

CHAPTER 8

CONCLUSION AND RECOMMENDATIONS

1 INTRODUCTION: OUTLINE OF CHAPTER CONTENT

This study concludes by examining the manner in which the primary and secondary research objectives have been met and by making recommendations for future research.

2 RESEARCH OBJECTIVES

2.1 PRIMARY RESEARCH OBJECTIVE

The primary research objective of this study, namely *to conceptualise corporate trust in relation to corporate reputation, in order to develop a conceptual model depicting the relationship between corporate reputation and corporate trust*, has been achieved.

The comprehensive discussion in the previous chapter outlined the manner and process in which these two constructs were explored and investigated and the final outcome of this study was presented in the form of a conceptual model, illustrating the relationship between corporate trust and corporate reputation.

The key contributions made in this regard are then only summarised here as follows:

- These two constructs and the interrelationship between them have been conceptualised and clarified more holistically, within a broader framework of corporate sustainability and corporate identity.
- Corporate reputation has been defined as *multiple stakeholders' perceptions and assessment of how trustworthy the organisation is, based on their overall experience of and total exposure over time to its actions and character, which in turn affects their decisions on how to behave towards the organisation.*

- Based on this, corporate reputation has then been conceptualised as being merely a means to an end – to earn its stakeholders’ trust and continued support – and not as an end in itself.
- The concept of establishing and managing a single corporate reputation (as an ethical, trustworthy organisation in order to earn stakeholders’ trust and continued support) has been introduced. It should be noted that this concept 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.
- While the concept of multiple stakeholders is not new, the concept has been introduced that an organisation cannot necessarily identify all its multiple stakeholders, since many will only become stakeholders once they are affected by or particularly when they start affecting the organisation.
- The concept of managing its relationship (single) with its stakeholders – even those not yet identified – by managing its own identity in order to deliver on its accountability to all its stakeholders has been introduced, as an alternative to the view that an organisation has to manage multiple relationships (plural) with its identified stakeholders.
- The concept has been introduced that the reputation management process essentially has an initial primarily strategic internal versus an external management focus, based on the concept of locus of control.
- Trustworthiness, and not trust (as is generally indicated in existent literature), has been identified as the key driver/antecedent of corporate reputation, which in turn is regarded as an antecedent of corporate trust. Trustworthiness is then regarded as a key driver that influences both corporate reputation and corporate trust. This means that neither corporate reputation nor corporate trust is sustainable without trustworthiness.
- Since an organisation has to consistently demonstrate and become known for being worthy of its stakeholders’ trust, ethics has been positioned as the guide to ensure

consistent value-based corporate decisions and behaviour to display the organisation's trustworthiness, which is defined as *an intrinsic, objective characteristic of a for-profit organisation*.

- Seven key areas in which an organisation should display its trustworthiness have been identified. While these are conceptualised as the key antecedents of trust, it has been proposed that these should also serve as the antecedents for corporate reputation in order to build a reputation that will lead to stakeholders' trust and therefore their support. This allows for corporate reputation to be used as a means to an end. By making the trustworthy characteristics of the organisation visible to its stakeholders in everything it says and does, the organisation ensures that it builds a reputation that will earn its stakeholders' trust and therefore their support.
- Trust, defined as *stakeholders' subjective expectation of and belief in the stable, enduring, ethical and trustworthy character of the organisation, which influences their decisions on how to behave towards the organisation*, has been identified as an outcome of corporate reputation.

The general criteria used to evaluate the legitimacy and value-add of a contribution made to theory development were discussed in Chapter 6. Based on this discussion, this researcher holds that, while this study has used what is known in the communication and reputation management field and expanded on the knowledge base, the conceptual model that was developed to clarify and explain the relationship between corporate reputation and corporate trust has altered the general understanding of these phenomena by "... reorganizing our causal maps" (Whetten, 1989:493).

This study's essential contribution is then regarded as one that has resulted in a paradigm shift, which requires a qualitative change in focus and assumptions in how academics and practitioners view and manage corporate reputation and corporate trust, and which opens up new avenues for further research.

2.2 SECONDARY RESEARCH OBJECTIVES

While the discussion above summarises the overall contributions made by this study, the contributions made with regard to each of the secondary objectives will now be

addressed. The role of the secondary objectives has been to systematically examine and address the nature and role of certain key constructs related to corporate trust and corporate reputation, in order to meet the primary objective of this study.

As such, the manner in which each secondary research objective has been met will now be discussed:

2.2.1 Research objective 1

To investigate the nature and meaning of the construct of trust within a corporate context, in relation to reputation, in order to develop a definition of corporate trust.

This objective has been achieved. The trust construct has been reviewed comprehensively and its nature, characteristics and dimensions have been described. The trust construct has been conceptualised as being based on a four-place predicate; as a complex relationship between a trustor, a trustee, the context in which they find themselves as well as the content of the trust (i.e. in terms of *what* the trustor trusts the trustee with). The key characteristic of trust has been identified as being needed or present whenever there is an imbalance in the relationship, regardless of the context, which puts the trustor in a position of vulnerability or risk related to the actions of the other party, and therefore in a position where he has to expect that the trustee will act in a manner that will not be harmful to him.

