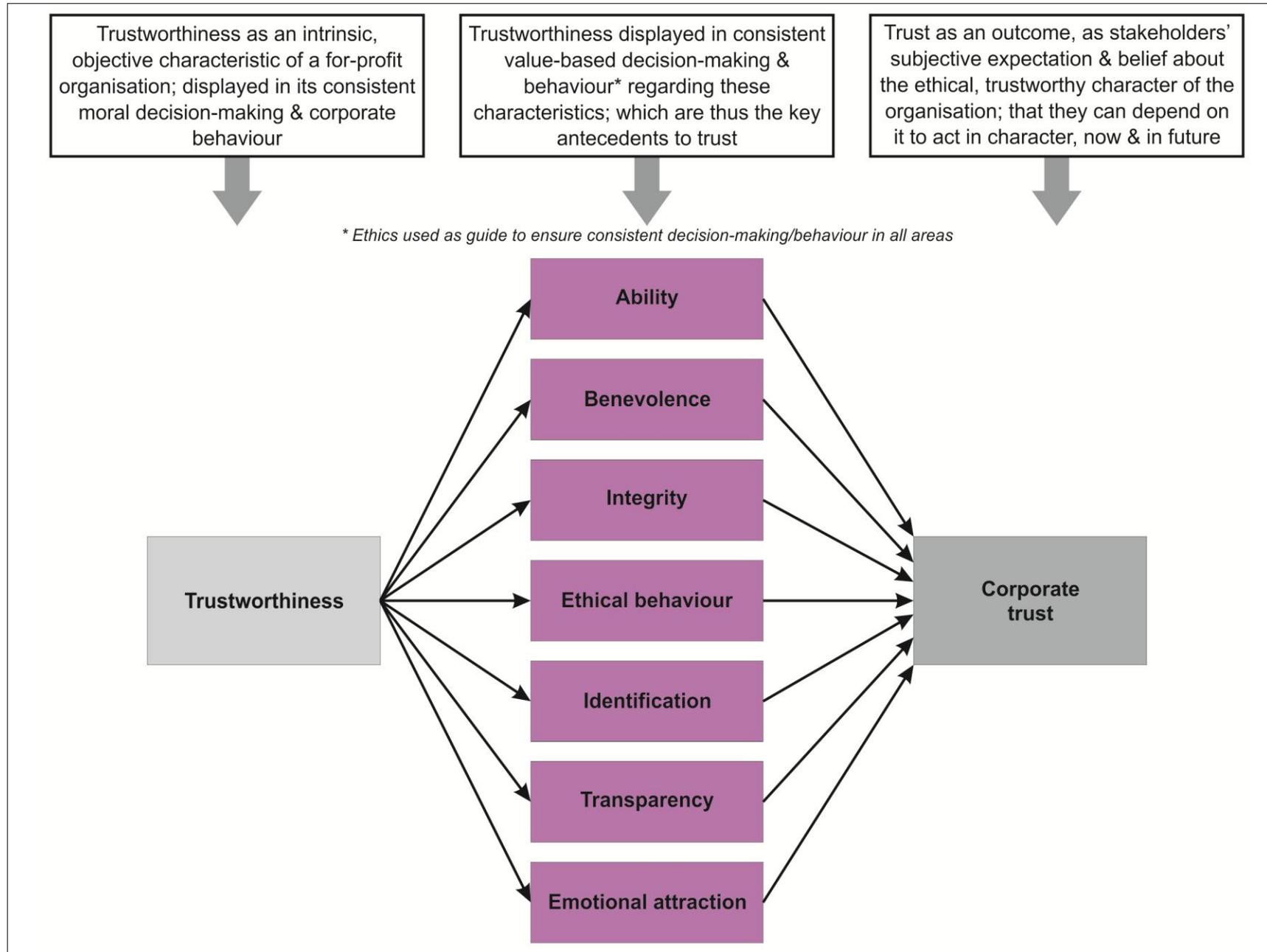
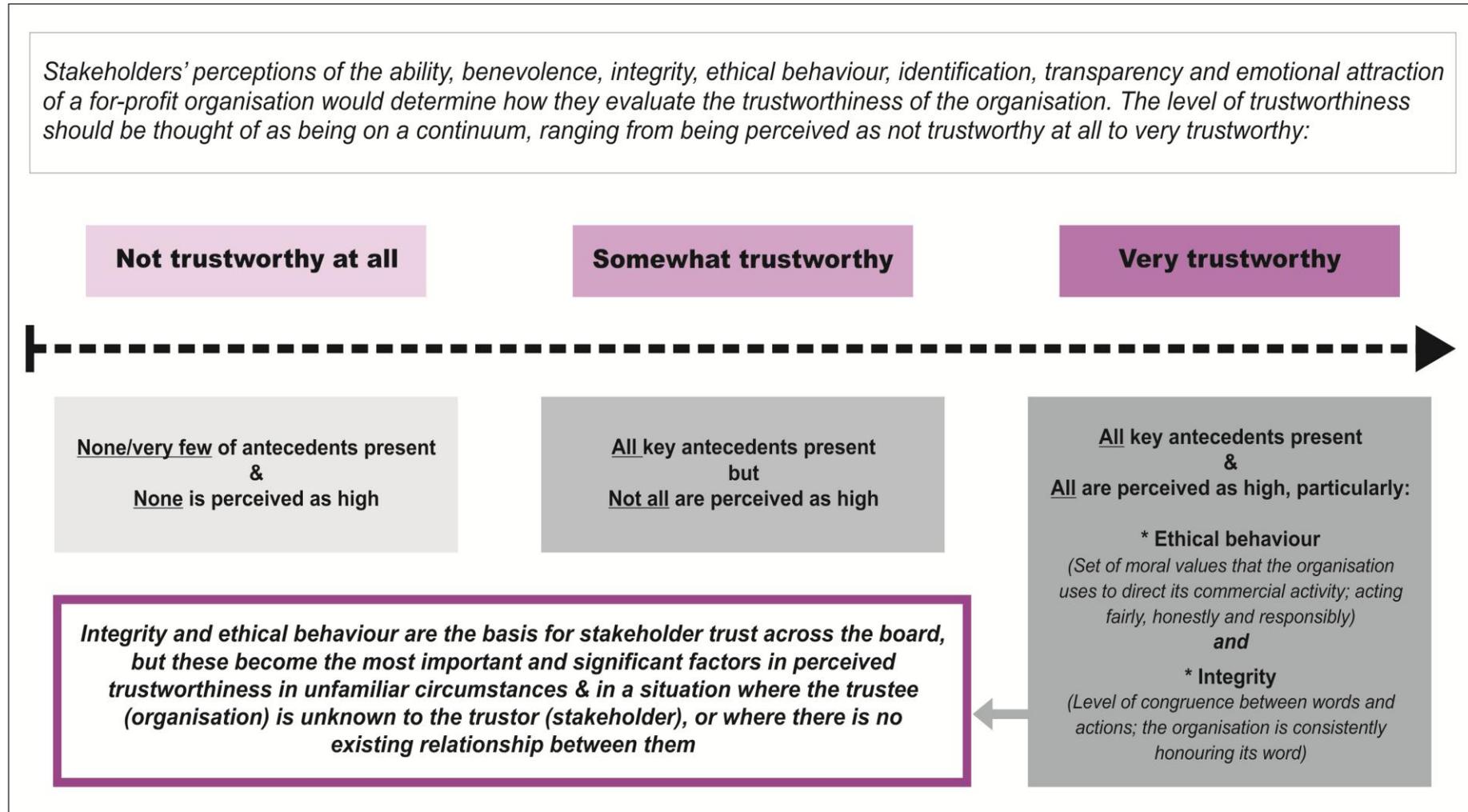


