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Defining and Measuring Corporate Reputations

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Corporate reputation is a construct that has gained widespread recognition in the disciplines of strategy, corporate social responsibility, management and marketing because a good reputation is thought to be more commercially valuable than a bad reputation. However, recent reviews of the scholarly literature suggest that because the construct of corporate reputation has been defined in a wide variety of ways it is difficult to understand the antecedents and consequences of the construct. To illustrate this problem 50 different definitions of corporate reputations are reviewed. This analysis suggests that some of the most prominent measures are not grounded in the definitions that are thought to underpin them. This phenomena presents a challenge to anybody wanting to meta-analyze findings and to build new theories of corporate reputation. To help advance the field a framework is presented to guide the refinement of scholarly definitions so that they are well constructed and thus capable of guiding the development of valid measures of the construct. To illustrate this framework a new definition and some new measures are provided.

Keywords: corporate reputation; definitions; measures

Introduction

Many reviewers of corporate reputation scholarship express frustration with the overall state of the field (see for example, Balmer, 2001; Chun, 2005; Barnett *et al.,* 2006; Highhouse *et al.,* 2009; Walker, 2010; Helm and Klode, 2011; Lange *et al.,* 2011; Barnett and Pollock, 2012). At the heart of much of this frustration are the twin issues of construct definition and measurement. Construct definition is important because it determines the nature of research questions that are posed, the methods used to examine these questions, the way measures are designed and the way findings are translated. Hence, poorly defined constructs make it difficult to be confident about what are significant empirical findings, non-findings and discrepancies. This in turn hinders the search for empirical generalizations and the development of theory. Thus, substantive knowledge development stagnates.

In various branches of organizational science there has been ongoing concern about how constructs are defined and the link between construct definition and measurement (e.g., Dobni and Zinkhan, 1990; Teas and Palan, 1997; Wartick, 2002; MacKenzie, 2003; Wacker, 2004; Hillenbrand and Money, 2006; Suddaby, 2010; Rossiter, 2011a; Dowling and Gardberg, 2012; Trump *et al.,* 2015). While nearly all of these papers have been critical of past attempts to define and measure many constructs, few offer concrete suggestions about how to better link measures to their definitions. What these papers also expose is that when an area of inquiry is plagued with competing definitions of the same construct, the common research strategy of relying on the work of others, also known as the appeal to precedent perpetuates the current confusion in the literature.

This paper illustrates the problems of definitional confusion and poor construct measurement. The construct of corporate reputation is chosen because there is a scholarly literature, a program of publicity, and a managerial body of practice anchored to some prominent measures of corporate reputation. In some cases the scholarly literature has been used to inform the measure of corporate reputation while in others it has not. For example, while the America's most admired companies (AMAC) measure is publicized by the business magazine *Fortune* and used extensively in scholarly research it is not grounded in any formal definition of the construct.[1] Also, formal definitions of reputation do not underpin most of the prominent so-called reputation rankings of business schools (for a critique of these see Devinney *et al.,* 2008). In contrast, the Reputation Institute's Reputation Quotient™ (RQ) measure of corporate reputation is underpinned by a formal definition, but as the analysis below suggests the measure is not an accurate reflection

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[1]This measure was later expanded to become the world's most admired companies (WMAC).

of the definition. These examples suggest that both theory and practice are being contaminated by the problem of either not basing a measure of corporate reputation on a formal definition or defining the construct one way but measuring a (slightly) different construct. I call this defining A and measuring B.

This paper proceeds by providing a brief historical overview of corporate reputation to establish the importance of this construct. Next I describe the family of reputation-like constructs that compete for prominence in the extant literature. This discussion focuses on the conceptual frontiers of the reputation construct. The next section reviews multiple competing definitions of corporate reputation. A key issue that emerges from this review is whether corporate reputation is an individual or a collective construct. Following this discussion I then present the structure of a well-formed definition, that is, one capable of guiding a valid measure of a construct. Here it becomes evident that few extant definitions of corporate reputation are well-formed. Thus, many measures derived from these definitions are poorly constructed. To illustrate how this conceptual domain might progress I then propose a new definition of corporate reputation and a set of new measures that are underpinned by this definition.

Historical overview

The concept of reputation has existed for centuries. My dictionary says that the first known use of the old Anglo-French and Latin words for reputation was in the 14th century. Reputation is derived from the Latin verb *reputare* meaning to reckon. Thus a reputation is an assessment made by a person of another person or entity. Jackson (2004) says that in traditional Chinese society reputation is like the notion of 'face'. Here there are two senses of face. One of these is *Lian* that stands for society's confidence in the integrity of one's character. A person cannot operate successfully in the society if they have lost this face. The other is *Mian-zi* that denotes distinction earned from having achieved success in life. This affords one status, dignity and respect. As noted later in this paper, many modern notions of corporate reputation align with these ancient ideas.

In the early years of business it was the reputations of the people involved that facilitated many commercial transactions. In the latter half of the 19th century when business became more geographically dispersed and the face-to-face contact of business people diminished, institutional agencies like banks emerged to complement and sometimes supplant the primary role of personal reputation in commerce. With the rise of the limited liability company, the notion of corporate reputation became particularly important. To many people these companies were 'faceless' entities that were difficult to regulate and punish for their misbehavior. Hence, governments were motivated to introduce rules and regulations to govern the behavior of the modern corporation. Over time this institutional framework set some of the standards for what constituted good and bad corporate behavior. Other standards emerged as companies competed against each other for the patronage of customers, employees and shareholders.

Corporate reputations are important because they facilitate economic transactions by providing incentives for organizations to behave in acceptable ways. In situations where there is ample opportunity for an organization to be opportunistic in its dealings with other parties a good reputation acts as a signal of probity and a performance bond in the sense that an episode of poor behavior will put this good reputation at risk. The area of professional service firms is a good example of this type of situation. Here, the buyers of services from consulting firms are often uncertain about the capabilities and competence of the firms they engage. And even when the engagement is finished it may be difficult to judge the quality of what has been delivered. The *Oxford handbook of corporate reputations* describes other situations where corporate reputations operate to facilitate or hinder exchanges (Barnett and Pollock, 2012). Hence, in situations characterized by uncertainty and information asymmetry a good reputation provides a source of trust and confidence in the behavior of the organization involved. In contrast, a bad reputation signals that parties should avoid the organization or seek better information about its true character or take precautions when dealing with it.

From an academic perspective corporate reputations have attracted attention because they are thought to operate in the markets for employees (e.g., Auger *et al.,* 2013), customers (e.g., Gatti *et al.,* 2012), investors (e.g., Roberts and Dowling, 2002). In these markets a good reputation is thought to help the organization attain and retain these so-called stakeholders. For the general public and the government a good reputation is thought to help protect the modern corporation's social license to operate, or at least to deflect the attention of a disaffected special interest group to another member of the industry (e.g., Fombrun and Barnett, 2000). Because of the wide ranging ambit of the construct it has been studied in the fields of marketing, human resource management, general management, economics, strategy, corporate social responsibility and the emerging field of corporate reputations with its specialist journal *Corporate Reputation Review*.