The inherent nature of trust has been conceptualised as consisting of three fundamental dimensions: trust as an expectation or belief, as a decision and as an action or behavioural manifestation, positioning trust as both the basis and the outcome of behaviour. It has been noted that for trust to be relevant there needs to be the possibility of exit, betrayal or defection by the trustor, and it has been highlighted that this element of social control that is built into any trust relationship also holds true, with significant impact, in a corporate context. The concept of interpersonal trust has been developed and defined as *an optimistic expectation or belief of the trustor concerning the behaviour of the trustee in respect of that for which he is trusted.*

Based on institution-based and systems trust as two existing high-level trust concepts, the concept of corporate trust as a third high-level trust concept has been proposed. The nature, characteristics, antecedents, benefits, barriers, sources, functions and importance of corporate trust have been explored and described.

Corporate trust has then been conceptualised as a more complex, less individuated, more impersonal and more indirect form of trust. In particular, the complexity of corporate trust (or collective trust) has been emphasised. This complexity has been described as being due inter alia to the involvement of multiple actors; the numerous contexts in which corporate trust has to function; and the increased vulnerability of stakeholders to the actions of an organisation. This has been noted as being particularly due to the less direct interaction and lack of familiarity between the two parties, which means that stakeholders are unlikely to have the required detailed, personal knowledge of the for-profit organisation that usually provides the foundation for interpersonal trust. Based on this, a key element of corporate trust has been emphasised, namely that it also involves an expectation of a moral element in the for-profit organisation's intent and behaviour.

Corporate trust has been described as an attitude that allows for risk-taking decisions, based on which stakeholders then act on their belief and decision to engage in the trust-informed risk-taking behaviour, irrespective of their ability to monitor or control the organisation. The dimension of trust as an action or behavioural manifestation – and the link between this fundamental dimension and the concept of corporate sustainability – has been noted as forming an integral part of corporate trust, in that stakeholders can act on supporting the for-profit organisation they trust, or they can act against an organisation if they lose their trust in it, either passively and indirectly (by withdrawing their support) or directly (by actively taking actions to influence others against the for-profit organisation).

The role of corporate reputation in relation to trust has been contextualised within this context, namely to create a sense of familiarity with the organisation by presenting its identity to its stakeholders so that they have a basis on which to form an opinion and

make an assessment of the organisation, which in turn will inform their behaviour towards it.

A definition of corporate trust has been developed. In this study, corporate trust is defined as *a subjective attitude, belief and optimistic expectation by a stakeholder or a group of stakeholders that their dependence on the for-profit organisation will not be abused*. This researcher holds that this belief is based on the organisation's consistent demonstration that it has voluntarily accepted its moral duty to act in a manner that is ethically justifiable and socially responsible, by taking morally correct decisions and actions based upon ethical principles of analysis to protect the rights and interests of all its stakeholders to the good of society, in any joint endeavour and economic exchange, as well as in the manner that it conducts its overall operations as a responsible corporate citizen. Based on this expectation, it is believed that stakeholders will commit to and actively support the organisation.

2.2.2 Research objective 2

To investigate the nature and meaning of the construct of trustworthiness within a corporate context, in relation to reputation and trust, in order to develop a definition and description of the characteristics of corporate trustworthiness.

This objective has been achieved. In conceptualising the construct of trust, the construct of trustworthiness has been identified and the difference between these two constructs has been explored. It has been emphasised that the concepts of trust and trustworthiness are not the same, although they are intricately related, with the former depending upon an expectation of the latter. It has been noted that trust as an expression of faith is essentially characterised by affect or emotion, which has been described as an emotional bond in the relationship as well as part of the trustor's belief in the moral character or 'goodwill' of the trustee in the trusting relationship.

The difference between these two concepts has been clarified as follows: perceived trustworthiness (trust) is a subjective expectation and belief that trustors have about the

trustee, whilst trustworthiness relates to an objective characteristic of the trustee, which shows him to be *worthy* of the trustor's trust.

The importance of internal factors has been emphasised, 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. It has been underlined that trust cannot be enforced, and that a trustee can only earn it on the basis of his own trustworthy behaviour.

In a brief review of trustworthiness in a personal context it has been highlighted that with personal trust a trustor has to rely on getting to know and trust the trustee based on the personality that the trustee presents of himself (where his self-presentation includes that which he wants to be known of him and which he makes socially visible) and the behaviour associated with this. It has then been noted that when the trustee is consistent in his behaviour and stands by what he has been presenting about himself, he becomes worthy of trust, provided the consistency is related to the inherent character, identity and values of the trustee.

Trustworthiness in a corporate context has been explored and it has again been emphasised that a for-profit organisation cannot command or enforce stakeholders' trust; that it also has to earn it by demonstrating its trustworthiness to its stakeholders in order to engender their trust in the organisation.

Two important points regarding corporate trustworthiness have been reiterated. The first is that while consistency in everything it does and says as an organisation is crucial, it is ultimately the *behaviour* of the organisation, which should be consistent with what it presents of itself to its stakeholders, which will earn stakeholders' trust.

