CHAPTER 1

ORIENTATION AND PROBLEM STATEMENT

1 INTRODUCTION: TITLE AND OUTLINE OF CHAPTER CONTENT

This research is titled: *Towards a conceptual model of the relationship between corporate trust and corporate reputation.*

The foundation for the study is laid in this chapter by introducing, as an orientation, the background to the issues that are addressed by the research. The research problem, purpose statement, methodological orientation and research objectives are outlined and justified in terms of the importance and potential contribution of this study to the work of academics and practitioners. The delimitations of the study are considered and the underlying assumptions applicable to this study are clarified, before each of the key terms used in this study is defined. A conceptual framework outlines the structure of the thesis, and the content of each chapter is then outlined within this overall conceptual framework. The chapter concludes with a brief outline of the demarcation of this study.

1.1 BACKGROUND: THE PROBLEM AND ITS SETTING

The start of the twenty-first century is characterised by an erosion of stakeholder trust in the private sector and its leaders "… as people see behind the scenes and think about ideas of fairness and the distribution of power" (Rangan, 2011:8).

Highly publicised corporate scandals such as Enron, Arthur Andersen, WorldCom and Parmalat during the past decades have shown just what a prohibitive price directors and executives have had to pay for the loss of stakeholder trust that they and their organisations suffered (Bakan, 2004:23,57-59,101; Eccles, Grant & Van Riel, 2006:354; Davies, Chun & Kamins, 2010:531; Gillespie & Dietz, 2009:127; Jones, 2007:32; Turnbull, 2002:2). The liquidation of corporate assets, litigation, loss of reputation, or the demise of once-powerful brands because of public reaction to what was perceived to be unacceptable corporate behaviour and management decisions, was a high price to pay indeed (Donaldson, 2000:1; Fombrun & Foss, 2004:284; Jackson, 2009:40; Neufeld, 2007:38). This threat to the sustainability of a for-profit organisation needs to be viewed particularly from a sociological systems perspective, which highlights the importance of understanding how a for-profit organisation, as a complex social system, interacts and relates with and depends on its environment and stakeholders.

Globally, increasing attention is being paid to sustainability issues (King, 2009:11). While the intensifying concerns about corporate sustainability are due in part to a series of highly publicised corporate environmental disasters (Gao & Zhang, 2006:723), it is actually the wave of international corporate social scandals since Enron, exposing the prevalence of serious forms of ethical and social misconduct in business (Bakan, 2004:58; Brammer & Pavelin, 2004:704; Cacioppe, Forster & Fox, 2008:681; Eccles *et al*., 2006:353; Fombrun & Foss, 2004:284; Goodpaster, 2007:18; Jones, 2007:20; Pirson, 2009:5; Pharoah, 2003:46), which has led to a crisis of corporate trust (Pirson, 2009:1; Uslaner, 2010:111).

The underlying cause of these scandals, as well as the global recession and the resulting crisis among leading financial institutions in the first decade of the twenty-first century, is increasingly presented as a crisis of corporate governance and sustainability, which essentially results in a loss of stakeholder trust (King, 2009:9,10; Pirson, 2009:1; Uslaner, 2010:111; Wood, 2002:61). The widespread response to issues such as these has led to a revived focus on and critical consciousness of the need to curtail the negative impact of organised business on society at large, a realisation of the importance of ethics in the private sector and the intensification of the stakeholder view.

Today, ordinary individuals have been rendered the means to make their voices heard and act against those organisations that they believe are breaching their social contract with the community and society at large – a contract that gives organisations their legitimate status within society (De la luz Fernández-Alles & Valle-Cabrera, 2006:503; King, 2009:21; King, Felin & Whetten, 2010:292; McPhee & Zaug, 2001:577; Swift, 2001:17). This poses a severe challenge to for-profit organisations in the twenty-first century, since it is asserted that the current crisis of trust presents a major threat to long-term corporate success and viability (Pirson, 2009:1).

A for-profit organisation earns the necessary approval to operate from its stakeholders, and these self-same stakeholders can decide to withdraw their sanction of the organisation's business operations, should they lose their trust in it because they believe that the organisation is in violation of its social contract with the wider society (King, 2009:22; Pirson, 2009:23). As Jones (2007:48) aptly puts it: "Unethical organizations will be penalized because people will refuse to deal with them, proving that there are constraints on organizations beyond those of the law."

The growing awareness of the severe risks, brought about by widespread societal actions that are incompatible with sustainability, facing the economy, society and the environment in the twenty-first century (Bañon Gomis, Guillén Parra, Hoffman & McNulty, 2011:173), is therefore believed to signify an end to the 'business as usual' approach (Pirson, 2009:1). Stakeholders are increasingly demanding that organisations should adopt a profoundly different approach to conducting their business, one that will move beyond a singular focus on its short-term economic matters to a more holistic and ethical focus on how it does business, which also considers the long-term impact it has on society (King, 2009:61; Moon, Crane & Matten, 2003:14; Moss Kanter, 2011:68; Pirson, 2009:5; Porter & Kramer, 2006:81).

In response to pressure from the public for better corporate behaviour and more accountability, and "… in the interests of the society and future generations" (Gao & Zhang, 2006:723), there has been a global emergence of governance, social and environmental legislation. Questions of corporate ethics and sustainable business practices have therefore taken centre stage in boardroom discussions with legislation and codes of ethics being put into place to guide businesses not to act fraudulently, unethically or irresponsibly towards society and its environment (Jones, 2007:48); in other words, to restore and build trust in the corporate environment.

In South Africa, much has been done to date in terms of guiding corporate governance. Following the proclamation of the new Companies Act (No. 71 of 2008), the *King Code of governance principles* (King lll) and the *King Report on governance for South Africa* were published in 2009 by the Institute of Directors in Southern Africa (King, 2009:5). The philosophy of King lll centres on leadership, sustainability and responsible corporate citizenship, based on an ethical foundation (King, 2009:10). In this context, particularly with the focus on the leadership's key challenge of ensuring corporate sustainability, renewed emphasis is placed on the importance of corporate reputation and corporate trust (King, 2009:11,100).

This study contends that the capacity of a for-profit organisation to generate sustainable wealth over time is linked to its relationship with its entire stakeholder network, and particularly in supporting and enhancing its sustainable value-creation processes by earning and safeguarding its stakeholders' trust (Perrini & Castaldo, 2008:1).

In particular, this study regards the loss of stakeholders' trust as one of the most significant threats to the long-term economic sustainability of a for-profit organisation. It then argues that any for-profit organisation that wants to implement its strategy and ensure long-term sustained growth (King, 2009:100) needs to create trust between itself and all its internal and external stakeholders, without whom it will not be able to operate sustainably (King, 2009:21). An organisation can do this when it both *becomes* and *is seen to be* trustworthy and ethical (King, 2009:26), which highlights the importance of understanding the relationship between corporate trust and corporate reputation. Essentially, this study posits that a for-profit organisation that fails to become and be seen as trustworthy and ethical places its long-term economic success, its own corporate sustainability, in a perilous position (King, 2009:100).