Scanning these various literatures reveals a variety of different perspectives of corporate reputations. One perspective is that different groups of people evaluate an organization differently. For example, investors identify companies as investment opportunities and evaluate the reputation of a company from the point of view of its investment potential. Consumers view a company as a source of branded products and services, that is, the company behind the brand. Employees view organizations as employers. The various 'best employer' opinion polls reflect this view of reputation. The general public view organizations as corporate citizens and form their reputations of these organizations from episodes of good and bad behavior such as the payment, or not of corporate tax. Thus, from this multi-stakeholder perspective a particular organization does not have one reputation but many (Dowling, 2001; Mitnick and Mahon, 2007). The intriguing, and as yet unanswered research question here is whether these different reputations aggregate in some way to form an overall or gestalt reputation?

A second perspective is to search for the underlying theme that a person uses to form his or her reputation of an organization. For example, Lange *et al.* (2011) identify three dominant conceptualizations of corporate reputation, namely, that the nature of corporate reputation is for an organization to:

- be well known – the salience or prominence of the organization;
- be known for something – beliefs about an organization's distinctive characteristics and/or behaviors; and
- generalized favorability – an overall evaluation of being good or attractive.

Among these three broad types of reputation being known is a prerequisite for the other two. It also assumes that better known companies will accrue some reputation benefits simply from their salience. The nature of the other two types of corporate reputation has led to a third perspective of corporate reputation.

If companies may have multiple reputations based on different aspects of their character and/or behavior do these combine to form an overall evaluation or do people evaluate companies across multiple dimensions simultaneously (Walker, 2010)? For example, Apple may be admired and respected for its products, retailing and financial performance but it may also have a poor reputation for its corporate social responsibility because of its practice of tax avoidance. Thus, does Apple have a portfolio of reputations which are, and should remain distinct, or do these combine in some way to form an overall favorable or unfavorable evaluation? And if they do combine then is this in a compensatory or non-compensatory manner? At present these are largely unanswered research questions.

The relevance of these different perspectives of corporate reputation is that they appear in, or they become an underlying assumption of many of the definitions reviewed later in the paper. Also, at the heart of the following definitions is the question of whether corporate reputation is an individual or social construct?

Corporate reputation and related constructs

In the introduction to the *Oxford handbook of corporate reputations*, the editors state that one of the key unresolved issues in this field is to articulate what is and what is not corporate reputation (Barnett and Pollock, 2012). Thus, while a number of scholars have attempted to articulate the frontiers of the construct, it seems that the editors of this substantial tome still consider the matter to be unresolved. So building on the work of Albert and Whetten (1985); Olins (1985); Keller (2003); Brown *et al.* (2006) and Dowling (2008), I offer the following set of descriptions of corporate reputation and related constructs. I call them a 'family' of constructs because they speak to a set of complementary concerns that companies have about projecting their identity and being favorably evaluated by their constituents. Thus they are separate constructs, not merely alternative labels for the same concept. From a scholarly perspective this family of constructs also speaks to the convergent and discriminant validity of the reputation construct.[2]

As noted in Table 1 Brown *et al.* (2006) note that these constructs focus on different viewpoints of an organization and thus together provide a systematic view of it. For example:

1. How will people recognize us – corporate identity.
2. Who do we want to be – organizational identity.
3. What character traits do we want to portray – corporate personality.
4. What capabilities will the organization promote about itself and/or what promises will it make about its offerings to people – corporate brand.
5. What do people believe about us – corporate image.
6. How do people evaluate our actions – corporate reputation.
7. Are we better or worse than our peers – corporate status.
8. Is our reputation valuable – reputation equity.

This systematic view of the organization is also shown in Figure 1. Here the constructs are organized according to the unit of analysis a scholar will focus on and a logical sequence that underpins a model of reputation formation and value. There are two units of analysis to consider – the organization and the stakeholder evaluating the organization. The reputation formation and value sequence is that the organization makes a number of

[2]Convergent validity refers to measures of constructs that theoretically should be related to each other are related and discriminant validity refers to measures of constructs that theoretically should not be related to each other are not related.

Table 1 Corporate reputation and related constructs

Construct	*Description*	*Corporate concern*
Organizational identity	The central, enduring and distinctive characteristics of the organization.	Who we are.What we stand for.
Corporate identity	The nomenclature and symbols used to identify the organization.	How to recognize us.
Corporate personality	The character traits that personify the organization.	This is our human face.
Corporate brand	The promise made by the company or a statement about organizational identity.	What we offer.Our capabilities or our point of difference.
Corporate image	The salient beliefs and impressions held about the organization.	What people think about us?
Corporate reputation	The estimation in which the organization is held.	Are we good or bad, admired, respected and held in high or low esteem?
Corporate status	The organization's reputation standing relative to others.	Are we better or worse than our peers or our rivals?
Reputation equity	The stock of trust, perceived risk (negative) and support afforded by the organization's reputation.	Is our corporate reputation valuable?

related identifying claims about itself (organization presentation in Figure 1) which are evaluated by its stakeholders (stakeholder evaluation), and then the value of these is calibrated by the organization (organization results). Focusing on the unit of analysis and a logical sequence of organizational activity helps to stipulate the intended convergent and discriminant validity of the corporate reputation construct. For example, we would expect that each set of the constructs in the presentation, evaluation and results sections of Figure 1 would show convergent validity, and that each of these sets of constructs would exhibit discriminant validity with the other sets of constructs.

Why this family of constructs often becomes confusing is because some of the definitions of corporate reputation noted later contain elements from different parts of Figure 1. Hence, the value of such a topology of constructs is that it allows a scholar to clearly identify the construct of interest and to set the parameters for empirically establishing convergent and discriminant validity. For example, two constructs that are closely aligned are organizational and corporate identity. Dowling and Otubanjo (2011) suggest that these are 'two sides of the same coin'. In contrast, two constructs that are distinctly different are corporate identity and corporate status. Corporate identity is based on a set of managerial decisions while status is a stakeholder evaluation.

With this discussion as background the next section of the paper examines some prominent definitions of corporate reputation. This review raises a key issue that bedevils both the definition and measurement of corporate reputation, namely who should rate the reputations of organizations. Following this discussion I outline the requirements for a well-formed definition. These are then used to review one of the most prominent definitions and its measures and to illustrate the problem of defining A but measuring B.