The second key point is that while consistent and aligned behaviour and messages lead to trustworthiness, it needs to be based on a *moral* foundation as an innate characteristic of the organisation's character for stakeholders' trust (their belief about the perceived trustworthiness of the organisation) to be sustainable.

It has been noted that similar to personal trust, where trust is a result of getting to know and trust the trustee based on the personality that the trustee presents of himself as well as the trustee's consistent behaviour associated with his self-presentation, a for-profit organisation has to communicate and build a relationship with its stakeholders – it has to 'present' itself so that its stakeholders can get to know what the organisation stands for. This is where corporate communication, corporate image, reputation-building activities and the establishment of an authentic relationship with stakeholders fulfil key functions.

However, it has been emphasised that in order to ensure that these activities contribute to demonstrating the organisation's trustworthiness, it is critical that the messages about a for-profit organisation and the manner in which it presents itself should be consistently integrated and aligned with the identity and values of the organisation as an ethical and responsible corporate citizen. Repeated inconsistency in messages or self-presentation will break down the image of trustworthiness that it wants to portray.

The point that has been emphasised is that corporate trust develops not just on the basis of consistent behaviour, but rather on the basis of consistent behaviour by a for-profit organisation that consistently fulfils its moral duty in particular. As such, it has been posited that corporate trust actually develops on the basis of trustworthy behaviour by an organisation that can be trusted to *consistently* fulfil its *moral* duty as an ethical, responsible corporate citizen to the good of society, and therefore in the longer term, to its own good.

Trustworthiness has then been identified to be a key factor that influences trust, since a trustor's decision to trust is based on the trustworthiness of the trustee, which means that trust is not sustainable without trustworthiness. As these have been identified as two distinct constructs, it has been noted that the terms 'trust' and 'trustworthiness' cannot be used interchangeably.

A definition of trustworthiness has been developed, where trustworthiness is defined as *an objective characteristic of the trustee which makes him worthy of having the trustor's trust.*

2.2.3 Research objective 3

To investigate and disaggregate the key elements of reputation, in relation to the identity/trust relationship within a corporate context, in order to develop a definition and conceptualise the corporate reputation construct.

This objective has been achieved. As this construct and its relationship with the identity/trust constructs have been discussed in detail in the previous chapter, the key contributions made in this regard will merely be summarised here.

This researcher has conceptualised corporate reputation 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), based on their overall experience of and total exposure over time to the organisation's actions and character, which in turn affects their decisions on how to behave towards the organisation. In this light, corporate reputation is contextualised as merely being a means to an end, namely to earn its stakeholders' trust and continued support and so ensure its own long-term economic corporate sustainability.

In line with this brief summation, the following key points need to be highlighted:

- This study suggests that a good corporate reputation results from consistent *trustworthy* behaviour, with its foundation in an organisation's value-based and moral identity, which then influences and reinforces stakeholders' expectations, and therefore their trust and ongoing supportive behaviour.
- This researcher has identified the key elements of corporate reputation as consisting of the organisation's reputation promise (the strategic vision of who its sets out to be); its culture; and its corporate image or self-presentation, which collectively result in the actual corporate identity or character of the organisation.
- The key function of corporate reputation has been conceptualised as the means by which the organisation familiarises its stakeholders with its value-based identity or character, through its strategically aligned and consistent behaviour and self-

presentation in everything it does, says and symbolically presents of itself, in order to mould and influence its stakeholders' perceptions and opinions about the trustworthiness of the organisation.

- Corporate reputation has then been held effectively to be about how authentically an organisation manages its own value-based identity internally and in its presentation externally to its stakeholders to ensure that there is strategic alignment between who it promises its stakeholders to be (on which they will base their expectations) as well as the behaviour, speech and appearance of its employees, in order to ensure that its stakeholders will perceive and assess it to be an ethical, trustworthy organisation, and so earn their trust and support.
- A definition of corporate reputation, one which will lead to stakeholders' trust and therefore to their continued support and commitment to help ensure the long-term sustainability of the organisation, has been developed. In this study, it has been defined as *the collective assessment that all relevant internal and external stakeholders make of the trustworthiness of the organisation; of its character, which influences their decision to trust and support the organisation* (Chun, 2005:105; Fombrun & Van Riel, 2003:230).
- This researcher holds that the organisation's trustworthiness is demonstrated by its intrinsic normative characteristics as well as the authenticity with which it consistently acts in line with its ethical, value-based identity; where stakeholders' opinion of the organisation's character has developed over time, based on their direct experiences with the organisation's behaviour, as well as any other forms of communication and symbolism they receive from the organisation or from other sources, that indirectly provide information about the organisation's actions. These in turn shape what they believe the organisation stands for (who and what it is), and their assessment of its ability to fulfil their expectations in the future, based on its past and present actions.

Apart from developing a definition of corporate reputation, this research objective also indicated intent *to develop and propose a new approach to conceptualise the corporate reputation paradigm*. This part of the objective has also been achieved.