1.1.1 Problem orientation

The increased focus being placed on trust, in relation to reputation, as is evidenced in among others King III (King, 2009:13,21,25,35,103,115), highlights the need for conceptual clarity of the corporate trust construct and its relationship with corporate reputation.

The terms 'reputation' and 'trust' are patently related and interdependent, but the nature of the conceptual relationship between these two concepts is not clear. The current perceived lack of a more holistic conceptualisation of the corporate trust construct and its relationship with corporate reputation – specifically whether trust is an antecedent or an outcome of reputation – raises the question how to effectively manage these corporate constructs in an organisation. Conceptual clarity is particularly important given the renewed emphasis on earning stakeholders' trust within a corporate sustainability framework.

The ambiguity surrounding the characteristics of and interplay between these two concepts is prevalent inter alia in some of the current leading corporate reputation and trust models and measurement tools, which differ in their perception of the nature of and relationship between these two constructs.

For example, in the multi-dimensional *Reputation Quotient*^{SM} (RQ) model developed by Charles Fombrun and Harris Interactive in 1999 as a standardised instrument to measure the reputation of an organisation and calculate an overall reputation score, 'trust' is merely regarded as one of the attributes (together with 'like' and 'admire') of the emotional appeal dimension (Einwiller & Will, 2001:8; Fombrun & Gardberg, 2000:13; Fombrun & Van Riel, 2004:51-3; Lloyd, 2007:54). Similarly, Fortune's *America's Most Admired Companies* model and measurement tool also includes trust as an attribute, i.e. an antecedent, of corporate reputation (Gardberg & Fombrun, 2002:305).

In contrast, there are existing corporate reputation measurement tools with the word 'trust' in the title, such as the *Edelman Trust Barometer* based in the United States of America (USA) and the South African-based *Ask Afrika Trust Barometer*. The use of these titles would at first suggest a different conceptual view of the relationship between reputation and trust, namely that trust is an outcome of reputation. However, despite the inclusion of the word 'trust' in the titles, both barometers also regard trust merely as one of the factors that influences corporate reputation, treating the latter as the larger umbrella construct to be managed, measured and protected.

The *Edelman Trust Barometer,* which sets out to measure reputation, uses dimensions related to those used in the RQ and as such it also does not provide a clear understanding of corporate trust and its relationship with corporate reputation. While the *Ask Afrika Trust Barometer* uses a broader range of criteria in its "… definitive corporate reputation benchmark" measure to determine trust levels in organisations, such as sustainability and perceptions of CEOs, the linkages and relationship between reputation and trust are not made clear (Ask Afrika, 2009; Edelman, 2010a).

Based on the underlying conceptual model of these measurement tools, trust is then regarded to be an antecedent of corporate reputation – a supposition that is challenged by this study, where corporate trust is posited to be an outcome of corporate reputation, and the definitive intangible asset that will help ensure an organisation's long-term economic sustainability. While the corporate reputation construct is regarded as important, this study suggests that a reputation that does not result in earning stakeholders' trust is insufficient to ensure an organisation's long-term sustainability.

Furthermore, none of these models and measurement tools differentiates between corporate trustworthiness and corporate trust. This study advocates that there is a fundamental difference between these two concepts, with trustworthiness defined as *an objective characteristic inherent in an organisation which makes it worthy of having its stakeholders' trust placed in it* (regarded as an antecedent of reputation and trust in this study), and trust defined as *stakeholders' subjective attitude, belief and optimistic expectation of an organisation* (regarded as an outcome of reputation in this study). This study contends that any conceptual model that does not distinguish between these two concepts, also in relation to their impact and role in corporate reputation, is incomplete.

Some of the existent literature also refers to the current gap in conceptualising the corporate trust construct (what it is, what its dimensions, drivers and variables are), without which this process cannot be effectively managed or measured. Butler (1991:647) observes that there is not sufficient agreement as to what the trust conditions or determinants of trust are that should be measured, and that "… there is no instrument for measuring an exhaustive set of them". In terms of using a trust model and measurement instrument as a governance tool, Hosmer (1995:380) cites Ring and Van de Ven in noting that "… the implications of trusting behavior in designing governance mechanisms are generally ignored".

Greenwood and Van Buren lll (2010:436) highlight the lack of a mechanism that can enable stakeholders, especially dependent stakeholders, to assess the trustworthiness of a for-profit organisation. Existing organisational reporting often only serves the interests of more powerful stakeholders, such as shareholders. Organisations can manipulate perceptions of trustworthiness through mechanisms like cause-related marketing and social disclosure, which may or may not be signifiers of true organisational trustworthiness (Greenwood & Van Buren lll, 2010:436). The need for a model, one that can be used to develop a valid measurement tool to independently determine a for-profit organisation's performance in this regard as determined by all its stakeholders subsequent to this study, is evident.

As a multi-disciplinary concept, there is a proliferation of definitions and explanations of trust as a general construct (McKnight & Chervany, 2001:1), yet very few of these address trust as a collective construct within a corporate context, and in relation to its association with reputation. (The difference between trust as a general vis-à-vis a collective construct is discussed in Chapter 4.) The main focus of many of the existing definitions and models of trust within a corporate context seems to be the field of electronic commerce (Einwiller, 2003:196; McKnight & Chervany, 2002:35; Mukherjee & Nath, 2003:5; Ratnasingham, 1998:313).

Similarly, despite the consensus about the importance and positive effects of a favourable reputation, as well as the expanding interest in and focus on reputation among researchers and practitioners, knowledge remains disparate about how reputation should be defined, what its key dimensions or drivers are, what the relationships between those are and how it should be managed and measured (Bromley, 2002:35; Helm, 2007:238; Lloyd, 2007:x).

Essentially, this study suggests that it is a possible lack of understanding – a lack of conceptual clarity – regarding the relationship between corporate reputation and trust that contributes notably to the fact that consensus concerning the core meaning and the building blocks of reputation and trust still eludes academics and leaders alike.

A comprehensive definition of trust as a corporate construct, as well as the dimensions and variables of corporate trust (including trustworthiness) in relation to corporate reputation, is then required in order to develop a conceptual model that will guide actions to manage and measure both of these corporate processes, particularly with the aim of using these to help ensure the enduring economic sustainability of an organisation.

1.1.2 Purpose statement

The 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, in order to develop a conceptual model of the relationship between these two corporate constructs.