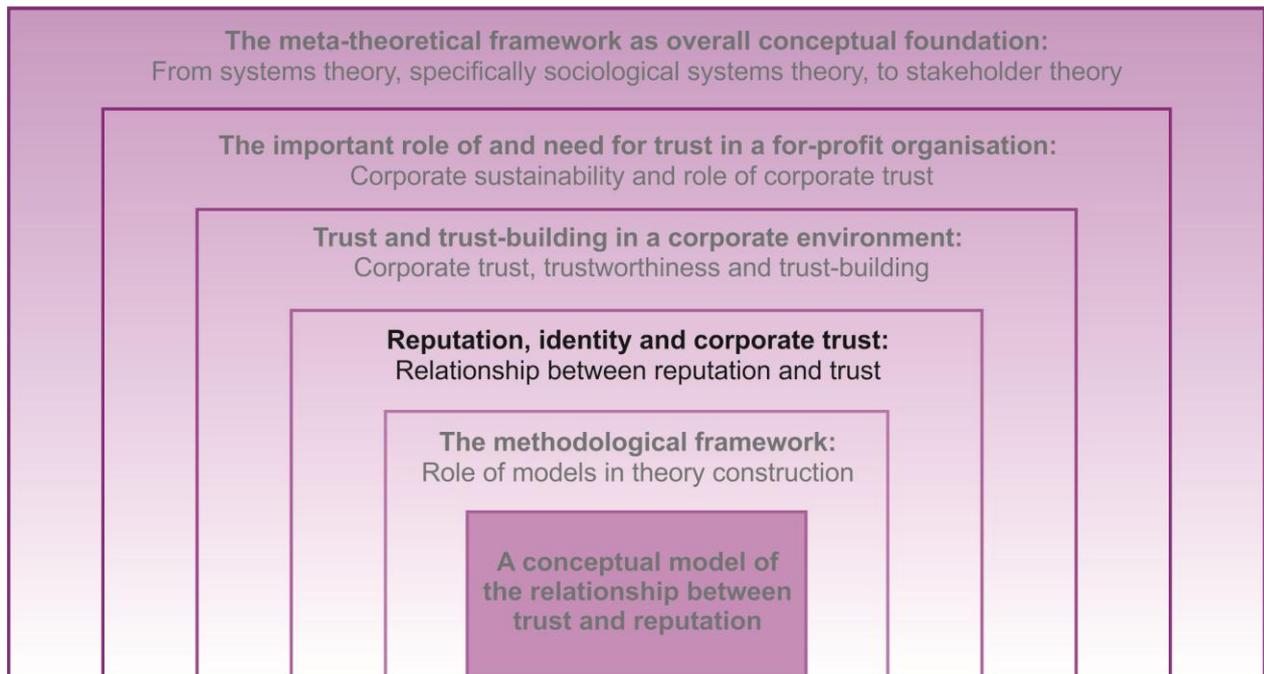
Figure 13: Continuum of corporate trustworthiness, based on presence and level of the seven key antecedents of trust

(Researcher's own construct, based on Greenwood & Van Buren III, 2010:429; Mayer *et al.*, 1995:721; Pirson & Malhotra, 2008:11)



6 CORPORATE REPUTATION, IDENTITY AND TRUST

6.1 POSITION IN THE CONCEPTUAL FRAMEWORK



6.2 SUMMATION OF CONCEPTION OF REPUTATION, IDENTITY AND TRUST

Based on the concept of corporate reputation as the external reflection of an organisation's internal corporate identity, the idea that corporate reputation depends on the character of an organisation was introduced in Chapter 5.

The main developments in defining corporate reputation were explored, and the view of corporate reputation as an assessment of the organisation's past behaviour by multiple stakeholders, which influences their perceptions about the organisation's future ability to meet their expectations as well as their decisions about how to behave towards the organisation now and in the future, was supported and adopted.

The evaluative, impressional and relational approaches, as three of the foremost existing approaches to conceptualising corporate reputation (using stakeholders as the focal point), were then reviewed and a new approach to the reputation paradigm within

the corporate identity/trust framework was proposed, using the relational approach as a foundational framework and point of departure.

The main differences between the new strategic alignment approach to corporate reputation management and the relational approach were outlined. In particular, the following key assumptions of the new proposed strategic alignment approach to conceptualising corporate reputation were highlighted:

- An organisation has multiple stakeholders, all of whom are important and many of whom cannot be identified yet, since they will only become stakeholders once they are affected by or particularly when they affect the organisation (such as when individuals start mobilising others to take action against an emerging and topical social issue related to an organisation); and as such an organisation should not focus only on certain traditional and identifiable groups of stakeholders, such as employees, customers and shareholders;
- Corporate reputation is conceptualised as the collective assessment that all internal and external stakeholders make of the trustworthiness of the organisation (of its intrinsic normative characteristics as well as the authenticity with which it consistently acts and communicates in line with its ethical, value-based identity), instead of regarding it as the comparison and equal reflection of the internal and external stakeholders' view and assessment of the organisation, which places the focus of the reputation management process on trying to determine and then close the relational gaps or differences between different stakeholders' perceptions;
- An organisation should then focus on establishing and building a single corporate identity and reputation; indeed it should single-mindedly concentrate on managing its own identity, since this will enable it to manage its own relationship with all its stakeholders – even those not yet identified – in order to deliver on its accountability to them, instead of trying to manage different stakeholder relationships; and
- The concept of a single corporate reputation, as is posited by this researcher, differs from the concept of a single reputation proposed by some authors, where a single reputation score is arrived at by weighing and combining the separate reputation scores from an organisation's different stakeholders (Bromley, 2002:41; Caruana, 1997:109). This study contends that a for-profit organisation should focus on building

a single identity as an ethical and trustworthy organisation, and then use the same measurement to survey all its stakeholders in order to understand how they assess the organisation in terms of that single identity.