Definitions of corporate reputation

The notion of reputation has a well-established common meaning. For example, The *Heritage dictionary* says that 'Reputation is the general estimation in which a person or thing is held by the public'. While many of the definitions reviewed below reflect this general

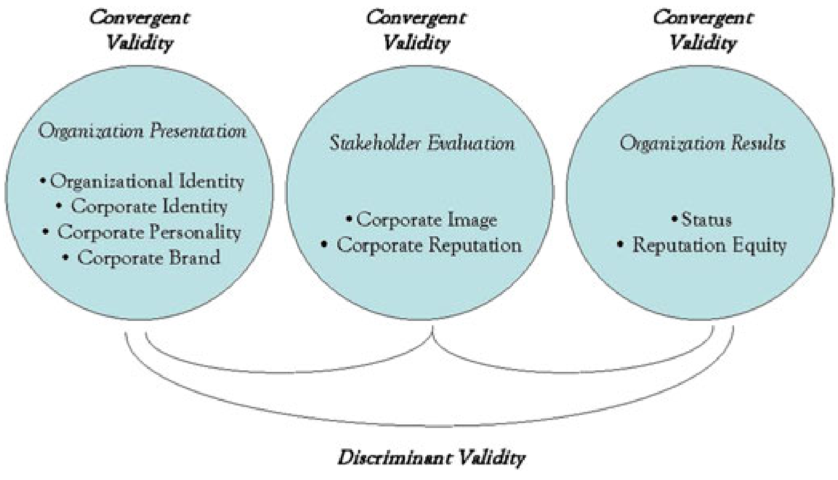

Figure 1 The Corporate Reputation Family of Constructs

meaning many others do not. From a measurement perspective it is advantageous for a scholarly definition to reflect the common meaning of the term because there is a natural link between what the researcher and the respondent to a survey understand by the term reputation. However, in the academic literature there is an aversion to using common definitions for theory development and testing (Wacker, 2004). They are thought to be too imprecise.

Reviews of scholarly definitions of corporate reputation can be found in Caruana (1997); Gotsi and Wilson (2001); Barnett *et al.* (2006); Highhouse *et al.* (2009); Walker (2010); Bitektine (2011) and Clardy (2012). Table 2 presents 50 of these for comparison. Teas and Palan (1997) call these nominal definitions. What is notable is that these definitions are generally more convoluted than a dictionary definition. And as described later, this misfit is a major source of rater error in measures that deviate from the common meaning of the term. So here we have a conundrum – we want people to tell us about their reputations of organizations but we want to use a more precise definition than the one they have in mind.

The 50 definitions listed in Table 2 are chosen to illustrate the diversity of nominal definitions that co-exist in the scholarly literature. They do not speak to their popularity. They are arranged in chronological order to reveal if there is a natural evolution of the nature of corporate reputation as the construct becomes elucidated over the years and its definition changes accordingly. A casual inspection of these definitions suggests that there is no obvious common meaning emerging from this literature.

To provide some insight into how scholars have conceptualized corporate reputation Table 3 classifies the definitions according to how each refers to the beliefs and/or the evaluations of an individual or a group of people, or how it refers to reputation as a signal about some aspects of the organization or its status. Beliefs reflect the known for something conceptualization while evaluations are affective in nature and reflect the goodness or badness of an organization. For example, the second last definition in Table 2 includes both aspects (knowledge and feelings) in the definition. Signaling is an economic concept that refers to the idea that a firm can suggest that it has certain unknown characteristics by communicating other characteristics which are easily seen. The information value of the visible characteristic comes from the fact that it is highly correlated with the unknown characteristic. For example, in many of these definitions the past (good) behavior of the firm signals its future (good) behavior. As noted in Table 1 status refers to the organization's standing relative to its peers.

The distribution of findings in Table 3 reveals that many scholars think that the reputation of an organization is based on cognitive and/or affective evaluations. As per Table 1, a cognitive-based definition makes reputation similar to corporate image while an affective-based definition makes it like the reputation construct described in the table. When both cognitive and affective components are combined the construct is similar to that of an attitude, which is a settled way of thinking or feeling about something. The findings also suggest that most definitions prescribe that a reputation is a collective evaluation. However, this potpourri of 50 definitions does little to establish the content, convergent and discriminant validity of the construct. Hence, there is still no firm answer to the fundamental question posed by Barnett and Pollock (2012) about what is and what is not a corporate reputation.

To progress from this situation the next section provides a framework to identify which definitions are better formulated than others. This means that they are capable of informing a valid measure of the construct. And if we adopt the dominant conceptualization in Table 3 that reputations are the beliefs and/or evaluations of people about organizations, then any definition should be also compatible with the general notion of reputation that people subscribe to. If it is not, then it puts a burden on the scholar to ensure that respondents to their survey use the same notion of reputation that is formally defined in their research. One way to assess this compatibility is to see if the definition includes reference to some notion of overall appeal. Another way is to see if the definition or its attendant discussion uses any synonyms of the term reputation.

A stakeholder view of corporate reputation

As noted in the discussion of Tables 2 and 3, a crucial issue is who is the appropriate judge of the reputation of an organization? The contending views are that corporate reputation can be an individual or a collective or a social evaluation. If corporate reputation is an individual construct then it is a person's evaluation that matters. If it is a group-based construct then a statistical algorithm like cluster analysis can be used to produce profiles of the similar evaluations of various groups of like-minded people. However, if reputation is a socially constructed construct then we need a theory of the group in order to guide its definition and measurement. For example, Bromley (2001) suggests that for reputation to be such a construct the group of people will have a degree of common interest and social interaction that provides a basis for shared beliefs, impressions and attitudes that motivate group action. Also, for a measure to capture these factors it would need to ask people what they think other people (like them) think about the organization. However, the boundary between what is an *ad hoc* group

