An Overview of Corporate Reputation: A Hammer or a Tool?

Reputation is an idle and most false imposition: oft got without merit, and lost without deserving.

—WILLIAM SHAKESPEARE[1]

Objectives

- Provide a definition of reputation.
- Understand the difference between image, identity, and reputation.
- Study techniques of managing reputation.
- Identify the role of reputation in securing competitive advantage.
- Craft a framework for communicating reputation.
- Assess the importance of corporate reputation.

INTRODUCTION

Our reputation is more important than the last hundred million dollars.

—RUPERT MURDOCH[2]

Why and how have companies across the globe begun to speak the same language— the language of reputation management? Why have words as frauds, debacles, stellar

[1] performances, profitability, corporate stewardship, regulations, investor relationships, stakeholder perceptions and media relations begun to crowd corporate reputation scholarship? The answer is simple. The rules of the game have changed. For instance, no longer is the success of a company measured only by its financial performance. Causative factors as internationalisation and globalisation have led companies to focus on communicating what they have done, what they are doing and what they plan to do to enhance the triple bottom fine that is, people, planet and profits.

Key Words

• Behaviour	People
• Communication	Performance
• Competitive advantage	Planet
• Customers	Profits
• Framework	Reputation
• Identity	Stakeholders; ;
• Image	Transparency
• Mission	Triple bottom line
• Multidimensionalitfy	Unidimensionality

The shift in focus from profits to people and planet is not inadvertent but stems from the logic that if stakeholders are nurtured and environment is preserved, profits will accrue. Companies have begun to realise that it is critical to build a character that commits to integrity and transparency through well-enunciated vision and mission statements. Being

Vedanta Resources: Reputation for Sustainability under the Scanner

Vedanta Resources pic, headquartered in London, is a 15 billion US$[3] natural resources conglomerate with interests in copper, zinc, silver, aluminium, oil and gas, iron ore and power segments.

The company's stated belief is: 'to meet our strategic objectives and to create and preserve value for all of our stakeholders, it is essential that at all levels we conduct" our business in a sustainable manner'[4] It also emphasises its commitment to'minimising our environmental footprint from the start of operations to closure and beyond.'[5]

One look at the awards and accolades received by the group's various companies in the area of sustainable development for 2013 alone—The CII Sustainability Award (BALCO), The International Green Apple Award from The Green Organization, London (BALCO), The Good Green Governance Award from Srishti Publications Pvt. Ltd., New Delhi (BALCO), the OISD Safety Award 2012 from Oil Industry Safety Directorate (Cairn India Ltd.) and the Golden Peacock CSR Award 2012 (Cairn India Ltd.)[6]—would convince one about its. rigorous focus on sustainability issues and its robust reputation for the same.

However, the company's plans to drill for bauxite in Odisha's Niyamgiri hills in 2009 led to a wave of protests beginning with the tribal residents of the region and finding support all the way to London. For the last four years, demonstrations have been held inside and outside its annual general meetings in London.[7] Amid allegations of environmental devastation, anti-union action, corruption and even deaths of protesting tribals, some organisations as Foil Vedanta are trying to get Vedanta de-listed from the London Stock Exchange.[8]

Will this issue escalate and impact the company's reputation? In the present scenario, is the reputation of Vedanta Resources a hammer or a tool?

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on a constant vigil, thwarting negative influences and developing competencies to manage internal stakeholders and build external allies require consistent time, effort and persistence, which rarely, if ever, go unrewarded. We would not be far from the truth if we were to state that reputational capital can be generated by creating an exemplary company character that is governed by cognitive (performance) and affective (sympathetic) dimensions.

The advantages of a good reputation are multiple. It:

- Helps in making financial decisions that are accepted by stakeholders
- Aids in selling a product at a premium price
- Is an indicator of legitimacy
- Helps in building trust
- Heralds success

Small wonder then, that reputation has been the 'poster term' for multiple disciplines including sociology, accounting, strategy and others, as reflected in Table 1.1.