In building on the three foremost existing approaches to conceptualising the corporate reputation paradigm, namely the evaluative, impressional and relational approaches, the

strategic alignment approach has been developed and offered as a new approach, and a *Strategic Alignment Reputation Framework*, as an alternative to the *VCI Alignment model* of the relational school, has been developed and presented.

The main differences and contributions of the new approach and model were outlined in detail in the previous chapter, but a few key contributions are reiterated here:

- The concept of the corporate reputation management process as essentially having an initial strategic internal (instead of an external) management focus has been introduced, placing the key focus of the reputation management process on managing what happens inside an organisation; that which is within an organisation's control, in order to ensure that it actually becomes and is seen to be an ethical, trustworthy organisation. This study contends that an organisation's leadership should first establish the organisational structures, processes and culture that will evoke trust, before communicating their commitment to the organisation's single ethical and trustworthy character externally.
- The concept of establishing and managing a single corporate reputation (as an ethical, trustworthy organisation in order to earn stakeholders' trust and continued support) has been introduced. It should be noted that this concept of a single corporate identity/reputation 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.
- Trustworthiness, and not trust, has therefore been identified as the key driver of corporate reputation, which in turn has been conceptualised as an antecedent of corporate trust.

2.2.4 Research objective 4

To investigate the nature and meaning of the concept of sustainability, in relation to corporate trust, by examining the different organisational approaches towards sustainability based on the governance framework and stakeholder focus being applied, in order to propose a new framework of corporate sustainability, with ethics as its underlying rationality.

This objective has been achieved. Based on a comprehensive review of the literature, the nature and meaning of the concept of sustainability have been explored and described in order to position the role and importance of corporate trust – also in relation to corporate reputation – within the context of corporate sustainability in South Africa. This review included an introduction to the philosophy of King III and an overview of the concept of corporate governance, the nature and meaning of fiduciary duty, the inclusive stakeholder approach and the concept of corporate citizenship, in order to posit the requirement for an ethical approach in business to earn a good reputation that will lead to stakeholders’ trust and supporting behaviour, which in turn will enhance an organisation’s sustainability.

It has been suggested that this approach will contribute to making the *fundamental* shift in the way organisations and directors act and organise themselves, which according to King III is required to meet one of the most important sources of both opportunities and risks for modern-day businesses, namely to safeguard its own sustainability, by ensuring that it operates in such a way that it assures that returns will continue in future, instead of focusing only on a short-term profit goal. By highlighting the global focus being placed on the issue of sustainability, in particular on corporate ethics, responsible corporate citizenship and sustainable business practices, the increasing need to understand trust – also in relation to reputation – in a corporate context, what it is, how it is developed and how it can be used to facilitate the fundamental shift that King III is referring to has been emphasised.

The importance of and need for an organisation to become and be seen as trustworthy (link with trust/reputation respectively) has been posited, inter alia:

- by emphasising the philosophy of King III that centres on effective leadership and the key challenge of ensuring the sustainability of their organisations through responsible corporate citizenship;
- by conceptualising corporate governance as the organisation's practical expression of ethical standards in line with King III (which emphasises that leaders' fiduciary duty gains its momentum primarily at the level of norms rather than at the level of rules);
- by delineating the board of directors as the leaders that King III is referring to, and by outlining the board's legal, fiduciary and moral duties, in particular to trigger trust behaviour in the organisation by signalling that the social context calls for trust; and
- by highlighting the need for directors to guide the executive leadership of a for-profit organisation to follow ethical guidelines in their decision-making and to take the legitimate interests and expectations of *all* the stakeholders of the organisation into account in every facet of conducting its business.

An overview of the inclusive stakeholder approach and its link with the sustainability of a for-profit organisation, as maintained by King III and other existent literature, has been presented. The fact that an organisation earns the necessary approval, its 'licence to operate', from its stakeholders, has been emphasised as being vital to long-term corporate sustainability. This has been contextualised as essentially providing a redefinition of economic success in that it focuses on producing lasting positive effects for all stakeholders. In line with King III, stakeholders have been described as the ultimate compliance officers in an organisation, because they can choose to withdraw their support and cooperation if they feel that an organisation has acted irresponsibly or unethically.

The existing approaches towards sustainability have been examined and outlined as including four stances, namely an obstructionist, defensive, accommodative and proactive approach. An overview of the existing approaches and the introduction of a new proactive approach have been provided in Figure 10.

The development of the sustainability concept has been reviewed and outlined, in order to demonstrate that this concept is increasingly understood as being a much broader concept than the more narrowly defined environmental view that is generally held. The

concept of corporate sustainability has been introduced, as outlined in Figure 11, proposing a new interlocking-circles approach to corporate sustainability with ethics as its core and underlying rationality.

2.2.5 Research objective 5

To identify the key elements of corporate trust, in relation to reputation, in order to propose a high-level process that can guide leaders to establish a sustainable, trustworthy reputation that will earn stakeholders' trust and therefore their support.