Table 2 Definitions of corporate reputation

Definition	*Conceptualization*	*Source*
Reputation is the consumer's beliefs about the quality of the firm's products.	Beliefs – individual	Shapiro, (1983: 659)
Reputation is a characteristic or attribute ascribed to one firm by another.	Signal	Wilson (1985: 27)
A corporate reputation is a set of attributes ascribed to a firm, inferred from the firm's past behaviour.	Signal	Weigelt and Camerer (1988: 443)
Reputations represent publics' cumulative judgments of firms over time.	Evaluation – collective	Fombrun and Shanley (1990: 235)
Corporate reputation is the aggregation of a single stakeholder's perceptions of how well organizational responses are meeting the demands and expectations of many organizational stakeholders.	Belief – individual Evaluation – collective	Wartick (1992: 34)
A company's reputation reflects the history of its past actions and effects the buyer's expectations with respect to the quality of its offerings.	SignalBeliefs – individual	Yoon *et al.* (1993: 215)
Reputation is the perceptions in the minds of those observing the organization.	Belief – individual	Haywood (1994: 3)
A corporate reputation is the overall estimation in which a company is held by its constituents. A corporate reputation represents the "net" affective or emotional reaction – good or bad, weak or strong – of customers, investors, employees, and the general public to the company's name.	Evaluation - collective	Fombrun (1996: 37)
A corporate reputation is a perceptual representation of a company's past actions and future prospects that describes the firm's overall appeal to all of its key constituents when compared with other leading rivals.	Belief – collective Evaluation – collective	Fombrun (1996: 72)
A corporate reputation is a collective representation of a firm's past actions and results that describes the firm's ability to deliver valued outcomes to multiple stakeholders. It gauges a firm's relative standing both internally and externally with its stakeholders, in both its competitive and institutional environments.	Belief – collective Evaluation – collectiveStatus	Fombrun and van Riel (1997: 10)
Corporate reputation is a synthesis of the opinions, perceptions and attitudes of an organization.	Belief – collective Evaluation – collective	Post and Griffin (1997: 165)
Corporate reputation is the estimation of the company by its constituents.	Evaluation – collective	Gray and Balmer (1998: 696)
Reputation is the perception of an organization which is built up over time and which focuses on what it does and how it behaves.	Signal	Balmer (1998: 971)
Corporate reputation is the reflection of an organization over time as seen through the eyes of its stakeholders and expressed through their thoughts and words.	Belief – collective	Saxton (1998: 396)
Reputation reflects what stakeholders think and feel about a firm.	Belief – collective Evaluation – collective	Ferguson *et al.* (2000: 1196)
Reputation is a collective representation of a firm's past behavior and outcomes that depicts the firm's ability to render valued results to multiple stakeholders.	Belief – collective Evaluation – collective	Fombrun *et al.* (2000: 243)
A corporate reputation is a stakeholder's overall evaluation of a company over time.	Evaluation – individual	Gotsi and Wilson (2001: 29)
Reputation is the enduring perception of an organization by an individual, group or network.	Beliefs – individual, collective	Balmer (2001: 257)
Reputation is the distribution of opinions (the overt expression of a collective image) about a person or other entity in a stakeholder or interest group.	Evaluation – collective	Bromley (2001: 317)
Reputation is a concept related to image, but one that refers to value judgments among the public about an organization's qualities, formed over a long period, regarding its consistency, trustworthiness and reliability.	Evaluation - collective	Bennett and Rentschler (2003: 207)
Corporate reputation reflects the collective representation of multiple constituencies' images of a company, built up over time and based on a company's identity programs, its performance and how constituencies have perceived its behaviour.	Belief – collectiveSignal	Argenti and Druckenmiller (2004: 369)
The reputation a person holds of an organization is composed of a set of beliefs about it and the industry in which it operates.	Beliefs - individual	Dowling (2004: pp. 20-21)
Reputation is the attitudes and feelings to the specific qualities of the organization.	Evaluation	Hannington (2004: 9)
Corporate reputation is stakeholders' perceptions \of an organization's ability to create value relative to competitors.	Belief – collective Evaluation – collectiveStatus	Rindova *et al.* (2005: 1033)
Reputation refers to a summary categorization of real or perceived historical differences in product or service quality among organizations, given imperfect information.	Belief	Washington and Zajac (2005: 284)
Corporate reputation is the cumulative impressions of internal and external stakeholders.	Belief – collective	Chun (2005: 105)
Corporate reputation is observers' collective judgments of a corporation based on assessments of the financial, social, and environmental impacts attributed to the corporation over time.	Belief – collective Evaluation – collective	Barnett *et al.* (2006: 34)
A firm's reputation reflects stakeholder impressions of the firm's disposition to behave in a certain manner, incorporating information about how a firm compares to its competitors.	Belief – collectiveStatus	Basdeo *et al.* (2006: 1206)
The consumer's subjective evaluation of the perceived quality of the producer.	Evaluation – individual	Rhee and Haunschild (2006: 102)

Continues

Table 2 *(Continued)*

Definition	*Conceptualization*	*Source*
Corporate reputation is the mental associations about the organization actually held by others outside the organization.	Belief – individual	Brown *et al.* (2006: 102)
A firm's reputation refers to the beliefs of various stakeholders regarding the likelihood that the firm will deliver value along key dimensions of performance chiefly product quality and financial performance.	Belief - collective	Rindova *et al.* (2006)
Customer-based reputation is the customer's overall evaluation of a firm based on his or her reactions to the firm's goods, service, communication activities, interactions with the firm and/or its representatives (employees, management) and/or known corporate activities.	Evaluation – individual	Walsh and Beaty (2007: 129)
Reputation is the individual's perception of the general estimation in which a firm is held, good or bad.	Evaluation - individual	Helm (2007: 190)
Reputation is the collective knowledge about and regard for the firm in its organizational field.	Belief – collective Evaluation - collective	Rindova *et al.* (2007: 32)
Reputation means how positively or negatively a company or similar institution is perceived by its stakeholders.	Evaluation – collective	Gaines-Ross (2008: 6)
Corporate reputation is a global, temporally stable, evaluative judgment about a firm that is shared by multiple constituencies.	Evaluation – collective	Highhouse *et al.* (2009: 783)
Organizational reputation is a firm-specific evaluation used by organizational audiences as a signal of quality and likely behaviour when more specific information is unavailable or too costly.	Evaluation – collectiveSignal	Devers *et al.* (2009: 156)
A firm's reputation may be best understood as an intangible asset based on broad public recognition of the high quality of its capabilities and outputs.	Evaluation - collective	Pfarrer *et al.* (2010: 1133)
Corporate reputation is a relatively stable, issue specific aggregate perceptual representation of a company's past actions and future prospects compared against some standard.	Belief – collective	Walker (2010: 370)
Reputation is the collective perception of a company or institution through its stakeholders.	Evaluation – collective	Liehr-Gobbers and Storck (2011: 18)
Reputation designates a positive image that is acquired and conferred for a limited time and for a specific quality of achievement.	Belief	Voswinkel (2011: 35)
Corporate reputations reflect socially accepted standards about what counts as quality for a given type of organization.	Evaluation - collective	Kennedy *et al.* (2012: 71)
Reputation is a prediction of future behaviors that is based on an assessment of how past behaviors meet the role expectations that follow occupying a particular social status.	Belief – unspecifiedStatus	Jensen *et al.* (2012: 148)
Reputation is stakeholders' perceptions about a firm's ability to deliver value.	Belief – collective	Petkova (2012: 383)
A corporate reputation is a collective assessment of a company's attractiveness to a specific group of stakeholders relative to a reference group of companies with which the company competes for resources.	Evaluation – collectiveStatus	Fombrun (2012: 100)
Corporate reputation is the estimation in which the organization is held.	Evaluation	Dowling and Moran (2012: 40)
Reputation is the present value of the cash flows earned when an individual or firm eschews opportunism and performs as promised on explicit and implicit contracts.	N. A.	Karpoff (2012: 363)
Reputation is the mental associations about the organization held by others outside the organization.	Belief	De Roeck *et al.* (2013): Figure 1)
Corporate reputation represents the knowledge and feelings held by individuals about a corporation.	Belief – individual Evaluation – individual	Hardeck and Hertl (2014: 313)
Corporate reputation is the collective assessment that all stakeholders make about the trustworthiness of an organization, of its character, which influences their decision to trust and support it.	Evaluation - collective	van der Merwe and Puth (2014: 147-148)

Table 3 Scholarly conceptualizations of corporate reputation

	Beliefs	*Evaluation*	*Signal*	*Status*	*Total*
Individual	8	5			13
Collective	16	22			38
Unspecified	4	2	6	5	17
Total	28	29	6	5	68

Numbers add to more than 50 because some definitions contain multiple conceptualizations.

defined by its demographics or formed by a statistical algorithm and a social group is not always clear cut. Consider the most widely used scholarly measure of corporate reputation.