Table 1.1 Concept, Characteristics and Requirements of Reputation under Various Parameters

S. No.	*' Disciplines/ Theories*	*Concept of Reputation*	*Characteristics of Reputation*	*Requirements for Building Reputation*
1	Sociology[9]	A social identity; the main determinant of status	Can be inherited through family or caste charac-teristics. Entities must be active in shaping environment, rather than beinq passive influences	Organisation must increase overlap between projected image and actual attributes
2	Accounting[10]	Maximising value for all stakeholders	Profit is a short-term goal; value maximisation is more important	Using tools as Balanced Scorecard to determine extent of impact of financial and non-financial measures on various stakeholders
2.1	Transaction Cost[11]	Reputation (positive) reduces transaction costs	Implies visibility and trust, causing the entity to be monitored and evaluated more easily	Requires building on visibility to ensure that searching costs for the entity are lowered
3	Strategy[12] .	The idiosyncratic capital of an entity	Affects sustainable competitive advantage	Requires non-transferable idiosyncratic investments as reputation is built for specific stakeholders
4	Organisation Theory[13]	An asset specific to a certain entity	Reputation can be correlated if more entities co-organise communication	Requires assessing the degree to which reputation can be redeployed by alternative uses/users without sacrificing its value

(Table 1.1 Continued)

(Table 1.1 Continued)

S. No.	*Disciplines/ Theories*	*Concept of Reputation*	*Characteristics of Reputation*	*Requirements for Building Reputation*
4.1	Network[14]	Reputation is heavily conditioned by actions of institutional investors and media accounts	An organisation can acquire the reputation of another entity by networking with it	Requires developing long-term networks whose membership is based on certain aspects of reputation which together make up the network's reputation
4.2	Cultural[15]	Reputation affects mental programs leading to persons exhibiting more or less the same behaviour in similar situations at individual, collective and universal levels	Affects organisational culture	Requires an understanding of the stable components of culture that lead members of an organisation to exhibit certain behaviours
5	Economics[16]	The perception of a company held by external observers	Has an informational content; is functional as it generates perceptions	Requires allocating resources to activities that can create a perception of reliability and predictability to outside observers
5.1	Legitimation[17]	Social legitimation in the context of economic exchange	Leads to legitimacy if reputation is at a certain acceptable minimum level	Requires achieving legitimacy by conforming to societal ideologies about the mode of functioning of organisations

Table 1.1 exemplifies the interdisciplinary and vast nature of ‘reputation’ and spells out a need to converge and synthesise ideas across disciplines that add value to the corporate world.

Reputation and its management have gained mammoth proportions in the current changing economic scenario. Reasons are multiple:

- Increasing globalisation has shrunk boundaries, removed entry barriers and increased global presence and enhanced emphasis on governance be it with respect to employees or carbon footprints.
- Entry of private sector players into domains that were hitherto controlled by the public sector.
- Diverse, educated and sophisticated group of stakeholders who are pressurising companies to consider informed decisions based on the ease and speed at which information is disseminated.

- Increased focus of stakeholders and activists on humanitarian and environmental issues.
- Filtering purchase decisions based on company behaviour and conduct along aforementioned dimensions.
- Rankings and ratings assigned to companies by agencies that publicly compare and evaluate performance.[18]

Hence, our focus on reputation is not unjustified! Beginning with a modest introduction to the subject, we discuss in this chapter what is a reputation, present the company perspective in managing and developing reputation, differentiate between identity, image and reputation, study the role of reputation in securing competitive advantage, posit a framework for crafting and communicating reputation and present its importance.

WHAT IS A REPUTATION?

Corporate reputation should be considered as much more than simply a brand emblem in the marketplace. Rather, it is a window to the fundamental character of a company and its leaders and as such is relevant to all stakeholders...

—STEPHEN GREYSER[19]

Over the years, scholars and researchers have posited various definitions and interpretations of corporate reputation. The discussion has primarily focussed on stakeholder impressions and dimensionality of reputation. Stakeholder impressions suggest that all stakeholders have a similar view about the company and variances if any, are not significant enough to be addressed. The concept of dimensionality proposes an understanding of corporate reputation as a combination of admiration, respect, trust and confidence in a company or a 'collective assessment of the company's ability to provide valued outcomes to a representative group of stakeholders'.[20] It scores multidimensionality over unidimensionality and posits that 'the customer's overall evaluation of a firm [is] based on his or her reactions to the firm's goods, services, communication activities, interactions with the firm and/or its representatives or constituencies (as employees, management or other customers) and/or known corporate activities.'[21] This implies that customer perceptions are shaped by company willingness to satisfy their needs, how management treats its employees and pays heed to their interests and the level of competency in the employees. Multidimensionality also refers to internal and external business stakeholders and their perceptions of company activities in the society.