Based on these key assumptions of the new proposed strategic alignment approach, it was then argued by this researcher that the process of managing corporate reputation has an initial primarily internal focus, prior to an external focus. This study contends that the key objective of the corporate reputation management process is first to ensure strategic alignment within the organisation, so that it is able to consistently and authentically act according to its stated reputation promise. The organisation first has to build and position those structures and processes that will help to guide organisational behaviour that will evoke stakeholders' trust, i.e. it first has to become trustworthy.

Once this is in place it can then extensively and uncompromisingly communicate its identity as being ethical and trustworthy to all its external stakeholders, i.e. it can communicate its identity so that its stakeholders become aware of what the organisation sets out or promises to be. Stakeholders can then use this as the basis against which they can judge the organisation's actions, words and self-presentation in order to determine if the organisation is authentic and seen to be trustworthy. This will enable the organisation to build and maintain its desired corporate reputation, so that its stakeholders will trust the organisation to fulfil their expectations consistently in a trustworthy, transparent and responsible manner (Davies *et al.*, 2010:532).

In preparing to identify and outline the key strategic elements of corporate reputation, the concepts of corporate identity, corporate culture, corporate brand and corporate image were clearly identified. This researcher observed the key differentiation between these concepts and the corporate reputation construct to be related to the locus of control, in that all the corporate concepts other than reputation are driven and shaped by the organisation since these are within its control, whereas corporate reputation, as an assessment that is made about the organisation, is inherently stakeholder-driven and determined, based on how they experience the organisation and its behaviour, or how they interpret the communication they receive from the organisation and about it from external sources.

The current views on the relevance, importance and benefits of corporate reputation were explored, and the traditional view of corporate reputation as an end in itself, as the ultimate intangible asset of an organisation that needs to be built, nurtured and sustained, was challenged.

It was argued by this researcher that a 'good' corporate reputation in and of itself is not sufficient, unless it results in stakeholders' trust and support. Therefore, this study maintains that corporate reputation should instead be regarded as a means to an end – to earn the trust and support of the organisation's stakeholders, without which the organisation cannot thrive or survive. Recent literature on corporate reputation was reviewed and attention was drawn to the increasing awareness of the critical role that trust (yet still misclassified in many instances) plays in the long-term economic sustainability of a for-profit organisation.

This was emphasised in the review of organisational identity theory, where the link between an organisation's sustainability and identity was outlined, and the need for a value-based corporate identity was emphasised, in order to engender stakeholders' identification with the organisation.

In outlining the key dimensions of corporate reputation, various models with different drivers and views on trust were explored. With reference to the traditional reputation drivers, such as in the RQ, three key contributions were made by this study.

The first contribution was to position trustworthiness, and not trust, as an antecedent of reputation. The second contribution was to highlight that the traditional reputation drivers are increasingly becoming blurred and fused with trust drivers. The third contribution was to propose that the antecedents of trust, as conceptualised and defined by this study, should be regarded and used as the key drivers for corporate reputation, aimed at building a single corporate reputation as an ethical, trustworthy organisation in order to earn stakeholders' trust and continued support.

The strategic role of corporate communication, both as the foundation of an organisation's identity and as the primary mechanism with which the organisation

establishes, presents and expresses its character to its stakeholders, was then explored. In particular, the constitutive nature of communication was emphasised, in line with the argument that for an organisation to influence how it wants to be perceived by its stakeholders, it needs to change who it believes itself to be. As such, corporate communication was positioned as something that constitutes, produces or alters organisational forms and practices, whether these are strategies, policies, operations, values, formal or informal relations, or structures; and not just as something that happens in an organisation.

This highlighted the fact that instead of only playing a role in traditional communication, reputation and brand-building activities, corporate communication should play a strategic role, and assist the leadership to establish, change and align the organisation's reputation promise, culture and image, in order to collectively present and express the actual identity of the organisation. This study contends that in this manner the real character of the organisation can be expressed in everything that the organisation envisions, does, says and portrays; in order to build a sustainable and enduring corporate reputation as an ethical and trustworthy organisation, which will earn stakeholders' trust and support.

In outlining the role of corporate communication as a sense-making and organising process, the concept of expressive communication, explained as communication that seeks to authentically establish, represent and express the organisation's identity in order to present and establish an authentic corporate reputation, rather than to try and manipulate stakeholders' perceptions, was emphasised. Authenticity in this instance is interpreted as a state in which the internal identity of the organisation positively reflects the expectations of stakeholders and the beliefs of these stakeholders about the organisation accurately reflect the internally held identity.

This contextualised the critical and strategic role of corporate communication as the ongoing, dynamic, interactive process of employing symbols toward the creation, maintenance, destruction, and/or transformation of meanings which are principal to organisational existence.

In making this clear link between an organisation's corporate identity and its corporate reputation, the *VCI Alignment model* was used as point of departure to provide an overview of the key reputation elements and management process.

However, in line with the new strategic alignment approach to corporate reputation management that has been proposed by this researcher, the key reputation elements were identified as the reputation promise, culture and image/self-presentation of a for-profit organisation, which collectively result in its identity or character. The reputation management process was defined by this study as being *a process that focuses on ensuring that these key elements are strategically aligned internally*, since any gaps between them are not merely undesirable, they also detract from and destroy the desired corporate reputation and trust.

Based on the discussion of these key elements in the strategic alignment approach, five main differences between the new *Strategic Alignment Reputation Framework* and the *VCI Alignment model* were highlighted, which in brief relate to:

- a strategic focus on corporate reputation versus a corporate brand;
- a different positioning and definition of two key elements (reputation promise and image);
- the idea of establishing and managing a single corporate identity and reputation versus managing multiple reputations;
- an initial primarily internal versus an external reputation management focus, based on the concept of locus of control; as well as
- the idea of managing the organisation's relationship (single) with its stakeholders by delivering on its accountability to them versus trying to manage its multiple stakeholder relationships (plural).

It was argued by this researcher that while the *VCI Alignment model* includes the image or opinions of stakeholders inside the model, this is excluded in the new *Strategic Alignment Reputation Framework*, which instead positions how stakeholders perceive and assess an organisation as being external to the reputation management process. As such this study contends that stakeholders' assessment is based on the total outcome of the organisation's reputation management process.

Essentially, the new strategic alignment approach to reputation management posits that only that which is within an organisation's direct control and which it can manage – its own identity and its accountability to its stakeholders – can be incorporated into the strategic reputation management process. This highlighted the suggestion that an organisation's focus should be on managing its relationship with its stakeholders, by ensuring that it consistently and authentically expresses its ethical identity, to display its trustworthiness, in order to be able to deliver on its accountability to them.