This purpose statement stems from the underlying world view of this study, which is based on general systems theory as the macro-theory, and on sociological systems theory as the particular paradigmatic perspective. As such, the key premise of this study is that the ability of a for-profit organisation (as a complex social system) to generate sustainable wealth over time and ensure its own long-term economic sustainability is related to its relationship with its entire stakeholder network. Since 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 that 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.

This study contends that a for-profit organisation can evoke its stakeholders' trust when it both *becomes* and *is seen to be* a trustworthy and ethical organisation. This highlights the importance of understanding the specific relationship between corporate trust and corporate reputation. The primary research objective is centred on the supposition that the nature of this conceptual relationship is not clear.

1.1.3 Methodological and theoretical orientation

The methodological framework of this study is discussed in greater detail in Chapter 6. However, as part of the introduction to this study, it is prudent to briefly explain its methodological orientation and to contextualise the term 'basic theoretical research' that was used in the abstract.

Basic research – also referred to as theoretical research – differs from applied or practical research in terms of its primary goal. Applied research aims mainly at description, at testing existing theory in order to use the data for immediate, practical problem-solving and application. Basic research on the other hand aims mainly at explanation, at building and advancing theory by investigating and explaining fundamental principles of a social phenomenon, particularly in order to explain the relationships between the variables. As such, both theory testing and theory building form an integral part of the normal cycle of research, and both are regarded to be empirical research (Bacharach, 1989:498,512; Emory, 1980:7,52-53; Meredith, 1995; Stanovich, 2007:106-107; Weick, 1989:498; Whetten, 1989:492).

The methodological orientation of this study then is basic research, aimed at contributing to building theory. While there are numerous ways in which to develop theory, the method that is used in this study is conceptual model development. As such, this study is a conceptual study aimed at clarifying existing theory and providing a new theoretical perspective on the nature and relationship between corporate reputation and trust as a contribution to theory building.

General systems theory, and in particular sociological systems theory, forms the macro-theoretical foundation of this study. While this is discussed in greater detail in Chapter 2 and Chapter 3, a brief overview of this paradigmatic perspective at this stage will position the social world view that influences the whole study.

As with a general system, a for-profit organisation as a complex social system consists of certain components (a collection of people, resources or concepts) and processes by which these components interact among themselves and with the environment to perform some identifiable function or to serve a goal. These components are interdependent, as well as dependent on the environment. Together, through their interaction, these components form something more than the sum of the parts (Littlejohn & Foss, 2005:40; Turban & Meredith, 1981:17; Von Bertalanffy, 1972:417).

A for-profit organisation has the ultimate goal of continuing to sustain and grow its economic performance. As a social system, the organisation is therefore dependent on efficient interaction (i.e. to do things right) between all its components and its social environment. However, this study contends that a for-profit organisation as a social actor in its own right needs to do more than focus on the interdependencies among its components. Instead, this study proposes that a for-profit organisation's continued economic success and survival is evidently based on the quality of its relationship with its stakeholders, representing its social environment. The quality of this relationship is determined by how *effective* that relationship is (i.e. is the organisation doing the right things) to evoke stakeholders' trust in the organisation (Narayanan & Nath, 1993:162).

This study regards corporate trust as a key strategy that can be used to improve, manage and measure the effectiveness of the organisation's relationship with its stakeholders (Luhmann, 1979:8). The rationale for this statement is explained in Chapter 2 (meta-theoretical foundation) and in Chapter 4, where the construct of trust in an organisational environment is discussed. This discussion positions trust from a sociological systems perspective and includes the work of Niklas Luhmann (a German sociologist and a prominent thinker in sociological systems theory). To this extent, trust is viewed as fulfilling a fundamentally functional role in social relationships within a corporate environment (Bachmann, 2006:394; Luhmann, 1979:8; Mishra, 1996:281; Nooteboom, 2002:5).

1.1.4 Research objectives

This is a conceptual study with a methodological focus on the role of models in theory construction. The primary research objective of this study is 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.

In order to meet this primary objective, the nature and role of certain key constructs related to this objective first need to be systematically examined and addressed. As such, the secondary research objectives of this study are:

- 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.
- 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.
- 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.
- 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.
- 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.
- 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 measurement subsequent to this study.

The role of the secondary research objectives is to allow for a methodical examination of the various constructs related to the core purpose and problem of this study. Using a funnel approach, these constructs are discussed and a number of frameworks and figures are used to summarise and clarify the constructs so as to guide the researcher's thought processes in order to provide a definitive holistic conceptual model depicting the relationship between the corporate reputation and corporate trust constructs as the overall and final outcome of this study.

1.1.5 <u>Importance and potential contribution of the study</u>

The main intention of this study is to contribute to 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, which will allow for clarification and a better understanding of the key elements and the interaction between these two corporate constructs.

A central objective of this study is also to illustrate the importance of corporate communication and contribute to theoretical development in the field of strategic communication management, by outlining and highlighting the management of and interplay between the key elements of reputation (reputation promise, culture, image) and the critical role of corporate communication as both the foundation of corporate identity and the overarching and primary mechanism with which a for-profit organisation can establish, demonstrate and express an authentic corporate identity via its behaviour and all its corporate communication and reputation-building activities.

This study further aims to contribute to the field of strategic management by providing a clear conceptual model of how to manage the relationship between the corporate trust and corporate reputation constructs, in order to highlight 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. This will enable the development of a high-level guiding framework outlining the key processes that need to be followed in order 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.

In developing this conceptual model of corporate reputation and trust and its inter-relationship within a corporate sustainability framework, it is also posited that this study will contribute to the field of corporate governance and sustainability; particularly by moving 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 for a for-profit organisation to be a trustworthy and responsible corporate citizen in everything it does.

Furthermore, it is held that the identification of the key dimensions and antecedents of corporate trust, in order to develop a conceptual model to explain the relationship between trustworthiness, reputation and trust, can serve 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), subsequent to this study. While organisations currently have a multitude of measurement tools available to provide management information on issues such as performance, finance and compliance, these may not provide sufficient insight and understanding of the *outcome* of these practices, such as an improved corporate reputation and increased stakeholder trust.

Almost four decades ago, R. Edward Freeman argued that the interests and perceptions of all stakeholders, not just shareholders, need to be considered (Freeman, 1984:8-22). This led to the establishment of stakeholder theory (which is discussed in more detail in Chapter 2, section 7). This contention has since been reaffirmed by many authors, such as Friedman and Miles (2006:19); Hatch and Schultz (2008:151); Laplume, Sonpar and Litz (2008:1152) and Freeman, Harrison, Wicks, Parmar and De Colle (2010:xv).

Perrini and Castaldo (2008:1) also emphasise such an approach, and add that the success of managerial efforts should no longer be measured "… solely according to a shareholder perspective", but that leadership performance measures should also take into account how well the leaders are incorporating their adoption of a more holistic and comprehensive stakeholder value approach.