This construct of multidimensionality can be measured on three reputational dimensions: financial, managerial and product (refer Fig. 1.1). All three are independent and represent different aspects of corporate reputation. The financial refers to the profitability of the company where customer expectations and desire to invest resources are shaped by perceptions of managerial prowess. The social and environmental factors capture the stakeholder belief in management generating societal goodwill by positive contributions

Figure 1.1 Multidimensionality of Corporate Reputation

Financial	• Shapes customer expectations and desire to invest resources
Managerial	• Captures stakeholder belief in management • Generates societal goodwill
Product	• Considers customer perception of product quality and value innovation

to the society and environment. The dimension of product and quality service takes into account customer perceptions of the product, its inherent quality and value innovation.

Based on the above propositions, it can be stated that a good reputation signals stakeholder loyalty. Are stakeholders willing to provide positive recommendations or word-of- mouth referrals? A simple yes is reflective of the trust, transparency and appreciation of company operations over the years.

Reputation through Referrals: Tata Consultancy Services Ltd.

Mr Kedar Shirali,[22] Head Global Investor Relations, Tata Consultancy Services Ltd, (TCS) believes that positive recommendations from other stakeholders as investors are equally important contributors to the reputation of the company. He shares an instance of Mr Jeff Chowdhry, Head of Emerging Market Equities at F&C Asset Management pic stating that TCS is head and shoulders above other companies in its sector due to good communication of its consistent and well-implemented strategy to shareholders. Even in a difficult external environment, with possibly low orders, companies as TCS score high because of their strategic choices and decisions.[23]

Reputation evolves over time and is earned and bestowed by stakeholders. It is a consequence of direct and indirect experiences that may differ across groups or segments.

For instance, an environmental stewardship may be viewed positively by a select group of elitist shareholders yet may be perceived suspiciously by activists. Hence, we would not be far from the truth in stating that reputation is the perception of stakeholders based on the sum of their expectations and company dialogue and behaviour (honest and transparent).

The rising or plummeting reputational quotient can satisfactorily be addressed through appropriate communication with stakeholders. It is not only what the company does and says but also what it does not do or does not state that impacts reputational quotient.

In short, the reputation and value associated develops through interaction between and among stakeholders. It is a combined assessment that creates an image, strengthened by the role and accountability of the leader/leadership team.

It has been found that the most reputable organisations have CEOs who have proved their worth in terms of respect, credibility and integrity. For example, in its January- February 2013 issue *Harvard Business Review*[24] lists Mr Y. C. Deveshwar (ITG Ltd.) at seventh position among the world’s best performing CEOs. His credibility and personal reputation have undoubtedly influenced the reputation of ITG, which has also been ranked among the top three at the *Fortune India’s* Most Admired Companies 2013,[25]

HOW DO COMPANIES MANAGE AND DEVELOP REPUTATION?

There is no advertisement as powerjul as a positive reputation travelingfast.

—BRIAN KOSLOW[26]

Corporate reputation management can be understood as a composite of constituent relationships, reputation building practices and organisational issues. Some key actions relate to associating with constituents (internal and external), designing practices, building strategies and systems, organising and assigning responsibilities for various actions. Reputation thus can be referred to be a sum of performance, behaviour and communication (refer Fig 1.2).

As an integrated process, reputation management involves doing, communicating, listening and seeing. Companies with a good reputation follow a consistent policy of informing stakeholders about products, services, operations, history and identity, using multiple channels to communicate their message.

Constituents of Corporate Reputation ’7

’erfoVfftaftde-' Behaviour Communication Sum of images Reputation

One Message, Many Media: ITC Ltd.

ITC Ltd. is a prime example of a company that effectively uses multiple channels to provide relevant information to stakeholders. Information about its huge product portfolio of 50 , brands is shared through its website, various print and television advertisements, and even forms 10 colourful pages of its annual report. The CEO, Mr Y. C. Deveshwar, uses a wide range of platforms, ranging from management discussion and analysis section of the annual report, the sustainability report, speeches at the company's AGMs as well as interviews™ the media to reiterate the identity of the company as one 'creating world-class brands that put India first'.[28]

Reputation-building communication requires that an attempt be made to understand constituents' perspective and concerns which could act as content for developing corporate messages. Communication centring on 'being' and 'doing' is what lends credence and reputational capital to organisations. Companies with a higher reputation ranking have been found to be more effective and superior in terms of doing and communicating than companies with a comparatively lower reputation ranking. For acquiring this status, companies need to intensely and aggressively 'walk the talk' arid 'talk the walk' to communicate their presence and identity.