This chapter was concluded with an outline of the high-level process that an organisation's leaders can follow in order to establish and manage a sustainable corporate reputation that will lead to earning the trust and support of the organisation's stakeholders in the long term and the new *Strategic Alignment Reputation Framework* was presented.

6.3 OVERVIEW OF FIGURES PRESENTED AS SUMMARY ILLUSTRATIONS

Prior to presenting the conceptual model to explain the relationship between corporate trust and corporate reputation as the final outcome of this study (which will be done in the next section), the following table/figures are presented as summary illustrations of the chapter dealing with the corporate reputation/identity and trust constructs:

- Table 3: Demarcating the existing different approaches in literature to defining and conceptualising corporate reputation, and proposing a new strategic alignment approach to the reputation paradigm within the corporate identity/trust framework;
- Figure 14: The new *Strategic Alignment Reputation Framework* proposed by this study, indicating the reputation management process;
- Figure 15: Disaggregating the key elements of corporate reputation in relation to the identity/trust relationship, to clarify the interrelationship between these constructs;
- Figure 16: Delineating the high-level process of establishing a sustainable, trust-worthy reputation that will earn stakeholders' trust and therefore their support, as a set of guidelines to be used by leaders and practitioners; and
- Figure 17: Framework outlining the corporate identity/reputation/trust process towards long-term corporate sustainability.

Table 3: Reputation paradigm: Demarcating the existing different approaches in literature to defining and conceptualising corporate reputation, and proposing a new strategic alignment approach to the reputation paradigm

(Researcher's own construct, based on Barnett *et al.*, 2006:32-22; Chun, 2005:94-95; Hatch & Schultz, 2008:11)

Approach	Stakeholder audience(s)	Key focus	Key meaning	Reputation based on:	Focus of reputation management process:
Evaluative	Single stakeholder group (Mainly shareholders)	Includes those definitions that define corporate reputation as a resource or an intangible asset of financial or economic value and significance to the organisation, i.e. linking reputation to financial/strategic performance	Reputation as an asset	Financial performance/ value of the organisation	Increasing short-term profits and financial value <i>Managing its financial performance</i>
Impressional	Single stakeholder group (Either employees or customers or media)	Includes those definitions of corporate reputation that focus on the general awareness or perception that observers or stakeholders have of an organisation, but who do not make judgements about it, i.e. linking reputation to employee identification; or to images formed in customers' minds; or to favourableness of media coverage	Reputation as a state of awareness	Level of overall awareness, general impression of the organisation	Raising positive awareness about the organisation <i>Managing its stakeholders' impressions through its corporate communication/ marketing efforts</i>
Relational <i>Basic assumption</i> An organisation has many reputations; focus should be on aligning internal & external views/ perceptions	Multiple stakeholder groups (Mainly employees and customers)	Includes those definitions of corporate reputation that indicate stakeholders' forming a judgement, an opinion or an assessment of the status of the organisation, particularly with regard to the congruence between internal (employees) and external stakeholders' (particularly customers) views of the organisation	Reputation as a comparison of multiple stakeholders'/multiple views	Congruence between internal and external reputation; between three elements – who the organisation says it is, who it really is and how others see it	Managing relational gaps/ differences between internal & external stakeholders' views of the organisation <i>Managing/aligning its internal & external stakeholders' perceptions</i>
Alignment* <i>* New approach proposed in study</i> <i>Basic assumption</i> An organisation has/ should have one identity/reputation; focus should primarily be on strategic/ internal alignment to mould/guide external stakeholders' opinion	Multiple stakeholder groups (All internal & external stakeholders who are affected by or who can affect the organisation)	Includes the definition of corporate reputation proposed by this study as stakeholders' collective assessment of the trustworthiness of the organisation, demonstrated by the intrinsic normative characteristics of its corporate identity as well as the authenticity with which it consistently acts in line with its ethical, value-based identity; which requires an approach to ensure strategic alignment between who the organisation says it is (reputation promise), its actual behaviour (culture) and its communication/self-presentation (image)	Reputation as an authentic presentation of the ethical identity of the organisation <i>(Internal focus on organisation)</i>	Trustworthiness of the organisation, demonstrated by the consistent authentic display of its ethical, value-based corporate identity	Managing its own identity/ character, to ensure strategic alignment between its ethical, value-based identity, everything it does and says <i>Managing & delivering on its own accountability to its stakeholders (single identity/reputation)</i>

Figure 14: The new Strategic Alignment Reputation Framework

(Researcher's own construct, adapted from Hatch & Schultz, 2008:11)