The measure was originally called AMAC but is now called WMAC - world's most admired companies (Hay Group, 2013). The groups of people who evaluate these companies are company executives, directors and industry analysts from a wide variety of companies and advisory firms. More than 15,000 people complete the survey annually. While they share a common business language and set of interests about major corporations, they have minimal direct communication with each other in order to form a shared view of the set of diverse companies whose reputations they are asked to evaluate. Also, the data collection asks for their individual opinions not what they think that other members of this group of business people think. So should they be considered as a demographic group or a social network? And thus should the measure they provide be considered as individually based or socially construed? It is not helpful that the creators of the measure (*Fortune* magazine) and the current research suppliers of the measure (the Hay Group, 2013) provide no definition of the construct they are trying to measure.

In contrast to the WMAC measure where the survey respondents are really interested spectators, Freeman's (1984) stakeholder theory is often employed to identify more meaningful groups of people whose reputations companies should monitor. Stakeholders are people who affect or are affected by the company's conduct. The logic here is that because customers, employees, business partners and shareholders have different relationships with an organization then they will each understand it from their unique point of view and thus may use a different set of attributes to evaluate it. This theory supports the view that each group is likely to hold a (slightly) different reputation of the same organization.

Where the issue of individual, group or social evaluation becomes messy is when a measure is designed to be used across more than one group. To accommodate this requirement these measures often include a set of very diverse attributes on which the organization will be evaluated. For example, Fombrun and van Riel's RepTrak™ measure is made up of 23 attributes (Fombrun and van Riel, 2004). It is designed for use with members of the general public. To illustrate the problem with this approach consider that three of the attributes ask people to evaluate a company's workplace environment which is described as the company being a good place to work, has good employees, and rewards employees fairly. Not only would most people outside a company not know about these practices they probably would not care. Hence, when people are asked to rate companies on attributes they know little about these measures generate a significant source of rater error in their measure of corporate reputation.

Structuring a well-formed definition

The reviews of measurement theory and practice by Rossiter (2002); MacKenzie (2003) and Dowling and Gardberg (2012) suggest that in order for the definition of a construct like corporate reputation to validly inform its measure, it or its attendant discussion should specify all the following elements:

- an *object* – the organization being measured;
- *attributes of judgment* – beliefs and/or evaluations of the organization;
- a *rater entity* – an individual or stakeholder group;
- the construct's *central conceptual theme* – salience, known for something or generalized favorability; and its
- *stability* - if theory suggests that levels of the construct are expected to differ across objects (such as different types of company), raters (such as different stakeholder groups), contexts (such as in different countries), and time (such as before and after a corporate crisis).

The definition should also clearly distinguish the construct from related constructs and not contain any of its antecedents and consequences (Suddaby, 2010; Fombrun, 2012). When separation of the causes and consequences from the construct is not clear criterion-related validity becomes more difficult to establish.

While most of the definitions of corporate reputation in Table 2 contained some of these elements none contained all of them. Thus, each definition by itself inadequately informs a measure derived from it. By making different assumptions about the missing elements it is likely that two researchers could create dissimilar measures from the same definition.

A central thesis of this paper is that following this definitional framework will result in better structured definitions and measures of corporate reputation. To illustrate this I use the framework to profile how a foundational definition of corporate reputation has changed its character over time and inadequately informed its measures. The chronology here illustrates how a definition informs its measure and then how analysis of the measure has informed a revised definition. The definitions and measures used are those of Charles Fombrun and his associates. They are chosen because Fombrun has played a leading part in shaping the corporate reputation research agenda, and his development of definitions and measures of reputation is one of the few such endeavors that has been extensively documented.

Defining A but measuring B

Charles Fombrun is the most cited scholar in the corporate reputation literature. One of the definitions of corporate reputation in his foundational book is definition A in Table 4 (Fombrun, 1996). It stands in contrast to his latest definition – Definition A* (Fombrun, 2012). Each definition is assessed against the criteria described in the previous section. The following discussion illustrates how the measures derived from them can easily drift away from the defined construct. There are two reasons for this. One is that some key terms in the definition are vague. The other is that the question design and respondent selection do not adequately reflect the requirements of the definition. This leads to a misfit between the theoretical

Table 4 Fombrun's definitions of corporate reputation

Construct	*Evaluative criteria*
Defining A "A corporate reputation is a perceptual representation of a company's past actions and future prospects that describes the firm's overall appeal to all of its key constituents when compared with other leading rivals." (Fombrun, 1996: 72).	Object – Company 'X' and its leading rivals. Attributes of Judgment – past actions and future prospects. Rater Entity – the company's key constituencies. Theme – a company's overall appeal (generalized favorability). Stability – corporate reputation is a resilient and enduring evaluation across various key constituents (found elsewhere in Fombrun, 1996).
Measuring B Described in Fombrun *et al.* (2000).	Object – 4 companies nominated by each respondent. Attributes of Judgment – 20 descriptive characteristics of the companies chosen by the researchers. Rater Entity – members of the general public selected by the market research firm Harris Interactive from their various country online databases. Theme – the ability to render valued results (being known for many things). Stability – not mentioned.
Defining A* "A corporate reputation is a collective assessment of a company's attractiveness to a specific group of stakeholders relative to a reference group of companies with which the company competes for resources." Fombrun (2012: 100).	Object – a company and a reference group of its competitors. Attributes of Judgment – unstated. Rater Entity – a specific group of stakeholders. Theme – a company's attractiveness. Stability – not mentioned.
Measuring B* RepTrak-Pulse (Ponzi *et al.,* 2011).	Object – familiar companies. Attributes of Judgment – good feeling, trust, admiration and respect. Rater Entity – members of the general public. Theme – emotional connection. Stability – not mentioned.

and operational definitions of the construct (e.g., Teas and Palan, 1997).

Defining A

There are a number of interesting aspects of Fombrun's original definition. First, it is based on both the conceptualizations of being known for something (beliefs) and generalized favorability (evaluation), namely, that various 'perceptual representations' lead to an 'overall appeal'. Second, the rater entity is ambiguous as to who are the key constituencies of the organization and whether these are individuals or groups. Hence, other researchers have interpreted this in many ways. Third, the definition requires the comparison of a company to its 'leading rivals'. As the strategy literature reveals, identifying a company's leading rivals is not always a straightforward exercise. Fourth, the definition specifies that past actions and future prospects are the key determining attributes of judgment. This raises the issue of which, out of the vast array of such attributes, might be the defining actions and prospects of corporate reputation? And should they be expected to be the same across different groups of key constituents? Also, who other than the senior management of the company and some professional company analysts would know about a company's future prospects?