Walking the Talk: Mr Azim Premji

Mr Azim Premji, Chairman, Wipro Ltd. transferred 295.5 million equity shares, representing 12 per cent of the shares of Wipro Ltd., to an irrevocable trust (the Azim Premji Trust). This is the largest philanthropic transfer by any individual in the country and is a part of the Giving Pledge, a promise by the world's richest persons to commit a large portion of his wealth to philanthropy. Mr Premji publicly stated: 'I strongly believe that those of us who are privileged to have wealth should contribute significantly to try and create a better world for the millions who are far less privileged.'[29]

DOES REPUTATION LIE IN THE EYE OF THE BEHOLDER?

For good or for ill, the reputation of an organization is made through the words and deeds of its members.

—JAMES O'TOOLE[30]

In common parlance, identity, image and reputation have often been used interchangeably. However, the difference can be understood by viewing them as multiple kinds of corporate associations that assign a 'generic label for all the information about a company that a person holds'.[31] These associations can be of three types: identity, perceptions of internal stakeholders; intended image or mental associations created by leaders for intended stakeholders; construed image or mental associations of external stakeholders.

A fine line demarcates the three concepts of identity, image and reputation. 'Identity' is the manner in which key constituencies conceptualise the company and is 'the construed external image of the firm. What a member believes outsiders think about the organization'.[32] 'Image' is the 'view of the organization developed by its stakeholders; the outside world's overall impression of the company'.[33] 'Reputation' is the manner in which key stakeholders develop perceptions about the company and is 'a collective presentation of all participants' image, built over time and based on programmes of company identity, its performance and perceptions of its behaviour'.[34] A favourable impression of the company or positive reputation is transmitted through corporate communication that removes uncertainty, helps shareholders appreciate operational issues and builds an intangible asset for the company, which cannot be openly traded in the market but adds value to the organisation.

Company reputation is composed of a set of beliefs about the company and the industry in which it operates. In other words, a combination of corporate image and corporate identity is what finally shapes corporate reputation. The corporate image denotes stakeholder belief and identity attributes used to describe an organisation. In other words, 'what do people think about you?' and 'who are you?' The beliefs of an organisation are based on relationship with stakeholders, knowledge of company character, capability, products, services and behaviour. Further, a reputational quotient is generated based on the company's past behaviour, with use of descriptive terms to define the company, and authentication of beliefs that match with stakeholder values. An organisation with a good reputation can thus be classified as one in which its identity and image match the stakeholder values and beliefs.

In summary, based on the company's performance (in terms of its quality of products/ services and financial performance), its behaviour (including quality of engagement with stakeholders) and its corporate communication, key stakeholders develop an image which comprises their beliefs, feelings and perceptions about the company. The company's identity is its own projection of attributes created through symbols, verbal and visual communication and behaviour, which influences its key stakeholders. Both, identity and image, together shape corporate reputation (refer Fig. 1.3).

To elaborate further, reputation is based on the five facets of identity:[35] professed— what the company professes; projected—the identity projected to different stakeholders in varying hues; experienced—what the stakeholders experience about the company or its product/service; manifested—what the company has manifested through its behaviour over the years and attributed—what stakeholders attribute to a company based on their experiences.

Based on the identity, situation and relationship, individual stakeholders form opinions about a company that may or may not overlap with the collective impression. However, in scholarly discussions, 'reputation' is viewed as a collective phenomenon attributed to a group of people rather than a single individual. This in no way implies that individual

Figure 1.3 Identity, Image and Reputation

Organisation

Symbols, verbal and
visual communication,
behaviour

IMAGE

Performance
Behaviour
Communication

IDENTITY

Set of
beliefs, feelings and perceptions

Key
Stakeholders

[redacted]

Facets of Identity: Larsen & Toubro Ltd.