This objective has been achieved. As this construct and its relationship with the trustworthiness and reputation constructs have been discussed in detail in the previous chapter, as well as in the discussions related to Research objectives 1, 2 and 3, the key contribution made in this regard will be highlighted, following this brief summary:

Trustworthiness has been identified as the key driver for corporate reputation, and trust has been identified as the outcome of corporate reputation. It has also been proposed that the seven key antecedents of trust should be considered to be the key antecedents of corporate reputation which aims to engender stakeholders' continued trust and supporting behaviour.

The key elements of corporate reputation, in relation to its corporate identity, have been identified as the reputation promise, culture and image/self-presentation of an organisation that collectively result in the organisation's actual identity or character.

The focus of the reputation management process has been posited as essentially being an initial primarily internal focus, with the aim of strategically aligning everything that an organisation envisions, promises, does, says and presents of itself, in order to portray and demonstrate its trustworthiness to its stakeholders. While this has outlined what needs to be achieved, namely strategic alignment between the reputation elements, it did not clearly outline how it should be done and neither did it clarify the link with the seven antecedents of reputation and trust.

A high-level overview of the process that leaders need to follow to establish a sustainable, trustworthy reputation that will earn stakeholders' trust and therefore their support has been provided in Figure 16.

In brief, the high-level steps that leaders need to follow include:

- **Step 1**

The very first step starts with the leadership of an organisation, who need to adopt a proactive ethical stance towards corporate sustainability, and then to revise who the organisation is and what it stands for – its identity – by revising its strategic vision, objectives and values to establish a single, ethical, value-based identity that is core to the organisation's strategic business objectives; in order to become and to be seen as trustworthy, which will earn stakeholders' trust, instead of trying to manage the perceptions of different stakeholders. The key antecedents of reputation and trust should be used as a guideline.

- **Step 2**

The process of revising its corporate identity needs to result in the clear articulation and formulation of the organisation's desired identity, values and behaviour, captured in a concise and appealing reputation promise for its stakeholders that is aligned with its new corporate identity – who it sets out and promises its stakeholders to be. This promise needs to reflect the core of the organisation's strategic vision and values, that which it stands for and can be held accountable for, to show stakeholders its desired sustainability outcomes and direction.

It is important for the leadership to engage with and obtain input from the organisation's stakeholders during this process, so that its new identity and values will resonate with them, and will be something that they will want to identify with.

- **Step 3**

Once the leadership has articulated the vision and reputation promise of becoming a trustworthy, ethical for-profit organisation, they need to visibly shift the organisation's strategic priorities from a short-term financial focus towards a long-term sustainability

focus by integrating the newly adopted corporate identity and values into the organisation's normal management decision-making channels, and by reflecting this in all the critical organisational activities, such as its strategy, operations, policies and procedures, basing these on moral principles and values, rather than exclusively on rational and financial standards.

- **Step 4**

At the same time that it is changing the organisational management framework to accommodate the newly adopted corporate identity, the leadership also needs to actively plan and lead a culture change programme to change employees' behaviour.

This process is started by clearly articulating the characteristics, the desired values and primary behaviours that will lead to these new, desired qualities, which should be aligned with the clearly articulated desired character of the organisation. This should then be incorporated into all its systems, structures, policies, procedures and programmes that structure, guide, reward and sanction employees' behaviour and performance, in order to ensure that the desired values-based behaviour will be reinforced and eventually become the way things are habitually done in the organisation.

Leadership communication and personal behaviour are two crucial elements in successfully instilling a culture of consistent ethical and trustworthy behaviour that is in line with its newly adopted corporate identity.

- **Step 5**

While aligning the behaviour of its employees with its newly adopted identity is crucial to become an ethical and trustworthy organisation is key, the leadership also needs to ensure that the image or self-presentation of the organisation in all its forms is strategically aligned with its identity.

This process begins with the leadership's clear articulation of the organisation's image, which is the ideal picture that it wants its stakeholders to see, in line with its ethical value-based identity. The leadership then needs to champion and ensure that all the

elements with which the organisation presents itself, that is its corporate communication, symbols, reputational-building and branding activities, are consistently aligned to represent and signify its corporate identity as authentically as possible, since trying to manipulate stakeholders' impressions is held not to be sustainable.

- **Step 6**

The leadership also needs to acknowledge the role and impact of all its internal and external stakeholders on its long-term sustainability, and utilise expressive communication with its stakeholders, to authentically represent its corporate identity. Authenticity is described here as a state in which the organisation's internal identity positively reflects stakeholders' expectations and their beliefs about it accurately reflects its internally held identity.

While this step is positioned here in the overall process to highlight that the organisation should first focus on managing and getting all its internal elements into place before communicating its newly adopted identity externally, it is emphasised that the leadership should already have dialogues with its internal and external stakeholders during Step 2, in order to get their input on the identity and values that should be incorporated, since only authentic communication that is based on *shared values* will enable stakeholders' identification with the identity of the organisation, and that will lead to identification-based trust, which will result in commitment and supporting behaviour.