Finally, a key issue with this definition noted subsequently by Fombrun (2012) is that the attributes of judgment are not defining characteristics of the construct but its antecedents its consequences. For example, past actions can logically be construed as antecedents of the current reputation because people rely on these to determine overall appeal, and future prospects are a consequence of reputation because a good corporate reputation opens up these opportunities. Thus, this first definition confounds the reputation construct with its model of development and outcomes. Within a year of proposing the definition labeled A in Table 4 Fombrun made some minor changes to it. However, this re-definition (Fombrun and Fombrun and van Riel, 1997 in Table 2) did not address the concerns of its forebear.

Measuring B

Some years after the first two definitions Fombrun and colleagues set out to formally measure corporate reputation. Their measure was called the reputation quotient (RQ) and was used in scholarly research and sold to companies as a scorecard measure of their corporate reputation. The measure is based on a slightly modified definition, namely, 'reputation is a collective representation of a firm's past behavior and outcomes that depicts the firm's ability to render valued results to multiple stakeholders' (Fombrun *et al.,* 2000: 243). It is comprised of 20 attributes of judgment that range across six theoretical dimensions (i.e., social responsibility, emotional appeal, products and services, workplace environment, financial performance and vision and leadership). The measure was designed to be a crossnational, standardized measure of reputation where each company is scored out of 100. An organization's absolute score calibrates the strength of its reputation while its relative score reveals its positional status. Mainstream business publications like *Fortune* and *Forbes* regularly publish the annual scores of America's most respected companies.

What is most problematic about RQ is how the market research firm Harris Interactive collected respondent evaluations of the companies studied. The key issue is that while the rater entity in the definition is 'stakeholders' the people who are surveyed were 'members of the general public'. Because many of these have no relationship with the company being evaluated they violate Freeman's (1984) definition of a stakeholder as someone who can affect or who is affected by the company in question. Thus, the convenience of using the Harris Interactive web-based respondent panel completely changed the meaning of the measured construct.

A related issue is how the companies (objects) were selected. Respondents were asked to nominate four companies – two that the person considered to have the best and two the worst overall reputations. This data collection screen is designed to ensure that respondents were familiar (enough) with the companies they rate to avoid making uninformed conjectures. While choosing such a group of companies makes it easy for members of the general public to rate them, it effectively changes the meaning of the original construct. For example, Fombrun's original book and definition A focused on rivalry, which is a key issue in economics, marketing and strategy. In this context reputation is seen as a source of competitive advantage. However, the RQ's focus on unrelated peer comparison by an *ad hoc* sample of members of the general public renders it largely impotent in this context. It has also led to the criticism that the list of companies profiled by their RQ scores and published in the business media is much like a 'beauty context' (Bromley, 2002: Dowling and Gardberg, 2012).

The final issue revealed through the measurement of RQ is the wisdom of using 20 attributes to profile a company's reputation. They were selected through an appeal to precedent (literature review) and by adding new insights about how reputations are formed (Fombrun *et al.,* 2000). Some relate to corporate characteristics (such as workplace environment and leadership), past behavior (such as rewarding employees fairly), outcomes of the company (such as its financial performance), and reactions of the respondent (such as emotional appeal). Their diversity raises two issues. First, there is the assumption that a member of the general public would know about the internal characteristics of the companies they nominate. Scholars such as Helm (2005) have found that often they do not. Second, as Rossiter (2002) forewarns, with such a profusion of measured attributes many will drift off the central theme of the definition. For example, many members of the general public would not see the link between whether employees are rewarded fairly and the company's potential to deliver valued outcomes to them.

Thus, the key issue to consider about this mixture of attributes is whether they capture the central theme of the construct as defined? That is, is RQ a valid measure of its foundation or modified definition? In the time-honored tradition of psychometric analysis Fombrun and his colleagues used this framework to seek the answer (e.g., Fombrun *et al.,* 2000). They sought to validate the measure by statistically analyzing the scores that it produces. Leaving aside for the moment the scientific justification of this approach, statistical analysis revealed that the 20 items load on two factors – overall appeal and a more cognitive evaluation of organizational performance (Fombrun and van Riel, 2004). Emotional appeal was the dominant dimension. In the psychometric tradition this finding seems to support the central theme of Fombrun's original definition (i.e., overall appeal) more than the theme in the new definition, namely, 'ability to render valued results'. However, even this is suspect because specifying six theoretical dimensions but finding only two empirical dimensions of reputation highlights Wong *et al.*'s (2008) concern about whether the lack of a statistical relationship between the other dimensions and the overall construct invalidates its structural integrity.

In a detailed and sometimes strident repudiation of this psychometric approach to establishing construct validity Rossiter (2002, 2011a, 2011b) argues that no amount of *ex post* empirical testing can establish construct validity. The only way to do this is through rational argument about the high content validity of the item measures. The fundamental test here is that the semantic content of the items in the measure substantially overlap with the semantic content of the construct. Rossiter's approach replaces statistically-based construct validity with semantic-based content validity. Thus, the very mixed nature of the 20 attributes in the RQ measure suggests that many of these do not overlap with the central conceptual themes of any of Fombrun's definitions. Thus, he has really defined Construct A but measured Construct B.

*Measuring B**

After reviewing research on RQ and dissolving his association with Harris International, Fombrun and his associates at the Reputation Institute created an updated measure of corporate reputation called RepTrak™. The full version of this scale comprises 23 attributes across seven theoretical dimensions (performance, products and services, innovation, workplace, governance, citizenship and leadership). Because RepTrak™ is a slightly expanded version of the RQ discussed above, I focus on the complementary version of this measure called RepTrak^{TM} Pulse. It comprises four attributes, namely, good feeling, trust, admiration and respect (Ponzi *et al.,* 2011). An interesting feature of this measure is that it combines different temporal aspects of reputation (Dowling and Gardberg, 2012). For example, defining reputation in terms of admiration is essentially backwards looking because the respondent is reflecting on the past behavior of the company. Defining reputation in terms of good feeling is contemporary. Defining reputation in terms of trust is a forwards-looking measure because the respondent is forecasting that he or she can expect some future behavior of the company. And defining reputation in terms of respect is both contemporary and forwards looking because respect is a feeling or an attitude about a company that may be expressed in future behavior. One of the roles of this complementary measure is to be the dependant variable for the full RepTrak^{TM} measure. The correlation of the long-form measure with this short-form measure is argued to provide evidence of convergent validity.

*Defining A**

The final chapter in the definitional saga was presented in 2012 and is labeled A* in Table 4. This definition was designed to reflect the RepTrak-Pulse measure. The critical components of this definition are that corporate 'reputations are (1) collective assessments (2) of a company's attractiveness (3) to a defined set of stakeholders (4) relative to a reference group of other companies' (Fombrun, 2012: 100). Fombrun notes that this new definition explicitly recognizes heterogeneity across different stakeholder groups and deliberately excludes any reference to the antecedents and consequences of the construct. However, the definition is still underspecified because: (1) the reference group of companies in the object-part of the definition is ambiguous; (2) the nature of the collective assessment is unstated; (3) the concept of 'attractiveness' is not clear; and (4) there is no mention of temporal stability.