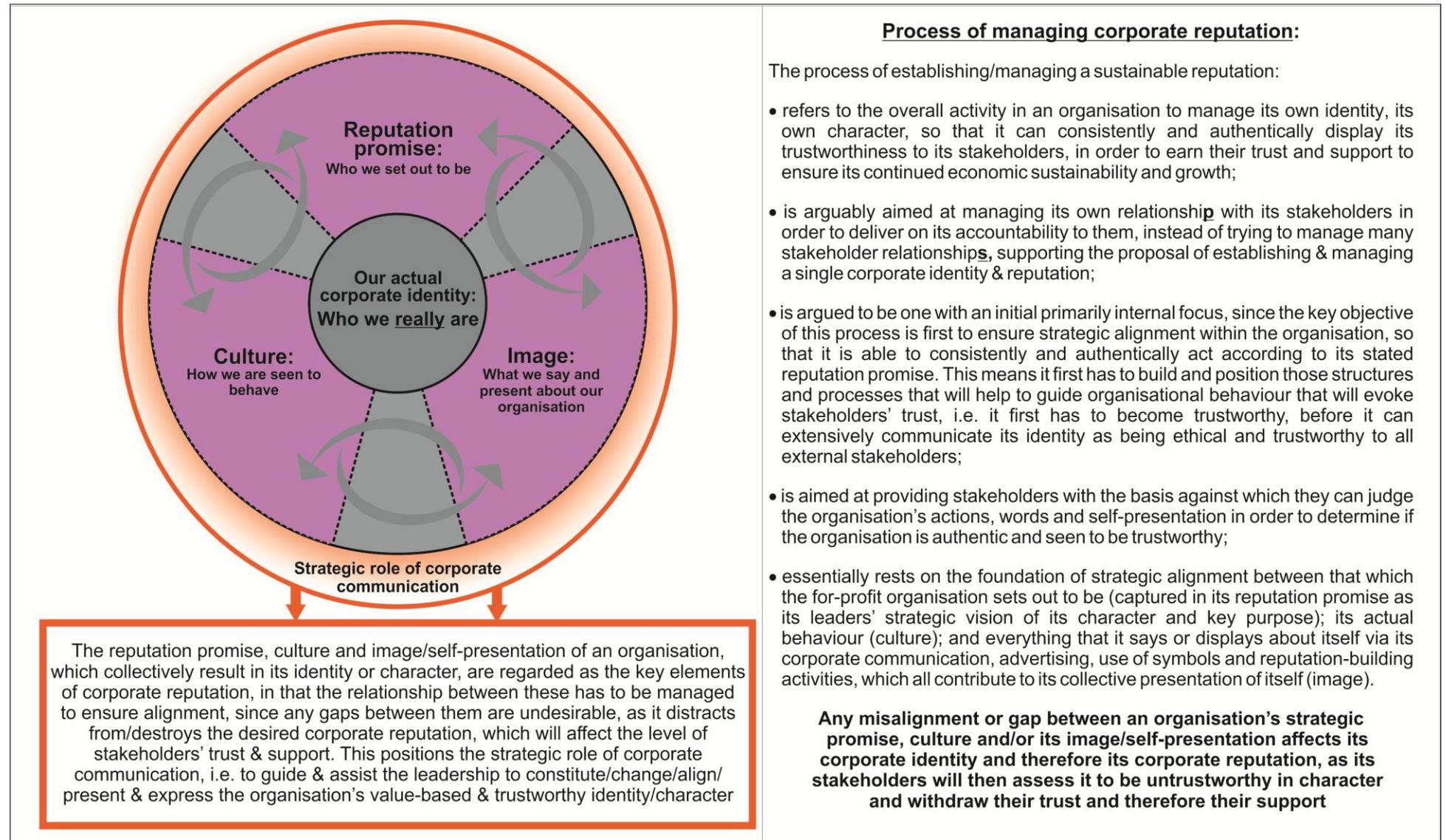


Figure 15: Disaggregating key elements of corporate reputation, in relation to identity/trust relationship to clarify interrelationships (Researcher's own construct, based on literature reviewed in this study)

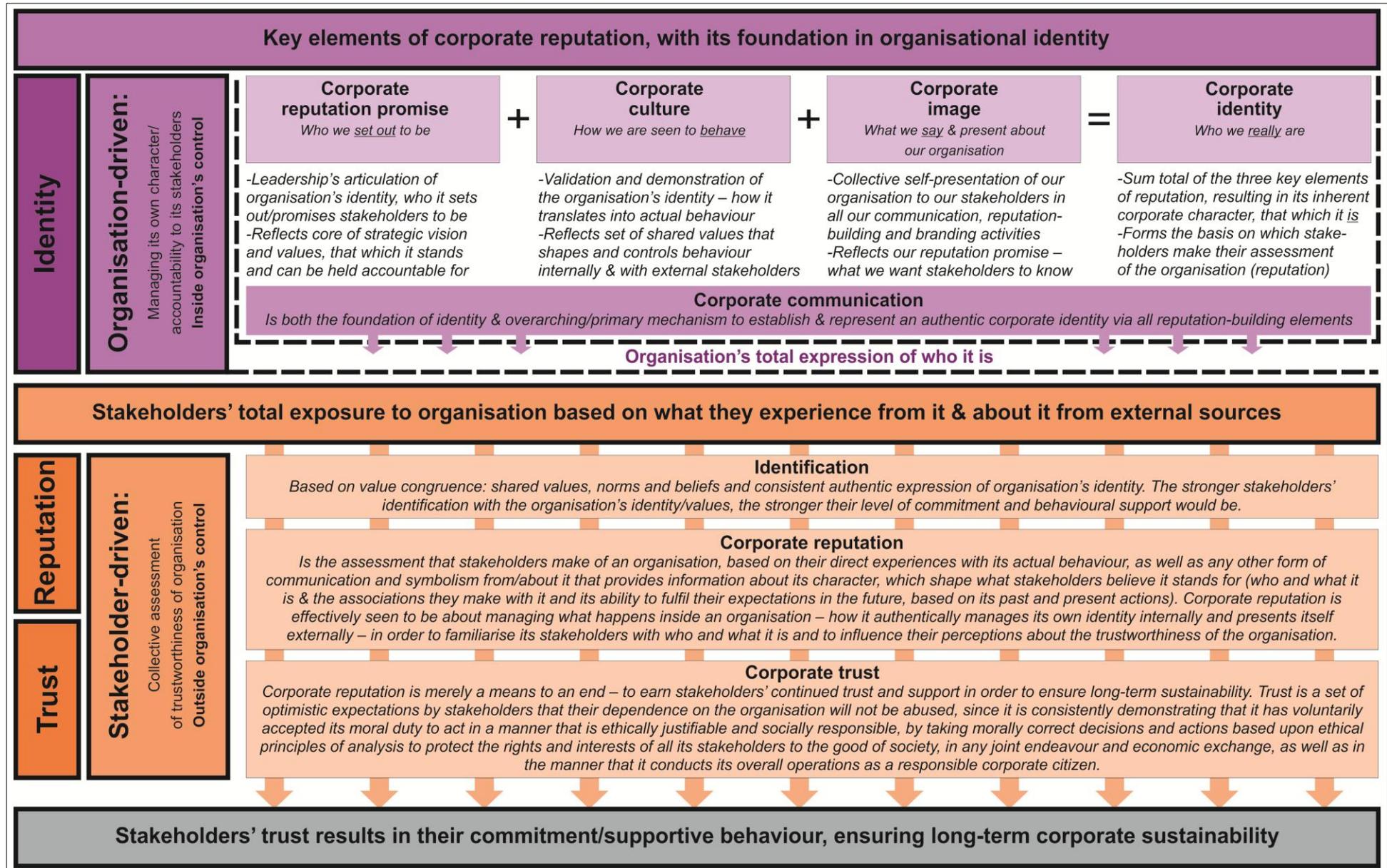
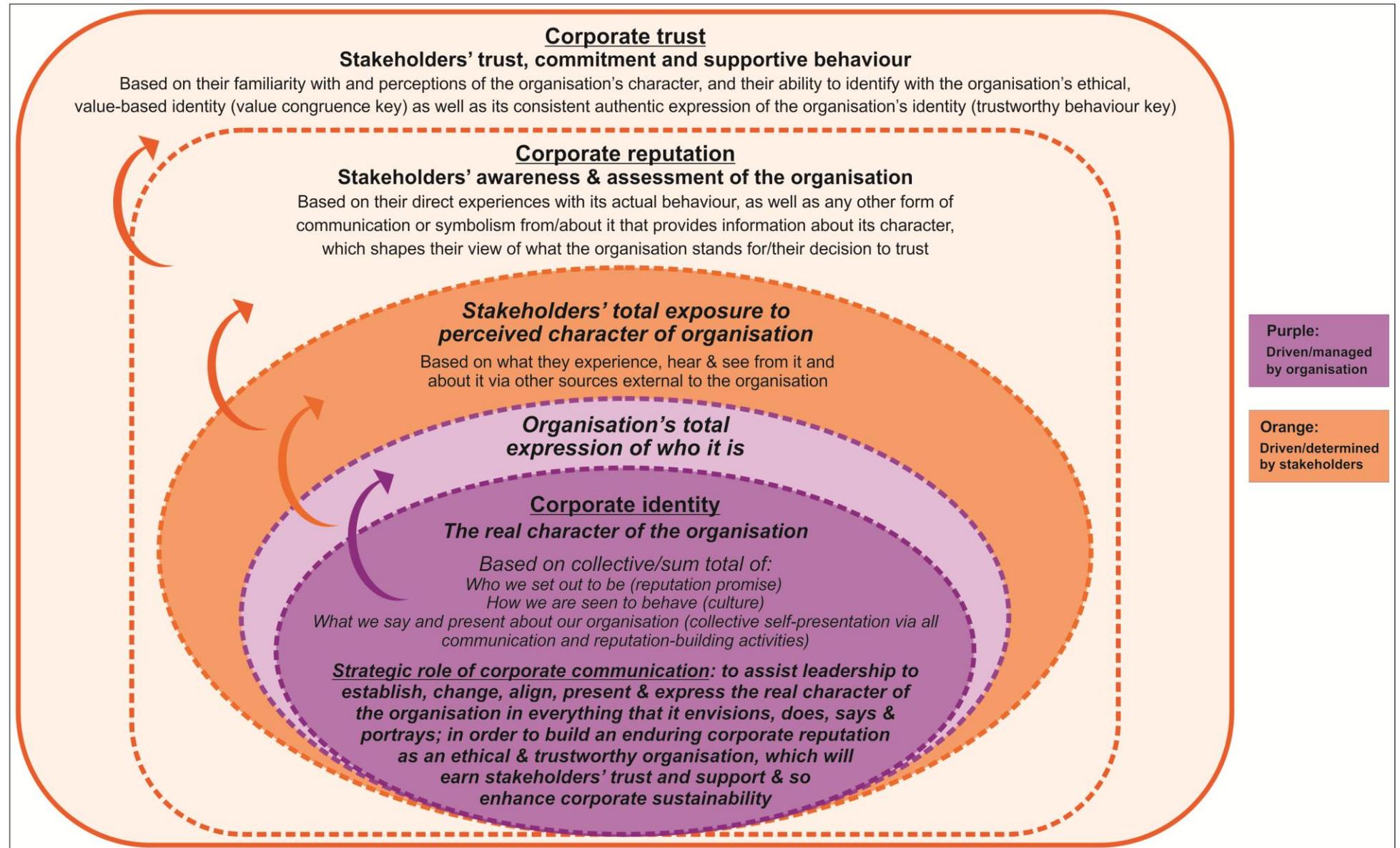