- **Step 7**

The last step in the high-level process is based on the leadership's acceptance that the principle of an effective relationship with its stakeholders is grounded in regarding the organisation's stakeholders as partners, and as such it should continuously solicit feedback from its stakeholders in terms of how well it is delivering on its reputation promise to them – on how trustworthy and ethical it is perceived to be already – using the seven key antecedents of reputation and trust, as proposed by this study, as the key constructs to be measured.

This is where this researcher's proposed Corporate Trust Index, to be developed subsequent to this study, will fit in. The feedback will inform the leadership of where the

misalignment or perceived gaps are, and will enable them to address those issues so that it can close those gaps and increasingly become and be seen to be trustworthy.

It is also crucial for the leaders to then act on the feedback that it receives from its stakeholders, in order to protect and enhance the organisation's own authenticity and so ensure their continued trust.

2.2.6 Research objective 6

To identify the dimensions and variables of measuring corporate trust, in relation to reputation, in order to develop a conceptual model that can be used as a guide to develop a valid Corporate Trust Index (CTI) measurement, subsequent to this study.

This objective has been achieved. The seven key antecedents of reputation and trust, as posited by this study, have been identified as the dimensions and variables of measuring corporate trust, in relation to corporate reputation.

The conceptual model, as provided in Figure 18, can be used as a basis for generating an item pool of the variables that represents trust, and to reduce and refine the item pool in order to design a Corporate Trust Index (CTI) measurement scale. The trust measurement scale can then be tested, refined and validated in order to structure the final Corporate Trust Index measurement tool, by attaching weights to the dimensions and deciding on the moderating and/or classification variables.

Based on this, a CTI measurement tool that can be used by organisations in South Africa to measure how well their corporate reputations are being measured and what the level of trust is in their organisations, can be developed and implemented.

3 RECOMMENDATIONS

The recommendations will be presented in line with the overview given in Chapter 1 of the importance and contributions of this study.

3.1.1 Recommendation 1

In line with the main intention of this study to contribute to the theoretical development in the field of corporate trust and reputation management by providing a clear conceptual model of the relationship between the corporate trust and corporate reputation constructs, the first recommendation is related to the conceptual model proposed by this study in order to clarify the key elements of and the interaction between these two corporate constructs, namely that further research should be done to test and validate the proposed model.

3.1.2 Recommendation 2

The second recommendation is related to the key objective of this study to illustrate the importance of corporate communication and contribute to the field of strategic communication management. While the strategic role of corporate communication has been outlined and highlighted as assisting the leadership of an organisation to establish its reputation promise in line with its newly adopted identity as a trustworthy and ethical organisation; change the culture of the organisation; align all forms of its self-presentation; and to practise expressive communication in building an authentic relationship between the organisation and all its stakeholders, this has only been outlined at a high, almost abstract, level.

Further examination of and research into the strategic role of corporate communication, in relation to reputation management, would be advantageous, especially if more practical guidelines can be developed and proposed.

3.1.3 Recommendation 3

The third recommendation of this study is related to the proposed contribution to the field of strategic management by providing a clear conceptual model of how to manage the relationship between the corporate trust and reputation constructs.

While the key elements that the leaders of a for-profit organisation need to focus on in their quest to build a sustainable wealth-creating organisation have been identified and

a high-level process guideline framework has been proposed to build an enduring corporate reputation that will earn stakeholders' trust, and therefore their commitment and support to help enhance the long-term economic performance and sustainability of the organisation, it is believed that further research aimed at validating the steps in the proposed process model and providing more detailed guidelines, will be beneficial.

3.1.4 Recommendation 4

The fourth recommendation is related to the possible contribution that the conceptual model of corporate reputation and trust and its interrelationship within a corporate sustainability framework make to the field of corporate governance and sustainability.

Since the model proposed by this study in particular has moved away from the traditional triple-bottom-line model, where the focus is on trying to be environmentally conscious and charitably socially responsible in conducting business, to one where ethics is used as the underlying rationality and as the foundation of a for-profit organisation to be a trustworthy and responsible corporate citizen in everything it does, it is recommended that this concept should be further tested and examined within the field of corporate governance. In particular, the manner and content of incorporating the information related to how trustworthy an organisation's stakeholders perceive it to be into an organisation's integrated report needs to be clarified.

3.1.5 Recommendation 5

The fifth recommendation relates to the seven key dimensions and antecedents of corporate reputation and corporate trust as identified by this study.

It is recommended that the conceptual model to explain the relationship between these constructs and the key antecedents be used as a blueprint to develop a valid Corporate Trust Index to measure stakeholders' trust in an organisation (as the conclusive outcome of how well the organisation is managing its reputation). This is also in support of the recommendation in King III (2009:100), namely that directors should measure the gap between organisational performance and stakeholder perceptions.

4 LIMITATIONS

The following are the identified limitations of this study, which could be addressed in future research.

4.1.1 **Limitation 1: Research cycle incomplete**

The first limitation of this study relates to its methodological framework, which focuses on theory building, and then specifically on the development of a conceptual model as a form of theory construction. This form of theory construction refers to the process where theory is built on the depth dimension, in other words to basic research, and presented to the field for testing.