In summary, the criteria for a well-formed definition allow us to see how Fombrun's definitions of corporate reputation have evolved over time. They also provide a framework for assessing the construct validity of any measure derived from these definitions. What becomes evident from this analysis is that the popular multi-attribute measures of corporate reputation used to provide rankings of companies such as the RQ, RepTrak^{TM} and *Fortune*'s AMAC/WMAC are all underspecified. There is either no formal definition to guide the measure (WMAC) or the definition relied on is not adequately formed. What I will argue in a later section is that as a scholarly definition of corporate reputation moves away from the common (dictionary) meaning of reputation its content validity is compromised when people are asked to rate 'the reputation' of a company. This creates a major source of measurement error.

With this review as background I now outline how a scholar might seek to define and then measure corporate reputation. The purpose of this discussion is to illustrate how to create a well-formed definition of corporate reputation, that is, one that creates a valid measure of reputation.

A new definition of corporate reputation

Having been critical of previous attempts to define corporate reputation I now present an example of a well formed definition. To do this I will build on the work of Fombrun and backwards engineer a definition from his RepTrak-Pulse measure described earlier. It measures corporate reputation by asking people to evaluate the good feeling, trust, admiration and respect they have for an organization (Ponzi *et al.,* 2011). I choose this approach because I think that this measure, rather than its supporting definition in Table 4 (designated as A*) better captures what many members of the general public and thus many different groups of stakeholders consider the essence of a good or bad corporate reputation. And because I produce a different definition I will also outline a different approach to measuring the construct.

I make no claim that this nominal definition should replace those in Table 2 because ultimately the definition of a construct should be determined by the scholar's theory and research question. However, I do note that it is simpler than most of the definitions reviewed here. It is also flexible in the sense of being able to accommodate theories of corporate reputation that adopt either an individual or group perspective of corporate reputation. And it captures one aspect of corporate reputation that no other definition specifies, namely, that the estimation in which an organization is held depends on the specific point in time when it is evaluated. This aspect of the definition reflects the considerable amount of scholarship and general commentary that suggests that a corporate crisis can quickly damage the reputation of an organization. Finally, the content validity of this definition rests mostly on the common definition of the construct rather than a scholar's set of specified organizational attributes. While these antecedents may be necessary to understand how the reputation is formed they should not be included in the definition.

As noted above scholarly construct definitions are grounded in theory. Hence, before introducing the new definition I will briefly outline the background theory that supports the definition. Building on Fombrun (2012) this theory is that different stakeholders evaluate the characteristics and attractiveness of organizations (as

shown in the left section of Figure 1) and those that are more attractive have better reputations (the right section of Figure 1). As noted earlier, the basis on which stakeholders form these evaluations will be determined by their particular needs. Thus this mini-theory accommodates the proposition that corporate reputations can differ across stakeholder groups. It also imposes no requirement that these reputations can be aggregated into a meaningful gestalt reputation. From this mini-theory the new definition is:
A corporate reputation is the admiration and respect a person holds of an organization at a point in time.

The logic behind this definition is as follows:

- Object – while the definition focuses on one organization it easily accommodates measuring the reputations of a company's peers or competitors. You simply measure the reputations of all the companies of interest.
- Attributes of judgment - admiration and respect are expressions of the attractiveness part of Fombrun's definition or the general estimation part of the *Heritage dictionary*'s definition. Algoe and Haidt (2009) suggest that admiration is the emotion a person feels towards the non-moral excellence of another party and they note that other scholars also use it to refer to the virtue of this party. Thus, admiration is an appreciation emotion that may also generate praise for an organization. Respect is a more complex concept. Among other things it can be thought of as a mode of behavior, a kind of valuing, a type of attention, an attitude, a feeling, a tribute, and an entitlement (Stanford Encyclopedia of Philosophy, 2014). Each of these conceptions fit with the notion of reputation. Also, people can tell you if they admire and respect another party, in this case a company or other type of organization.
- Rater entity - the definition refers to a person rather than a group. If the researcher wants to report how different groups of people evaluate an organization then it is a simple task to aggregate them into groups based on their demographics, the similarity of their evaluations or a group theory.
- Central conceptual theme - the conceptual theme of the definition is generalized favorability rather than being known for something or salience. As long as the person evaluating the organization knows it they can provide an informed evaluation. Supplementary questions can be asked about its salience and distinguishing characteristics.
- Stability - the definition is anchored at a point in time. The reason for this is because of support for the notion that under some circumstances corporate reputations are fragile. Thus any measure of a corporate reputation is conditioned by the time at which it is measured.
- The definition keeps the construct separated from other members of the family of constructs noted in Table 1.
- The definition does not contain any antecedents (such as specific types of behavior) or consequences (such as the behavior of stakeholders).

In terms of Table 3 this definition is an individual evaluation. However as noted above, it also aligns with the more common notion that reputation is a collective evaluation. It does this by the researcher specifying a 'theory of the group' to which his or her study applies. This theory specifies how the evaluations of individuals should be aggregated to form a collective reputation. In a theoretical context the role of this definition is to act as a 'focal variable' in studies of the antecedents and consequences of corporate reputations. This area of enquiry is of major interest to organizations that wish to enhance their corporate reputations. In the measurement context described next the role of this definition is to inform survey respondents about what corporate reputation means. This is a major source of measurement error in empirical studies of corporate reputation.

Measuring corporate reputation

As the review of the literature above suggests a definition and measure based on the common meaning of reputation should be easy for people to understand. Based on the previous definition, such a measure would define corporate reputation to respondents as the admiration and respect in which they hold the organization in question at this point in time. It would then ask them to indicate this feeling on a simple rating scale. When raters all have a similar notion of reputation the measure is less likely to add unnecessary error to an aggregate of their observed scores. Also, single-item ratings such as this have been found to be more reliable than many scholars believe (e.g., Bergkvist and Rossiter, 2007). The convergent validity of this measure could be estimated by correlating the reputation scores of respondents with their evaluations of admiration, respect and trust. Interestingly, I could find no scales in the business-psychology literature that measured admiration or respect.