With its prescribed inclusive stakeholder approach, King lll (2009:13,21,103) makes a clear link between stakeholders' trust and support and the long-term sustainability of an organisation, and suggests that directors should measure the gap between organisational performance and stakeholders' perceptions (King lll, 2009:100).

Since trust is a main value driver that directly affects, and in turn is affected by, the quality of the organisation's relationship with its stakeholders, this researcher contends that stakeholders' trust in the organisation should be measured. This highlights the need for an outcomes-based measurement tool that can measure trust and will include a representative opinion of all the relevant stakeholders of a for-profit organisation.

The development of a theoretical framework in this study from which trust dimensions and variables applicable to the South African context can be selected, provides the opportunity to use this to develop a valid and reliable corporate trust measurement tool subsequent to this study, which could assist in contributing to the work of academics and practitioners, and in moving towards a national database of trust rankings regarding for-profit organisations in South Africa.

There is currently a perceived lack of conceptual clarity regarding the relationship between corporate trust and corporate reputation, particularly within a sustainability framework. Therefore the contribution of this study – providing a clear conceptual model of the relationship between corporate trust and corporate reputation – is deemed to be significant. It is envisaged that such a conceptual overview will have both theoretical and practical value; for academics, leaders of organisations, as well as senior corporate communication and reputation management practitioners.

1.1.6 Delimitations and assumptions

- ***Delimitations***

There are several delimitations in this study, related to the context, constructs, relationships and theoretical perspectives. First, the study, which is a conceptual study with a methodological focus on the role of models in theory construction, is limited to proposing a conceptual model of the relationship between corporate trust and corporate reputation, particularly in the context of a for-profit organisation. While this model will identify the trust dimensions and variables that can be used to develop a valid and reliable corporate trust measurement tool, the actual development of such a tool is outside the scope of this study.

In the second place, this study is limited to exploring trust as a corporate construct. While the nature of general and interpersonal trust is briefly outlined as background, the main focus is limited to corporate trust as a construct (Bachmann, 2006:405; Einwiller & Will, 2001:6; Kramer, 2010:84; Kramer, Brewer & Henna, 1996:357; McKnight & Chervany, 2001:2; McKnight & Chervany, 2002:35,43).

The third limitation relates to the focus of this study, which is confined to the context of for-profit organisations. This is informed by the general assumption that non-profit organisations enjoy much higher levels of trust, because they serve a cause larger than financial profit (Mackey, 2009:100). In contrast, for-profit organisations face a more complex challenge to build and sustain stakeholders' trust. This is substantiated by a number of factors. Pirson (2009:24) highlights the fact that the opportunistic profit motive is a true barrier to sustained high trust. Bakan (2004:140-143) argues that there is a fundamental problem in the capitalistic system that leads to ever decreasing trust. He observes that a growing number of citizens mistrust the capitalist system since it seems to multiply social problems. Surveys such as those done by Harris International (2005), the World Economic Forum (2006) and GlobeScan (2006) indicate that as of 2005, trust in global for-profit organisations had reached its lowest level since the tracking began in 2001 (Pirson, 2009:2-5).

In the fourth place, the study is limited from a theoretical perspective, specifically from a sociological systems theory perspective, and more particularly in terms of the two main areas of investigation: corporate trust and reputation, and the relationship of corporate communication with these two constructs. The theoretical perspective of this study is limited to exploring the trust construct, and corporate trust in particular, from a social perspective. An exploration of other trust constructs that are based in the disciplines of psychology, political science and economics (McKnight & Chervany, 2001:2; McKnight & Chervany, 2002:35,43) is then excluded from this study.

Consequently, and in line with the sociological systems theory with its focus on relationships, this study is limited to the relational approach within the paradigm of corporate reputation (Chun, 2005:93), which is used as a basis for conceptualising the corporate reputation construct.

The corporate communication perspective in this study is limited to the concept of the strategic role it fulfils in an organisation, particularly with regard to the management of an organisation's identity, reputation and stakeholders' trust. In particular, this study explores the concept of expressive corporate communication, which focuses on the role of communication to express and represent the organisation's authentic identity rather than to grab attention and manipulate impressions (Fombrun & Van Riel, 2004:177).

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

- ***Assumptions***

An assumption is a self-evident truth and must be valid for the research to be meaningful (Leedy & Ormrod, 2010:5). The assumptions made in this study relate to the construct of trust and its relationship with corporate reputation, and the role these corporate constructs play in the long-term economic sustainability of a for-profit organisation.

The first assumption made in this study is that there is a direct relationship between corporate trust and corporate reputation. It is further assumed that although it can take years to establish a good corporate reputation, that reputation can be destroyed in a matter of minutes due to a single act or incident that causes a break in the trust relationship that stakeholders have with an organisation (Keh & Xie, 2009:732). Inherent in this is the assumption that a trust relationship needs to be built with *all* the stakeholders of a for-profit organisation (Stout & Blair, 2001:28).

Furthermore, an assumption is made that any for-profit organisation that wants to ensure its sustainability in the future (to continue doing and growing its business) needs to consistently act in a way that will earn trust in the organisation and its leadership (King, 2009:26). The last assumption is that a definitive conceptual model of the relationship between reputation and trust will have strategic and practical value in the corporate world.

2 DEFINITION OF KEY TERMS

2.1 KEY TERMS TO BE DEFINED

Since the focus of this study is trust and its relationship with reputation within a corporate context, the following key terms are defined first: trust, trustworthiness, corporate, corporate trust, stakeholders, corporate sustainability and corporate reputation. This is followed by a definition of the terms that are related to the understanding of these key constructs as conceptualised in this study, i.e. corporate ethics, values, governance and responsible corporate citizenship.

In this section, as well as the rest of the document, the definition of a term – whether it is this researcher's own definition or one taken from the literature – is indicated in italics, in order to highlight the meaning of the term as it is applicable in this study.

2.1.1 Trust

Trust is regarded on the basis of four key elements: (1) a person who trusts (2) someone or something (3) in some respect, (4) based on a specific context (Nooteboom, 2002:38). As such, trust occurs in a particular relationship between two people, in which there is a trustor (the person who trusts) and a trustee (the person who is trusted), in some respect and within a specific context (Kramer, 1999:573; Kramer, 2010:84; Mayer, Davis & Schoorman, 1995:711; McEvily, Perrone & Zaheer, 2008:559; Nooteboom, 2002:38).

Trust is then defined in this study as *an optimistic expectation or belief of the trustor concerning the behaviour of the trustee in respect of that for which he is trusted, which influences the trustor's decisions and allows him to trust the trustee.* Even though the trustor is in a position of vulnerability, the trustor believes that he can rely on the statements, promises, as well as the moral character of the trustee to act in a manner that will also protect his own rights and interests.