As discussed in Chapter 6, all the stages in the research cycle process are important, and as such a methodological limitation of this study is that the theory has not yet been tested. However, in line with one of the secondary objectives of this study, the dimensions and variables of measuring corporate trust, in relation to reputation, in order to develop a conceptual model have been identified.

The conceptual model, as provided in Figure 18, can be used as a basis for generating an item pool of the variables that represents trust, and to reduce and refine the item pool in order to guide the design of a Corporate Trust Index (CTI) measurement scale subsequent to this study, as suggested in Chapter 1. The trust measurement scale can then be tested, refined and validated in order to structure the final Corporate Trust Index measurement tool, by attaching weights to the dimensions and deciding on the moderating and/or classification variables.

4.1.2 **Limitation 2: Model does not demonstrate systemic interrelationships**

The conceptual model that has been developed by this researcher (see Figure 18) does not pertinently indicate the systemic behaviour, interrelationships and dependencies that are at play within a for-profit organisation as a socially engineered system, or within the

corporate constructs and organisational processes related to corporate trust, reputation and communication.

While the primary objective of this study has been met, in that a conceptual model has been developed to demonstrate the specific relationship between corporate trust and reputation, this model could be expanded in future work, in order to clarify the possible misconception that the reputation-trust process is linear or one-directional.

4.1.3 Limitation 3: Focus on trust/reputation only in a for-profit organisation

The third limitation relates to the focus of this study, which is confined to a for-profit organisational context. While this focus is informed by the general assumption that non-profit organisations enjoy much higher levels of trust since they serve a cause larger than financial profit and that for-profit organisations in contrast face a more complex challenge of building and sustaining stakeholders' trust, future work could focus on investigating the role of trust in a non-profit organisation.

4.1.4 Limitation 4: Strategic corporate communication approach to be extended

The corporate communication perspective in this study has been limited to the concept of the strategic role that it fulfils in an organisation, particularly with regard to the management of an organisation's identity, reputation and stakeholders' trust. In particular, this study explored the concept of expressive corporate communication, which focuses on the role of communication to express and represent a for-profit organisation's authentic identity rather than to grab attention and manipulate impressions.

While the extended framework and focus of strategic corporate communication has been identified and outlined at a conceptual level, future research could focus on exploring and clarifying the role of strategic corporate communication on a more concrete level.

4.1.5 Limitation 5: Practical application of corporate elements/processes

Since this is a conceptual study, the discussion of the constructs and the processes of implementing and managing these corporate elements has been limited to a high level, dealing with the issues at a conceptual rather than a more practical level.

While high-level guidelines regarding the corporate processes related to trust and reputation and the role of the leadership in this regard have been identified and outlined on a theoretical level, future work could be done to broaden the application of these processes on a pragmatic level.

5 CONCLUSION

This study is concluded with the final observation that it is believed that a significant contribution has been made by this study to address the current perceived lack of conceptual clarity regarding the relationship between corporate trust and corporate reputation within a corporate sustainability framework.

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

The operationalisation of the trustworthiness and trust constructs by this researcher has also clarified the relationship between these two constructs, which in turn informed the conceptualisation of the relationship between corporate reputation and corporate trust. In many of the existing reputation models trustworthiness and trust are either not linked to the key dimensions of reputation, or trust (not trustworthiness) is merely indicated as an attribute of one of the key antecedents of corporate reputation. This also then brings into question which key criterion or criteria are used to identify the antecedents of corporate reputation.

This suggests three key contentions in current theory that are being challenged by this study. The first contention being challenged is that corporate trust does not play a critical role in the sustained success and survival of a for-profit organisation, in as much as corporate reputation does. The second contention being challenged by this study is the fact that, when the role of corporate trust in relation to corporate reputation is recognised, it is regarded as an antecedent of corporate reputation. This latter contention indicates that much of the current understanding of the role of corporate trust construct is superficial and that the use of and differentiation between the corporate trust and trustworthiness constructs in relation to corporate reputation are blurred and indistinct. The third contention that is being challenged by this study relates to the more generally accepted antecedents of corporate reputation, where current theory either does not include corporate trustworthiness as an antecedent or where it incorrectly includes corporate trust (*vis-à-vis* trustworthiness) as an antecedent to corporate reputation.

The first contention has been successfully challenged by this study. Corporate trust has been conceptualised as the more comprehensive construct in the relationship, in that it – rather than corporate reputation – is regarded as the more critical influencer of a for-profit organisation's ability to generate sustainable wealth over time and ensure its own long-term economic sustainability. Corporate reputation has been conceptualised as being merely a means to an end – to earn stakeholders' trust and therefore their commitment and continued support – and not as an end in itself.

The second contention has also been successfully challenged by this study. Since corporate reputation is defined as the collective assessment that stakeholders make of the character of the for-profit organisation, it has been clarified that corporate trust (as a subjective expectation of and belief in the character of the organisation) is an outcome of corporate reputation. Corporate trust, as an expectation of stakeholders, cannot be used to drive and shape the for-profit organisation's character in order to influence how stakeholders perceive and assess the organisation. Corporate trustworthiness (as an intrinsic, objective characteristic of a for-profit organisation) on the other hand, can be used to drive and shape how stakeholders perceive and assess the organisation's character, since the organisation can choose which characteristics it wants to

emphasise, demonstrate and display. The seven key areas in which an organisation should validate its trustworthiness have been identified. These are the antecedents of trust.