Figure 16: Process of establishing a sustainable, trustworthy organisation & reputation that will earn stakeholders' trust/support (Researcher's own construct, based on literature reviewed in this study)



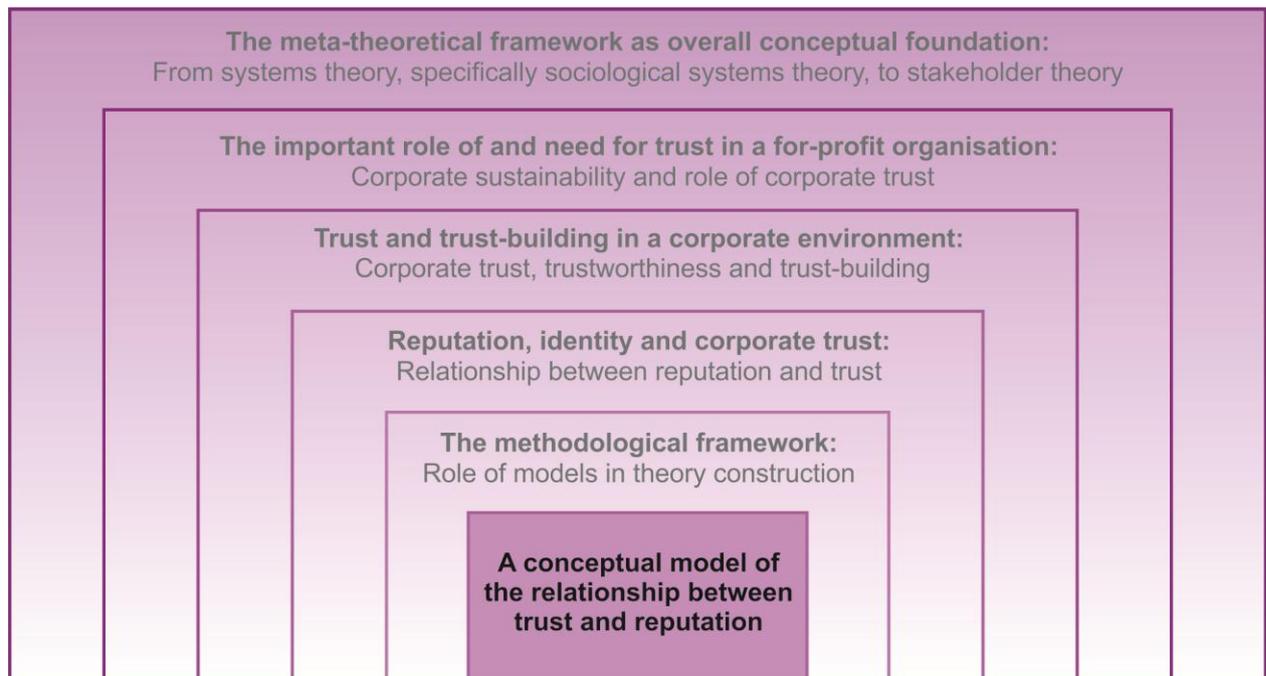
Figure 17: Framework outlining the corporate identity/reputation/trust process towards long-term corporate sustainability

(Researcher's own construct, based on literature reviewed in this study)



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

7.1 POSITION IN THE CONCEPTUAL FRAMEWORK



7.2 SUMMATION OF THE RELATIONSHIP BETWEEN CORPORATE TRUST AND CORPORATE REPUTATION

The primary objective of this study is to explore the concept, dimensions and variables of trust, in relation to reputation, within a corporate context and a framework of corporate sustainability, with the aim of developing a conceptual model of the relationship between the reputation and trust constructs.