Based on this, the trustor subsequently acts on his decision and engages in the trust-informed risk-taking behaviour, irrespective of his ability to monitor or control the trustee (Dietz & Den Hartog, 2006:559-560; Ingenhoff & Sommer, 2010:340; Lewis & Weigert, 2008:157; Linthicum, Reitenga & Sanchez, 2010:161; McEvily *et al.*, 2008:559; Mouzas, Henneberg & Naudé, 2007:1021; Swift, 2001:19). However, the trustor uses his trust in the trustee prudently, in the sense that he would withdraw his trust and support if his trust is violated (Wicks, Berman & Jones, 1999:103). Trust is therefore not sustainable if the trustee does not fulfil his duty to protect the interests of the trustor, thereby showing him to be unworthy of the trustor's trust (Greenwood & Van Buren lll, 2010:427).

2.1.2 Trustworthiness

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 (Casson & Della Giusta, 2006:346; Ingenhoff & Sommer, 2010:341; McEvily *et al*., 2008:559; Stout & Blair, 2001:17; Vanneste, Puranam & Kretschmer, 2011:14). Whereas trust is defined as *an expectation, a subjective attitude and belief that a trustor has about the trustee*, trustworthiness is defined as *an objective characteristic of the trustee which makes him worthy of the trustor's trust.* As with trust, trustworthiness is also confined to some respects, under certain conditions (Nooteboom, 2002:38).

The difference between these two concepts is then that perceived trustworthiness (trust) is a subjective 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 (Casson & Della Giusta, 2006:346; Li & Betts, 2004:7; McEvily *et al*., 2008:559). Trustworthiness is believed to be a key factor that influences trust, which means that trust is not sustainable without trustworthiness (Li & Betts, 2004:7; McEvily *et al*., 2008:559). Since the terms 'trust' and 'trustworthiness' are two distinct constructs, they cannot be used interchangeably.

2.1.3 Corporate

The term 'corporate' is used in this study either to refer to the specific business environment of a for-profit organisation, namely the overall commercial environment in which the private sector operates (i.e. a corporate citizen), or to that which is applicable to the specific for-profit organisation (i.e. its corporate culture). In this study a for-profit organisation (or corporation) is regarded as *an economic institution in the private sector, but also as a corporate citizen that has social and moral standing in society, with all the responsibilities attached to that status* (King, 2009:23). As a system, an organisation is composed of interdependent components in some relationship to one another. In using the systems theory as the macro-theoretical foundation for this study, a clear distinction is drawn between 'organisation' (the act of organising) and 'an organisation' (a social system).

2.1.4 Corporate trust

Corporate trust, which is regarded as an economic imperative for the long-term economic sustainability of a for-profit organisation, occurs in a relationship (albeit on a less personal level) between a for-profit organisation, regarded as a social actor in its own right, as the trustee and its stakeholders as multiple trustors (Greenwood & Van Buren lll, 2010:429; King, 2009:11,12; King *et al*., 2010:290; Kramer, 2010:82; Moon & Muthuri, 2008:4; Nooteboom, 2002:38), where stakeholders trust the organisation to act in an ethical, trustworthy and socially responsible manner in the course of its commercial activities.

Corporate trust is then defined in this study as *a subjective attitude, belief and optimistic expectation by a stakeholder or group of stakeholders that their dependence on the for-profit organisation will not be abused, which influences their decisions and allows them to support the organisation.* 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. It does this 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 belief and expectation, stakeholders will then commit to and actively support the organisation (Einwiller & Will, 2001:6; Luhmann, 2000:103).

Trust can be described as *an attitude that allows for risk-taking decisions.* Based on this belief, the stakeholders subsequently act on their decision and engage in the trust-informed risk-taking behaviour, irrespective of their ability to monitor or control the organisation (Dietz & Den Hartog, 2006:379,558; McEvily *et al*., 2008:559; McKnight & Chervany, 2002:45; Mouzas *et al*., 2007:1021; Sichtmann, 2007:1001; Swift, 2001:20).

At the same time, it is posited that a for-profit organisation is also vulnerable to its stakeholders' actions, in that it needs to earn its stakeholders' trust and support to be successful in its business operations in a more complex context marked by less familiarity (Kramer, 2010:84). Since stakeholders, who use their trust in the organisation prudently (Wicks *et al*., 1999:103), will withdraw their trust and support if their trust is violated, corporate trust is then not sustainable if the organisation shows itself to be unworthy of stakeholders' trust (Greenwood & Van Buren lll, 2010:427).

2.1.5 Stakeholders

Stakeholders are defined as *any person or group who has a direct interest, involvement or investment in an organisation, who can affect the organisation and its operations, or who can be affected by the organisation, its decisions and operations* (Hatch & Schultz, 2008:192-193; King, 2009:100; Steyn & Puth, 2000:5).

A stakeholder is therefore not just regarded as a person or group of people "… who may benefit from or be harmed by the actions of the organisation" (Davies, Chun, Da Silva & Roper, 2003:58-59), but as someone who can *also* either hinder or assist the for-profit organisation in its endeavours. An organisation therefore has multiple stakeholders, the list of which will depend on the business that the organisation is in (Chun, 2005:93). Each stakeholder group will have different needs and expectations of and perspectives on the organisation (Hatch & Schultz, 2008:193), which calls for an organisation to achieve a balance among the stakeholders' interests in managing its business (Marcoux, 2008).

Stakeholder theory holds that the interests and perceptions of all stakeholders, not just shareholders, need to be considered (Freeman, 1984:8-22). The establishment and key tenets of stakeholder theory are discussed in more detail in Chapter 2, section 7.

2.1.6 Corporate sustainability

The concept of corporate sustainability is expanded in this study beyond the generally known economic, social and environmental principles to include the strategic adoption of a proactive ethical stance by the leaders of a for-profit organisation (Adams, 2006:2; Bañon Gomis *et al*., 2011:180; Jones, 2007:197; King, 2009:22; Paine, 1994:106). This is based on a key premise of this study, namely 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.

Furthermore, this study acknowledges that an organisation's responsibilities extend beyond increasing profit for shareholders (Bandsuch, Pate & Thies, 2008:102-103; Moss Kanter, 2011:68), to include an ethical responsibility towards multiple stakeholders (Gao & Zhang, 2006:724; Stout & Blair, 2001:28), since the organisation's sustainability is seen to be dependent on the continued support of its stakeholders (Perrini & Castaldo, 2008:1). This is in line with the inclusive stakeholder approach as set out in King lll (2009:10;100), as well as the call for effective leadership based on an ethical foundation in order to ensure the sustainability of a for-profit organisation (King, 2009:20) by increasing the levels of stakeholders' trust (Moon & Muthuri, 2008:42,59).