Larsen & Toubro Ltd.'s (L&T) vision professes it to be 'committed to total customer satisfaction and enhancing value; ... constantly creating value and attaining global benchmarks .,. meeting expectations of employees, stakeholders and society'.[36] It projects this identity through its advertisements where it shows how its activities help in 'building India'.[37] These professed and projected identities are experienced by its stakeholders in the form of L&T's products and services, and an increased CAGR in sales and recurring profits.[38] The identity is then manifested and attributed by way of various awards received by the company: for example, L&T is the only company in the engineering and construction sector to be ranked among the top 10 'Best Indian Brands' in an Interbrand and Economic Times Survey,[39] to have been the recipient of the NDTV Profit Business Leadership Award and Golden Peacock National Quality Award 2013.[40]

Its professed identity of meeting expectations of stakeholders is also manifested in its various stakeholder-oriented and sustainability awards: second in India in the All Asia Investor Relations Perception Study conducted by *Institutional Investor* magazine,[41] among the Top five overall and first in Engineering and Automotive sector in *Business Today*— People Strong 'Best Companies to Work For',[42] ICC Corporate Governance and Sustainability Vision Award, 'Caring Company Award' by World CSR Congress and CII Sustainability Award.[43] Collectively, these identities enable it to build a robust reputation; evident in its being figured among Top five in *Businessworld* 'India's Most Respected Companies 2013'[44] and among Top 10 in *Fortune* 'India's most Admired Companies 2013'.[45]

views are insignificant. THe challenge before companies is to convert indiviclualperceptions to collective impressions. An accurate comprehension of reputation and its management begins with an assessment of individual impressions followed by continuous social pooling of sensibilities to minimise variations across time and zone.

DOES REPUTATION HELP SECURE COMPETITIVE ADVANTAGE?

*I repeat: Today, we're in an all-out war for reputation. Our companies are battling—
to an unprecedented extent—for our most vital assets: our own identities.*

— MILES D. WHITE[46]

Gan reputation be used for gaining competitive, advantage? .Let us begin examining this question by listing the drivers (subsequent chapters in the book attempt an in-depth understanding of reputation drivers) of corporate reputation: size—larger companies enjoy greater fame; prior performance—an aggregate of financial performance over the last three to five years; media exposure—what the media says and does; dividend policy and strategy as reflected in the investment decisions, investments in charitable causes and environmental stewardship. .

Asa good strategy, companies should compete on existing reputation or use reputation as a tool taking into cognisance all stakeholders. Identifying with the local stakeholders and investing in local communities without flaunting commercial success is the best strategy for securing competitive advantage. For this to happen, the company should be perceived as credible with required expertise; authoritative with desired power and. influence and likeable, suggesting similar beliefs as those of the stakeholders;

How do companies assess which stakeholder group is the most important? This can be done by revisiting the statement of intent and measures of control. Some companies have more than one internal statement to describe their image that may be reflected in their credo, while others may use a more formal strategic plan, comprising vision and mission statements and/or a code of business ethics and governance practices. A process of periodically measuring and validating market position ascertains the success of the strategy adopted. Companies can begin by asking the question, is our reputation merely useful or strategic? If the answer is 'useful' then attempts should be made to weave it in the corporate strategy. If the response is 'strategic', then it should be communicated at large to all stakeholders.

Research points to tangible and intangible assets as measures for providing competitive advantage. Undoubtedly, a good corporate reputation reduces transactional costs and improves financial and non-financial results. For companies to employ reputation as a tool for securing competitive advantage, they need to initiate programmes that give shape to their identity and create a positive image. By crafting a corporate reputation framework companies may decide to foster a reputation that either matches the expectations of a large group or restricts it to those who matter.

CAN A FRAMEWORK OF CORPORATE REPUTATION BE CRAFTED?