This objective has been set in order to address the current perceived lack of conceptual clarity of the corporate trust construct and its relationship with corporate reputation. In order to meet this objective and develop the conceptual model the existent literature was used to investigate the nature and meaning of and relationships between the concepts of corporate sustainability, corporate trust and trustworthiness and corporate reputation, in relation to corporate identity.

The corporate trust construct and its relationship with corporate reputation were conceptualised more holistically and presented in a number of tables and figures, in preparation for the presentation of a conceptual model delineating the relationship between corporate trust and corporate reputation.

7.3 OVERVIEW OF FIGURE PRESENTED AS CONCEPTUAL MODEL

The definitive conceptual model of the relationship between corporate trust and corporate reputation is presented as the final outcome of this study (see Figure 18 on next page).

8 EVALUATING THE PROPOSED CONCEPTUAL MODEL/STUDY

This chapter is concluded with an evaluation of the merit and value of the proposed model. Based on the discussion of the criteria to be used to evaluate a conceptual model or theoretical contribution, a brief overview is provided to indicate in what measure the conceptual model proposed by this study complies with the most important of those criteria (See Table 4 and Table 5).

There are a number of criteria that can be used to evaluate what constitutes a 'good' model. In Table 4, the conceptual model proposed in this study is first evaluated against the criteria for a good model as identified by Mayer (1989:59-60). In Table 5, the value of the theoretical contribution made by this study is measured against some of the criteria as identified by Whetten (1989:494-495).

Figure 18: A conceptual model of the relationship between corporate trust and corporate reputation in a for-profit organisation

(Researcher's own construct, based on literature reviewed in this study)

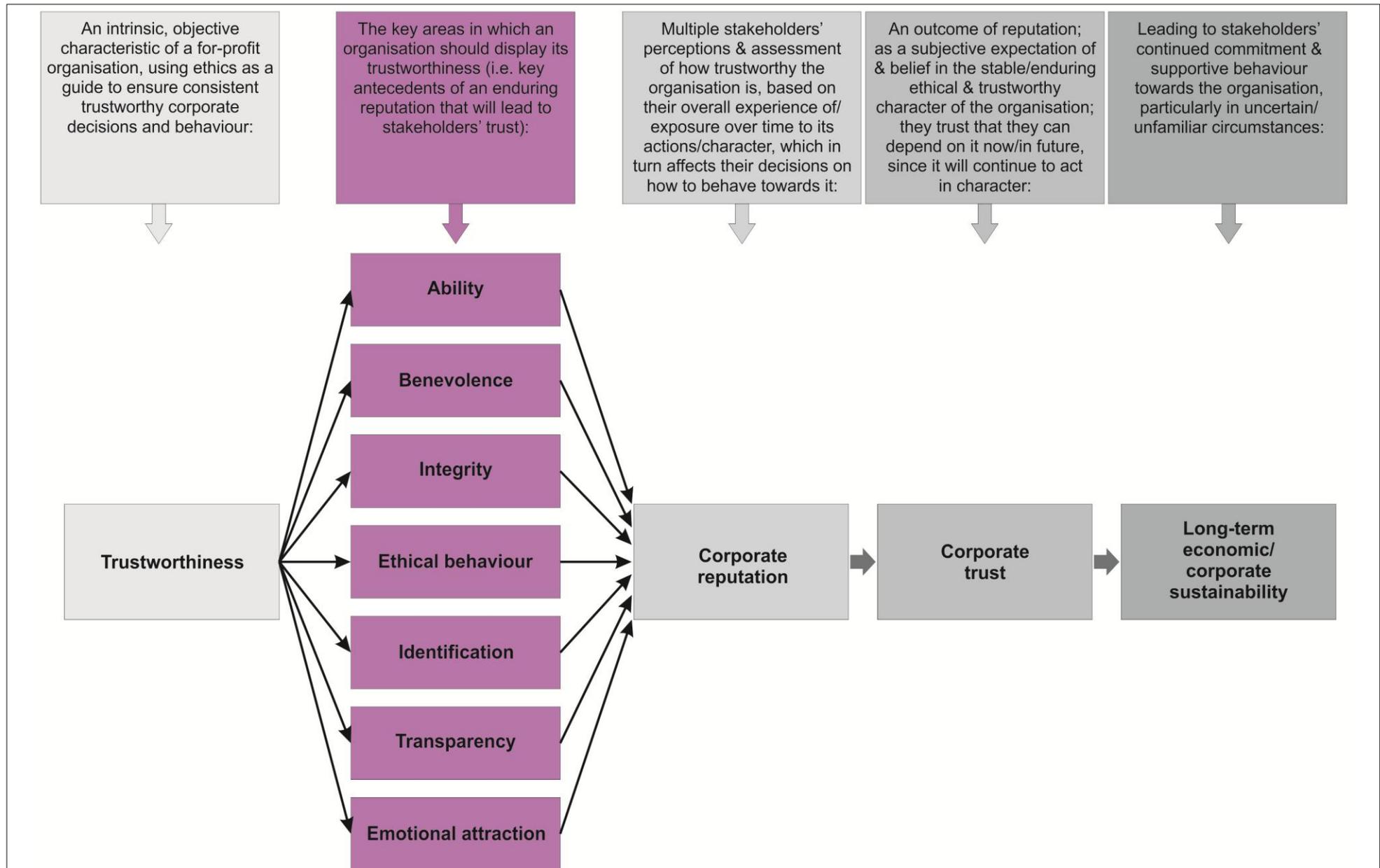


Table 4: Compliance with the criteria of a good model, as identified by Mayer (1989:59-60)

Criteria:	Met?	Compliance of proposed model developed by this study:
Complete	✓	The model contains all of the essential parts of the system this study set out to investigate, and indicates the specific relationship between corporate trustworthiness, reputation, trust and corporate sustainability. It is presented in such a way that the user can see how the system works (inverse direction between corporate trust and reputation).
Concise	✓	The model is presented at an appropriate level of detail to explain the essential characteristics of the system being investigated. The purpose and contribution of this study lies in indicating the specific relationship between corporate trust and reputation in a for-profit organisation. The systemic behaviour, interrelationships and dependencies between a for-profit organisation and its stakeholders are implied. While this has been discussed at length in the study, any attempt to include these in the model would have made the model more complex and less concise. This model meets the criterion of being as simple as possible while providing the required functionality (Johnson & Henderson, 2002:27). "Less is more."
Coherent	✓	The model makes intuitive sense to the user. The operation of the system (i.e. the specific relationship between corporate trust and reputation) is transparent. It is a logical system that contains parts and rules for how the parts interact.
Concrete	✓	The model is presented at a level of familiarity that is appropriate for the user. Boxes and arrows to connect the boxes are used to indicate the specific relationship between the constructs. This adds order to the conceptualisation by explicitly delineating the relationship pattern and introducing causality (Whetten, 1989:491).
Conceptual	✓	The model is based on empirical material accepted in the scientific community. The general systems theory, and more specifically the sociological systems theory, forms the theoretical foundation for the key premise of this study, namely that a for-profit organisation is a complex social system that is dependent on the quality of the relationship it has with its entire stakeholder network, which influences and determines its ability to generate sustainable wealth over time and ensure its own long-term economic sustainability. Since a for-profit organisation is dependent on its stakeholders' continued commitment and supportive behaviour, which in turn is held by this researcher to be dependent on the level of trust its stakeholders have in the organisation, it is important to understand what influences and drives their perceptions and assessment of an organisation, and their decision to support it.
Correct	✓	The model corresponds at some level to the actual events or objects it represents – the major parts and relationships in the model correspond to the major parts and relationships in the actual object or event.
Considerate	✓	The model is presented in a manner that is appropriate to the user, using vocabulary and organisation that is appropriate to the field.