Corporate sustainability is defined in this study as *a for-profit organisation's ability to do, and continue to do, business and achieve its economic success – its profit and growth – in a manner that is maintainable, viable and wholly morally justifiable, now and in the future, since it has adopted ethics as its core principle to guide conduct in the organisation.* A sustainable organisation conducts its present business in such a way that it does not put the likelihood of its own sustained existence and its capacity to meet its future needs at risk (King, 2009; Moss Kanter, 2011).

This study contends that this is possible when an organisation meets the legitimate interests of its multiple stakeholders through its consistently ethical and trustworthy behaviour in line with its ethical, value-based identity in order to earn the trust and support of its stakeholders, and by establishing an overall reputation as an ethical, trustworthy and responsible corporate citizen; centred in the recognition that any of its stakeholders can affect it in its achievement of long-term economic sustainability (Bañon Gomis *et al*., 2011:173; Baumgartner, 2009:103; Perrini & Castaldo, 2008:1; Pirson, 2009:8; Vanneste *et al*., 2011:23).

2.1.7 Corporate reputation

This study regards corporate reputation to be the opinion that stakeholders form and the assessment they make of an organisation, rather than their mere awareness of it (Chun, 2005:105; Fombrun & Van Riel, 2003:230). In this study, corporate reputation is regarded as a means to an end – to lead to stakeholders' trust and therefore to their continued support and commitment to helping ensure the long-term sustainability of the organisation.

Corporate reputation (one that will lead to stakeholders' trust and thus to their continued support and commitment to ensuring the long-term sustainability of the organisation) is defined by this researcher as *the collective assessment that all relevant internal and external stakeholders make of the trustworthiness of an organisation; of its character, which influences their decision to trust and their actions to support the organisation* (Chun, 2005:105; Fombrun & Van Riel, 2003:230).

This study contends that an 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 actual behaviour of the organisation, as well as any other forms of communication and symbolism that provide information about the organisation's actions, which shape what they believe the organisation stands for (who and what it is) and the associations they make with it, and about its ability to fulfil their expectations in the future, based on its past and present actions (Barnett & Hoffman, 2008:4; Barnett, Jermier & Lafferty, 2006:36; Chun, 2005:105; Fombrun & Van Riel, 1997:10; Fombrun & Van Riel, 2003:230; Gotsi & Wilson, 2001:29).

Corporate reputation is then effectively seen to be primarily about managing what happens inside an organisation first, about how authentically it manages its own identity by aligning and demonstrating the correct behaviour internally, before it communicates its intent and character externally to its stakeholders, in order to familiarise its stakeholders with who and what the organisation is (Luhmann, 1979:19; Pirson, 2009:9) and so mould and influence their perceptions and opinions (Chun, 2005:105; Fombrun, 1997:10; Fombrun & Van Riel, 2004:260) about the trustworthiness of the organisation.

In this study a good corporate reputation is regarded to be the result of consistent trust-*worthy* (own emphasis) behaviour (Hosmer, 1995:386), which then influences and reinforces the expectations, and therefore the trust and ongoing supportive behaviour, of its stakeholders. Trustworthiness is then regarded as an attribute of reputation, which in turn is regarded as an antecedent of trust (Nooteboom, 2002:141; Casson & Della Giusta, 2006:352).

2.1.8 Corporate ethics

In this study corporate ethics is defined as *the set of moral principles or values, the guiding philosophy and standards that a for-profit organisation has and uses to direct its commercial activity, decision-making, actions and business operations, to ensure that it acts fairly, honestly and responsibly towards all its stakeholders in everything it does* (Cacioppe *et al*., 2008:682; Cartwright & Craig, 2006:743; Murphy, 2005:183; Wood, 2002:63). Ethical traits that are commonly described as character, honesty, or authenticity constitute an important factor of trust (Pirson, 2009:8). It is held that these values are sanctioned by authorities both external and internal to the organisation, such as the government, legal or regulatory bodies, society, external stakeholders and employees as internal stakeholders.

This set of moral principles is seen to constitute part of the social contract that an organisation is subject to, which provides the bond between the for-profit organisation and its stakeholders, and which then gives the organisation the licence to operate (Fombrun & Foss, 2004:288; Jones, 2007:52). It is held that an organisation displays ethical behaviour when, in certain situations where it is morally the right thing to do, it places the interests of its stakeholders, who are trusting, before its own interests (Hosmer, 1995:383; Marsden & Andriof, 1998:338).

It is posited that a for-profit organisation that violates its social contract in ethical respects will lose the trust of its stakeholders, and therefore their support (Jones, 2007:51). From a corporate sustainability perspective, it is therefore held that the consideration of corporate ethics should lie at the core of an organisation's goals, decision-making and behaviour, as it adopts a proactive ethical stance, instead of mere compliance (Cartwright & Craig, 2006:743; Ethics Resource Center, 2009; Jones, 2007:197; Paine, 1994:108; Swift, 2001:19).

2.1.9 Corporate values

Corporate values, which form part of an organisation's larger corporate culture architecture, are defined as *the set of core beliefs, principles or standards that affect the employees' perspective of their organisation, themselves and others* (King, 2009:119).

Values represent a level of significance between emotion and meaning and are a socially constructed phenomenon, which relates both to identity and the establishment of behaviour within the organisation (Bucklund *et al*., 2012). An organisation's value-set translates into behavioural commitments or principles and behavioural directives, such as standards, norms and guidelines (King, 2009:119). Since values exert a major influence on the behaviour of individuals, it is assumed that an organisation is capable of changing the behaviour of its employees by changing the value-system that guides the decisions and actions they take on a daily basis in the fulfilment of their organisational tasks. It is further posited that an organisation that bases its value-set on a strong ethical foundation will be able to create an authentic trustworthy organisation (Di Maria & Iwata, 2007:16,29).

2.1.10 Corporate governance

Corporate governance is generally regarded as *the framework of rules, practices, systems and processes of management that are used to guide the manner in which a for-profit organisation is managed and with which the organisation's behaviour and conduct is governed, to ensure responsibility, accountability and transparency in the organisation's relationship with all its stakeholders* (Bucklund *et al*., 2012; King, 2009:10,13). Such a framework consists of explicit and implicit contracts between the organisation and its relevant stakeholders, which clarify the distribution of responsibilities and procedures for reconciling conflicting interests in accordance with their duties and for proper control, including using the flow of information as a system of checks and balances (Luthra, 2012).

The definition of corporate governance in this study incorporates the view that it is seen as *"… the practical expression of an organisation's ethical standards"* (King, 2009:21). It is then held that the sustainability of a for-profit organisation is dependent on the adoption of a corporate governance framework based on an ethical foundation, and on a leadership characterised by ethical values and adherence to its moral duties, focused on directing the organisation's strategies and operations with a view to achieving sustainable economic, social and environmental performance to the benefit of multiple stakeholders (King, 2009:10).