Because the actual questionnaires used to elicit the scale values of corporate reputation are seldom published in academic papers it is difficult to ascertain whether or not raters are likely to have the same notion of reputation as the researcher when they respond to questions. As Schwarz and Oyserman (2001: 130) note, 'understanding the words, that is, the literal meaning of a question is not sufficient to answer a question. An appropriate answer requires an understanding of the pragmatic meaning of the question. What does the questioner want to know?'. In Rossiter's (2011a) structure-of-measurement model below, error accumulates in two sources when raters have different conceptualizations of corporate reputation:

$$\begin{aligned} \text{observed score} = & \text{ true score} \\ & + \text{measure-induced distortion} \\ & + \text{rater error} \end{aligned}$$

The observed score is what the rater writes down on the survey form. The true score is what the rater really means. In studies of personal belief and opinion these two scores are seldom the same because the design of the survey instrument inadvertently creates what is called measure-induced distortion and rater error. Measure-induced distortion can be caused by factors such as the following (Schwarz, 1999; Schwarz and Oyserman, 2001 – the wording of the questions and the answer options (are they clear, do they reflect the definition, etc.), the nature of the scoring task (rate, rank, chose one), how the answer options are coded (e.g., say from 1 to 5 to signal that reputation is strong or weak or from -2 to +2 to reflect that it is bad or good), the similarity of organizations to be evaluated (are they spread across industries), the order in which organizations are rated (raters will anchor their subsequent responses on the ones given to the first company), etc. Rater error results from factors like not understanding either the literal or pragmatic meaning of the questions, people guessing about an organization because they think that the researcher expects them to know, getting tired or distracted during the survey, randomly assigning scores to questions simply to get the survey done, etc.

While it has long been known that the way a question is asked shapes the answers given (Schwarz, 1999), more recently Dolnicar and her colleagues (e.g., Dolnicar and Grün, 2007; Dolnicar and Rossiter, 2008; Dolnicar and Grün, 2013) have demonstrated that measure distortion and rater error can produce significant bias in many rating scale style survey instruments. Small changes in a question design and questionnaire administration can produce markedly different results. Thus, attention to the issues listed above is crucial to designing a valid and reliable measurement instrument, regardless of the definition chosen to underpin the measure.

Many current measures of corporate reputation ask respondents to rate an organization on a set of attributes that describe its characteristics and behaviors and their feelings, admiration, respect and trust towards it (Dowling and Gardberg, 2012). There are three problems with this type of measure. One is that when a wide variety of attribute ratings are combined to create a formed index of corporate reputation we have a construct measure that inevitably includes some antecedents and consequences. The second is that many attributes are redundant (e.g., Devinney *et al.,* 2008). The third other is that as Sara Dolnicar and her colleagues illustrate many attribute-based measures create measure-induced distortion and rater error. Given the problematic nature of this type of measurement I will provide a different approach that mitigates many of these issues.

Consider the following three approaches to measuring the corporate reputation of an organization. To illustrate these I will use the example of how reputation might be measured to calibrate the damage done to a company's reputation after a crisis such as BP after the Gulf of Mexico oil spill. The most common approach to measuring a company's reputation after a crisis is to track the sentiment of media commentary and then plot this against its share price or other performance metrics (e.g., Eccles *et al.,* 2007). Here the media commentary is used as a surrogate for reputation. This is a crude approach to reputation measurement because most of the media commentary is made up of the opinions of professional (journalists) and amateur (members of the general public) spectators rather than the people who really matter to the company's future, namely its stakeholders. Also, this approach assumes that most things other than media sentiment do not drive the company's reputations among its stakeholders. In contrast, the following three stakeholder-specific approaches would provide a better – more scientifically robust measure of the company's post-crisis reputation.

Each measure would be preceded by instructions about what the respondent is requited to do and a description of what is meant by the term reputation (for example, as per the new nominal definition). These should be written in the everyday language of the respondents (Schwarz, 1999; Rossiter, 2011b):

- *General estimation scale.* Here different groups of stakeholders are asked to state whether 'BP currently has a good or bad overall reputation?' Because reputation is a bi-polar construct the answer options should be scored from positive to negative. The conceptual theme is generalized favorability, expressed as being of various degrees of 'good' (coded with positive numbers on the answer options) or 'bad' (coded with negative numbers). As just noted, such single-item measures have been shown to have high predictive validity (Bergkvist and Rossiter, 2007).
- *Multiple estimation scale.* Here the researcher is interested in the various types of reputation that people might ascribe to an organization. This is the 'known for something' interpretation of corporate reputation noted earlier. To explore the complexities of BP's reputations after the Gulf of Mexico oil spill stakeholders would be asked to rate; BP's reputations; (positive and negative) regarding its environmental stewardship, community concern, operational safety, financial performance, media communications, product quality, etc. Here it is

important to have a 'don't know' answer option for each type of reputation because some groups of stakeholders might be unaware of all of the company's activities. Because these reputation evaluations are made by the same person they could be aggregated to form an overall reputation score. However, so as not too confound positive and negative reputations they should be presented as a profile.

- *Comparative scale*. Here the researcher is interested in calibrating the reputation of one organization against a number of others. To do this a best-worst scaling approach could be adopted. Here stakeholders are given a number of sets of these oil companies (chosen from an appropriate experimental design) from which they are asked to select the one with the best and worst reputation from each set. From these choices the researcher can derive a ratio scale of the goodness/badness of the reputations of all the oil companies. Best-worst scaling and other types of discrete choice models are generally superior to rating scales for comparing entities, in this case the reputation of BP with those of its competitors or peers (Louviere *et al.,* 2013).

In combination, these three measures would tell BP how its reputation differed across different groups of stakeholders and just as importantly it would provide an estimate of the discount of its reputations against those of its competitors. Correlating these measures against various aspects of financial performance would then help the company to determine whether and where the crisis damaged the company.

There is a fundamental philosophical difference between these three measures and the traditional multi-attribute (such as WMAC and RepTrak™) approach to reputation measurement. These new measures ask people directly about the reputations they hold of an organization rather than specify an extended list of organizational attributes that might or might not be used by people to form their reputation of an organization. In this sense the new measures are more direct and efficient. In the broader scholarly context, the choice of one or more of these measures will be determined by the requirements of the researcher. However, the clear advantage of all of them is that they avoid many of the data collection problems identified above. Also, if the researcher selects the appropriate raters and clearly articulates to them what he or she means by the term corporate reputation then construct validity should be ensured.

Conclusions

While many scholars have called for their colleagues to provide clearer definitions of the constructs they use, few offer precise guidelines for how this might be achieved. Here I suggest that a definition and its attendant discussion need to specify five elements in order to be considered as well formed. While these are designed for constructs that need to be measured (as most will ultimately succumb), they should also help scholars more clearly define constructs in earlier stages of theory development. And as the analysis of the various definitions of corporate reputation used here illustrate, these elements are valuable for gauging the strengths and weaknesses of existing definitions.

The aim of this paper has been to explain why many contributions to the field of reputation scholarship have frustrated scholars who want to develop a broader understanding of how corporate reputations are formed or how they affect outcomes of interest. The principal reason is the failure to craft a well-formed definition of the construct. This was illustrated by examining how Fombrun's definitions of corporate reputation only partially guide the formulation of his measures. It was further illustrated by offering some alternative ways to measure reputation.

No coherent macro theory of corporate reputation will emerge until scholars agree to use a smaller variety of definitions than those noted in Table 2. While Fombrun's contributions have been used to illustrate the problems associated with many of these it should be noted that his work has been instrumental in shaping this definitional dialogue. It has made a major contribution to the field. The aim of this paper has been to advance his contributions.

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