Table 5: Compliance with the criteria of a good theoretical contribution, as identified by Whetten (1989:494-495)

Criteria:	Met?	Compliance of proposed model developed by this study:
What's new?	✓	This study meets the criterion of making a significant, value-added contribution to current thinking. This contention is based on two criteria that can be used to judge the value of a theory or model, namely the scope and degree of the theoretical contribution. The scope or level of theorising in this study is regarded as a middle-level theory, since it connects high-level social systems theory with empirically observable patterns, particularly with regard to the role of and the relationship between corporate trust and reputation in a for-profit organisation as a complex social system. This study also complies with the second criterion of degree, which reflects the radicalness of the theory (i.e. the level to which the new contribution differs from current thinking or the level to which the theoretical contribution can impact the field). The clarification of the inverse relationship between corporate trust and reputation, with the emphasis on an ethical, value-based corporate identity, will impact various fields in addition to corporate communication and reputation management (i.e. governance, sustainability and business ethics).
So what?	✓	The study meets this criterion, in that the likelihood that it will change the practice of science in the field of strategic corporate communication (which includes reputation, culture and stakeholder management strategies). It meets the heuristic value criterion, since this study clarifies the specific role and relationship between corporate trust and reputation; it provides proposed solutions to remedy alleged deficiencies in current theories; as well as clear statements about the value of using this model and explicit indicators of follow-up research. It is believed that the adoption and implementation of this model, in conjunction with the adoption and implementation of the proposed solutions in the study, will lead to a change in the practice of leadership, corporate communication, reputation, governance and sustainability. This model provides sufficient information about the functional and structural properties of this relationship to produce insightful questions and hypotheses (Puth, 1981:57).
Why so?	✓	This criterion refers to how compelling the underlying logic and supporting evidence offered in the new theory or model is. The proposed model meets the criteria to judge this factor because it is plausible, being designed to present the relationship between the corporate constructs based on this researcher's explicit assumptions and on existent literature. It is believed that this researcher has offered convincing arguments and reasonable, explicit views of the nature of a for-profit organisation as a social system and its dependency on its stakeholders to ensure the growth and sustainability of the organisation as a system; on the crucial difference between trust and trustworthiness; and on the specific relationship between trust and reputation.
Well done?	✓	The model and theoretical contribution made by this study has been based on basic research and the researcher's experience in the field of corporate communication and reputation management. It is believed that this study and the proposed model is thorough, in that it includes multiple theoretical elements in order to give the proposal a conceptually well-rounded quality; and that the arguments presented as part of the new theory reflect a broad and current understanding of the subject.

9 CONCLUSION: A CONCEPTUALISATION OF CORPORATE TRUST AND CORPORATE REPUTATION

The key premise of this study is that a for-profit organisation is dependent on its stakeholders' continued commitment and supportive behaviour, which in turn is dependent on the level of trust that its stakeholders have in the organisation, in order to be able to generate sustainable wealth and ensure its own commercial sustainability over time. It is held that it can do this when it both *becomes* and *is seen to be* a trustworthy and ethical organisation, which highlights the importance of understanding the relationship between corporate trust and reputation.

Due to a perceived lack of conceptual clarity of the corporate trust construct and its relationship with corporate reputation, the primary objective of this study is to explore the concept, dimensions and variables of trust, in relation to reputation, within a corporate context and a framework of corporate sustainability, with the aim of developing a conceptual model of the relationship between these two constructs.

Using the existent literature to investigate the nature and meaning of and relationships between these constructs, a conceptual model to delineate the relationship between corporate trust and corporate reputation has been developed and presented. Preparatory to the development and presentation of this model, a more holistic conceptualisation of these two constructs, and their relationship with other corporate constructs such as sustainability and identity, was required.

While this was outlined in detail in the previous chapters in this study, the outcome of this has been summarised and illustrated in a number of tables and figures in this chapter.

First, a table providing an outline of the meta-theoretical framework as the overall conceptual foundation of this study has been presented as a summary, in order to contextualise the view of the corporate and social environment held in this study, and recap the key points regarding the theoretical foundation for the corporate/organisational, trust, reputation and stakeholder constructs.

Next, the important role of and need for trust in a for-profit organisation has been reiterated and summarised in two figures; one outlining the existing organisational approaches towards sustainability as well as the new proactive, ethical approach proposed by the researcher, based on the difference in the governance framework and stakeholder focus being applied; and the other proposing and illustrating the new concept of corporate sustainability, with ethics as its underlying rationality.

This was followed by a summary explanation of the concept of trust and trust-building in a corporate environment, as well as figures aimed at reiterating the difference between trust and trustworthiness and providing the key antecedents of trust. The continuum of corporate trustworthiness was also presented, based on the presence and level of the seven key antecedents of trust.

Finally, a number of tables and figures have been used to summarise the chapter dealing with the constructs of corporate reputation, identity and trust and their relationships, including one that:

- outlines the existing approaches in literature to define and conceptualise corporate reputation as well as the new strategic alignment approach to the reputation paradigm within the corporate identity/trust framework;
- presents and explains the new *Strategic Alignment Reputation Framework* proposed by this study, aimed at illustrating the corporate reputation management process;
- identifies and disaggregates the key elements of corporate reputation in relation to the identity/trust relationship to clarify the interrelationship between these constructs;
- outlines the high-level process of establishing a sustainable, trustworthy reputation that will earn stakeholders' trust and therefore their support; and
- illustrates the corporate identity/reputation/trust process towards long-term corporate sustainability, highlighting the role of strategic corporate communication.

The final outcome of this study, namely a definitive conceptual model of the relationship between corporate trust and corporate reputation, was then presented. This was followed by an evaluation of the model and theoretical contribution made by this study, as the conclusion to this chapter.