The corporate governance perspective in this study is then expanded to include a view that relies on a proactive ethical stance model, which recognises an organisation's responsibility to multiple stakeholders (Cartwright & Craig, 2006:743; Jones, 2007:197).

2.1.11 Responsible corporate citizenship

The concept of corporate citizenship emanates from the fact that an organisation is regarded as a social actor in its own right in this study (Greenwood & Van Buren lll, 2010: 429; King, 2009:11,12; King *et al*., 2010:290; Kramer, 2010:82; Marsden & Andriof, 1998:329; Moon & Muthuri, 2008:4). This view implies that a for-profit organisation as a corporate citizen is subject to the same laws and moral expectations that any other citizen in society is subject to, and it can therefore be held accountable for its actions on a legal and moral basis (King & Whetten, 2008:198; Marsden & Andriof, 1998:331).

An organisation is a responsible corporate citizen when it accepts its ethical obligation and moral responsibility for its impact on society and the environment, instead of just delivering increased profits to its shareholders (Bandsuch *et al*., 2008:102-103; Moss Kanter, 2011:68; Swift, 2001:19). As a responsible corporate citizen, a for-profit organisation will adopt a holistic approach to economic, social and environmental issues as an integral part of its core business strategy (King, 2009:24; Marsden & Andriof, 1998:330) and it will consider the interests of multiple stakeholders in its actions (Cartwright & Craig, 2006:743; Jamali, 2006:810; Moon & Muthuri, 2008:62). It will also measure its performance in terms of the value it creates and the manner in which it operates to build an enduring institution over time (Moss Kanter, 2011:68).

Responsible corporate citizenship in this study refers to *the ethical relationship of responsibility between the organisation, its stakeholders and the society in which it operates, based on a holistic approach to economic, social and environmental issues as an integral part of its core business strategy and the consideration of the interests of multiple stakeholders in its actions* (Cartwright & Craig, 2006:743; Fombrun & Foss, 2004:288; Jamali, 2006:810; King, 2009:20,24; Marsden & Andriof, 1998:330,333; Moon & Muthuri, 2008:62).

3 TABLE OF ABBREVIATIONS

The following table contains an explanation of the abbreviations used in this study:

Table 1: **Abbreviations used in this document**

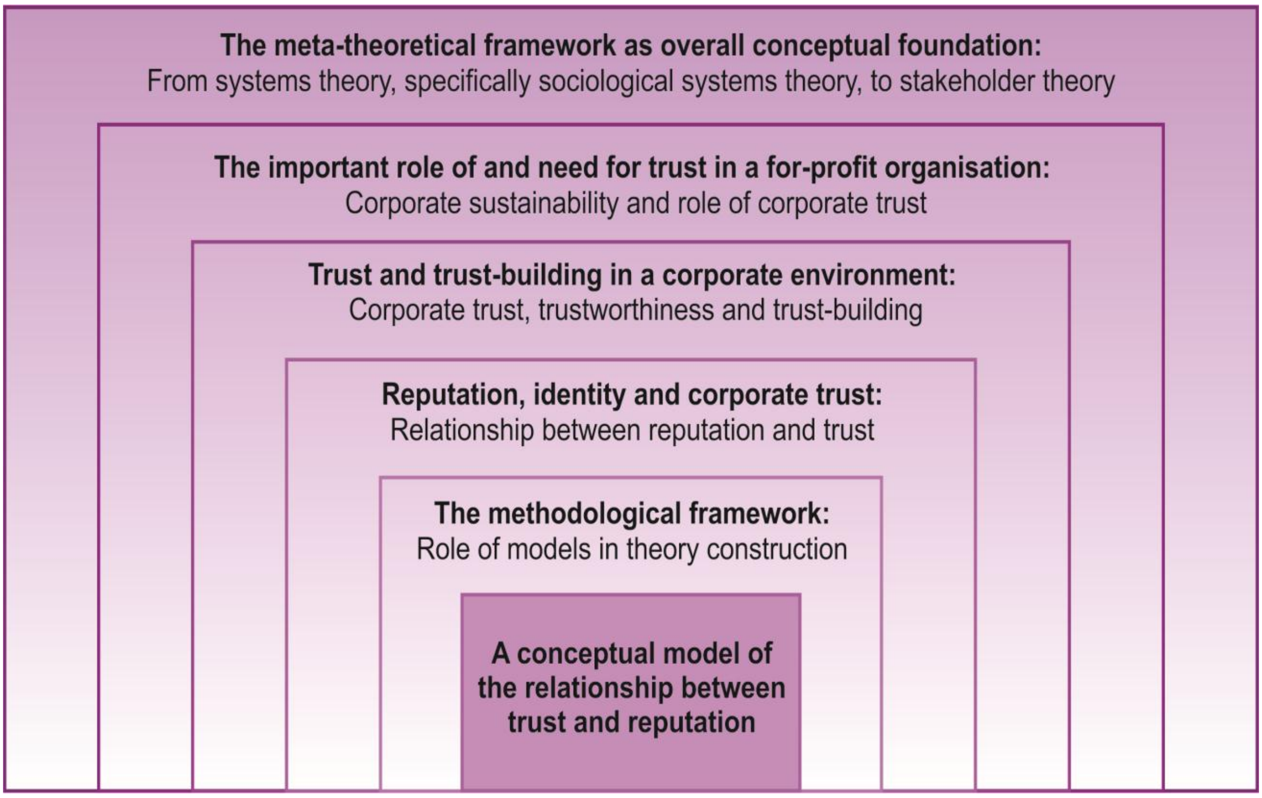
Abbreviation	**Meaning**
CSI	Corporate social investment
CSR	Corporate social responsibility
GRI	Global Reporting Initiative
IUCN	International Union for Conservation of Nature
IISD	International Institute for Sustainable Development
RQ	Reputation Quotient
Sapa	South African Press Association

4 CONCEPTUAL FRAMEWORK FOR LITERATURE REVIEW

In conceptualising trust within a corporate context in South Africa, the *King Code of governance principles* (King lll), which was published in 2009 by the Institute of Directors in Southern Africa, is used as pivotal point of departure since it provides the context for this study. A central theme in King lll is that it highlights the key role of leadership, the board members and directors and their key challenge of ensuring the sustainability of their organisation (King, 2009:12,13). One important way in which they can do this is to protect their organisation's reputation, its unique identity and character that it is known for, which is described as its most significant asset, and to build trust in the organisation (King, 2009:22).