The third contention has also been successfully challenged by this study. Instead of merely including trustworthiness as one of the attributes or antecedents of corporate reputation, this researcher contends that the antecedents of trust should also be regarded as the antecedents of corporate reputation. This is based on the rationale that a for-profit organisation that uses the seven key antecedents of trust to demonstrate its trustworthy characteristics and to make them visible to its stakeholders in everything it does and says (using its overall strategic corporate communication activities as reputation-building blocks), will be able to build an enduring corporate reputation that will lead to an outcome where stakeholders trust, and therefore support, the organisation.

It should be highlighted that the specific contribution of this study is held to be in the specificity of the relationship between corporate reputation and corporate trust. As such, the conceptual model is presented in such a way that this relationship is specifically highlighted: that corporate reputation depends on the inherent characteristics of an organisation (its trustworthiness), and that trust is the outcome of a reputation that has been built and sustained on the basis of the seven key antecedents of corporate trust, which then influences the organisation's continued growth and sustainability.

This forms the basis for this researcher's argument for an initial primarily internal focus in terms of the corporate reputation management process, in order to first create the kind of organisation that it has promised its stakeholders to be, one that is able to evoke trust. Stakeholders will only perceive and assess the organisation to be authentic and trustworthy if there is consistency between the organisation's actions, words and self-presentation.

It is therefore held by this researcher that the internal structures, processes and culture that will allow for it to evoke stakeholders' trust should first be in place, before the organisation starts to actively and extensively communicate its intent and progress in this regard externally to its stakeholders. Based on its communication activities,

stakeholders become aware of what the organisation sets out or promises to be, and they use this as a basis on which to assess the character of the organisation. Only when stakeholders cannot perceive a gap between who the organisation promises to be, how it is seen to behave and what it says and presents about itself, will stakeholders assess it as an organisation that they can trust both now and in future, since their expectation is that the organisation will continue to act in ethical character.

This argument does not mean that the values, expectations and needs of stakeholders are not to be taken into account. On the contrary, it is contended by this researcher that a for-profit organisation needs to ensure that it incorporates its stakeholders' high-level expectations of a relationship based on ethical values into its very core – in its vision and values, its very identity, before it embarks on changing or re-energising and re-communicating its identity.

Similarly, since the purpose and contribution of this study lie in indicating the specific relationship between corporate reputation and corporate trust in a for-profit organisation, the representation of this relationship in the conceptual model should not be taken to mean that the organisational process in this regard is linear or one-directional.

The use of sociological systems theory as the particular paradigmatic perspective of general systems theory as the macro-theoretical basis of this study, clearly positions a for-profit organisation as a socially engineered system, one that is capable of purposive action and change, interacting with and acting on the feedback that it receives from its environment.

Stakeholder theory provides the conceptual bridge between the concept of an organisation as a social system and the construct of corporate trust as a sociological event, since it contextualises the key role that stakeholders play in influencing a for-profit organisation's long-term economic success and viability. This brings the argument that a for-profit organisation is totally dependent on its relationships with its stakeholders, and that it has to earn its stakeholders' trust by becoming a trustworthy, ethically responsible corporate citizen if it wants to ensure its own corporate sustainability, full circle.

These interrelationships and dependencies have been discussed at length, but are not indicated in the conceptual model, since the purpose of the conceptual model is limited to showing the specific relationship between corporate trust and reputation, within a corporate sustainability framework.

Finally, it is also held that the positioning of a for-profit organisation as a socially engineered system; the conceptualisation of the corporate trustworthiness, reputation and trust constructs in relation to the corporate identity construct; as well as the argument for the need for strategic alignment between the organisation's ethical, value-based identity and everything it does and says, illustrate that the role of corporate communication has changed fundamentally.

This study contends that real strategic corporate communication involves more than trying to change stakeholders' perceptions and carefully 'position' the organisation in line with what leaders want to be said about the organisation. Instead, this study contends that the role of strategic corporate communication is to help leaders to (re)define the organisation; to change the culture, the *realities* in the organisation, by helping them to understand its dependency on its stakeholders and environment; by constantly listening to and acting on feedback that it receives from its environment and by ensuring that there is strategic alignment between who the organisation promises to be, how it is seen to behave and everything that is said and presented about the organisation. This should be the focus of strategic corporate communicators.

In conclusion, it is then held that this study, as a conceptual overview aimed at clarifying current and existing theory and providing a new theoretical perspective regarding the nature and relationship between corporate reputation and corporate trust, will have both theoretical and practical value in expanding the field.

The key contribution of this study can be regarded as one that results in a paradigm shift, which requires a qualitative change in focus and assumptions in how academics and practitioners view and manage corporate reputation and corporate trust – a paradigm shift that opens up new avenues for further research.