The conceptual framework of this study is outlined in Figure 1, and indicates how the literature review is conducted. First, the meta-theoretical framework – from systems theory to stakeholder theory – provides the overall conceptual foundation for this study. Second, the role of and need for trust is positioned in a corporate sustainability context. In the third place, the key constructs of corporate trust and corporate trustworthiness are conceptualised, to explore how an organisation can meet the sustainability need with corporate trust. Next, corporate reputation is conceptualised within a social identity theory framework, in order to make the link between stakeholder identification with an organisation, reputation and trust. Finally, the relationship between corporate trust and reputation is discussed and illustrated in a conceptual model of the relationship between these two constructs.

Figure 1: The conceptual framework of this study



4.1 OUTLINE OF CONCEPTUAL FRAMEWORK AND LITERATURE REVIEW

4.1.1 The meta-theoretical framework as overall conceptual foundation

The meta-theoretical framework of this study is provided in Chapter 2. In this chapter the theoretical foundation is laid for all the key constructs. The literature review starts with a focus on the systems theory, in particular sociological systems theory, which forms the underlying core of the conceptual theoretical foundation of this study. This allows for the positioning of a for-profit organisation as a complex system that is dependent on its social environment – its stakeholders – for its success and survival, and on the critical role that corporate trust and corporate reputation fulfil in this process.

An overview of literature related to the theory of organisations is then used to provide the theoretical framework for the corporate construct and environment, in particular to contextualise the for-profit organisation in the twenty-first century as an economic institution firmly embedded within a social context and societal issues, where culture, values and norms play a critical role.

This provides the link to present the theoretical basis for the constructs of corporate trustworthiness and trust, and literature related to social systems theory and the theory of action is reviewed to contextualise these constructs within a corporate environment. The literature review related to social theory explores the role of a for-profit organisation as a social actor in its own right, as a corporate citizen that can be held accountable for its actions on a legal and moral basis.

Following this, literature related to the theory of action and decision theory is used to consider the role of values and ethics as essential and beneficial economic attributes of a for-profit organisation, thus accentuating the pertinent role of trust in a corporate environment in the twenty-first century. Since organisational or corporate identity is regarded as the foundation of corporate reputation (King & Whetten, 2008:193), an overview of identity theory is then provided to serve as the theoretical basis of the reputation construct.

This theoretical chapter is concluded with a literature review of stakeholder theory, to be used as the theoretical foundation for the reputation and stakeholder constructs in this study, and to contextualise stakeholders as the key role players who influence a for-profit organisation's long-term economic success. This concludes the argument that a for-profit organisation has to earn its stakeholders' trust, by becoming a trustworthy, ethically responsible corporate citizen, if it wants to ensure its own corporate sustainability.

4.1.2 The important role of and need for trust in a for-profit organisation

The macro-perspective on the corporate environment and a for-profit organisation as a social system is followed by a focus on sustainability, so as to highlight the important role of and need for trust as a social event within a corporate environment.

Since this study argues that stakeholder trust is essential to a for-profit organisation's long-term corporate and economic success and viability, Chapter 3 focuses on an overview of the King lll philosophy as a corporate governance framework based on an ethical foundation. The concepts of responsible corporate citizenship, corporate social responsibility and corporate social investment are briefly outlined in this chapter. Next, the sustainability construct is discussed, to contextualise its development, the expectations that for-profit organisations face in the twenty-first century and the role of and need for corporate trust within a sustainability framework.

4.1.3 Trust and trust-building in a corporate environment

In Chapter 4 trust is positioned as an economic imperative. The rationale underlying this proposition is offered at the start of the chapter to emphasise the need for and importance of trust in a corporate environment, before the detailed discussion of the constructs of trust and corporate trust.

The focus is primarily placed on literature from a sociological perspective, related to the current definitions and conceptualisations of trust as a general construct, including its nature, dimensions and key elements and the relationship between trust and trustworthiness. This is followed by a review of literature that conceptualises higher levels of trust that denote a collective attribute, involving multiple actors and contexts, which presents an option to extend the general construct to a corporate environment.

To be able to conceptualise the construct of corporate trust, current literature is reviewed in order to define and describe the nature, key elements, functions, benefits of and barriers to corporate trust. In exploring the sources and antecedents of corporate trust, the literature review turns towards exploring the key factors that a for-profit organisation has to implement if it wants to foster and earn enduring stakeholder trust in order to ensure its own long-term economic success and sustainability.

4.1.4 Corporate reputation, identity and the relationship with corporate trust

In Chapter 5 the existent literature is reviewed in order to conceptualise corporate reputation, particularly from a relational perspective (Chun, 2005:93), which is used as a basis for conceptualising and proposing a revised reputation management approach, adapted from the *Vision-Culture-Image (VCI) Alignment model*, as developed by Hatch and Schultz (2008:11). In this chapter, literature related to the current definitions, elements and attributes of reputation is used to guide the development of a definition of corporate reputation in relation to corporate trust.

The key elements of reputation (reputation promise, culture, image and corporate identity) are outlined, and a revised approach to corporate reputation is suggested. This chapter also includes an explanation of the relationship among the corporate identity, reputation and trust constructs, as conceptualised by this study. A functional understanding of this relationship is regarded as vital to inform the development of a conceptual model of the relationship between corporate trust and corporate reputation.

4.1.5 An overview of the content of Chapters 6, 7 and 8

Chapter 6 provides an overview of the methodological focus of this study. Since this is a conceptual study, the role of models, particularly conceptual modelling, in the development of theory is outlined.

Chapter 7 provides the conceptual model depicting the specific relationship between corporate reputation and corporate trust as the outcome of this study. In preparation for the development of this conceptual model, the key concepts related to the core purpose and problem of this study (as discussed in Chapters 3, 4 and 5) are first summarised and depicted by means of a number of tables, frameworks and figures in Chapter 7. Using this funnel approach serves to clarify this researcher's thought processes towards the development of her holistic conceptual model.

Following this, the definitive conceptual model of the relationship between corporate trust and corporate reputation is presented as the overall and final outcome of this study. This chapter concludes with an evaluation of the proposed model and the theoretical contribution made by this study, using criteria as set out in existent literature.

Chapter 8 provides the conclusion and recommendations arising from this study.

4.2 DEMARCATION OF STUDY

The outline of the study is then as follows:

- Chapter 1: Orientation and general background to the problem and its setting
- Chapter 2: The meta-theoretical framework as overall conceptual foundation: from systems theory to stakeholder theory
- Chapter 3: Sustainability within a corporate environment
- Chapter 4: Trust, trustworthiness and trust-building in a corporate environment
- Chapter 5: Corporate reputation, identity and the relationship with corporate trust
- Chapter 6: The methodological framework: role of models in theory construction
- Chapter 7: A conceptual model of the relationship between reputation and trust
- Chapter 8: Conclusion and recommendations