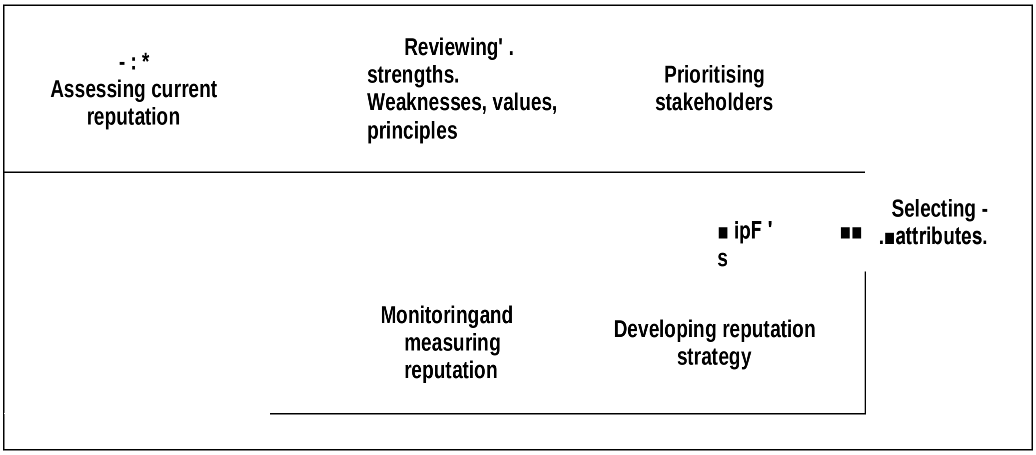
A corporate reputation is an overall evaluation that reflects the extent to which people see the firm as substantially 'good' or 'bad'.

—GRAHAME R. DOWLING[47]

Companies can develop a framework for building and maintaining corporate reputation (refer Fig. 1.4). The first step in the process is assessing current reputation by auditing internal responses from employees. A critical review brings to the table the strengths and weaknesses of the company, the set of values and principles it espouses and the strategic direction it has chalked for itself. Following the review is the process of prioritisation and alignment of stakeholder or influencer (financial community, media, government, activists and advocacy) groups. The prioritisation is based on the relative importance of stakeholders in achieving company objectives and meeting goals. For example, Tata Steel Ltd;, ranked as 'India's Most Admired Company' in 2013 by *Fortune,* uses a stakeholder- mapping approach to identify its most important stakeholders, gauges the degree of interrelationship between groups and formulates the correct strategy of engaging with each.

Once this process is over, the company is able to decipher the attributes that stakeholders consider important in assessing company reputation. Subsequently, companies decide to add any unique or industry-specific attribute that give it the Winning edge. The advantage of this step is that it allows the company latitude in focussing or refocussing its strategies, reallocating or investing resources based on attribute selection.

The second phase is developing a reputation strategy in which specific objectives are laid down, perceptions of business captured and a business strategy defined. Companies may decide to begin with the five pillars of building reputation: people, pacesetters, products, performance and purpose which represent employees and workplace environment,



leadership, vision and governance, value related to products, company performance at the financial and operational level and the company approach and commitment to humanitarian and environmental issues?[8] The time-phase for implementing, the strategy that addresses gaps and.strengthens the company forte is also documented. .

The third phase is of monitoring and measuring activities as process identification; performance measurement linked to change, implementation and output; definition of metrics that help track changes in stakeholder perceptions, if any. Successful implementation is reflected in: -

- Leadership, support , .
- Employee engagement
- Defined corporate values
- Ongoing commitment and investment

However, these success measures need to be communicated.

A Strategy for Building Reputation: Tata Motors Ltd.

The stellar reputation of Tata Motors Ltd. can be attributed to a conscious strategy for building and managing reputation. Periodic employee satisfaction surveys and employee feedback-based performance review plans denote strong employee engagement. The company's vision of being 'most admired by our customers, employees, business partners and shareholders for the experience and value they enjoy from being with us'[49] indicates leadership support. Its defined core values of inclusion, integrity, accountability, customer, innovation, Concern for the environment, passion for excellence and agility[50] imply its focus on .maintaining the company-'character Regular feedback from every stakeholder group -including customers, shareholders, suppliers, dealers, investors and government bodies demonstrates an ongoing commitment to stakeholder engagement. The success of these measures has finally contributed to its current reputation as Tata Motors Ltd. has been ranked first in *AC Nielsen's* 'Corporate .Image Monitor 2011-12', eighth in *Businessworld's* . 'India's Most.Respected Companies'[51] (2011) and 6th in *Fortune* 'India's Most Admired Companies' (2012).[52]

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HOW IS CORPORATE REPUTATION COMMUNICATED?

Being good may not be good enough if it is not communicated.

—MACE DOLLINGER, PEGGY GOLDEN AND TODD SAXTON[53]

Corporate reputation management derives legitimacy through its triple bottom line. While profits are most important, social arid environmental concerns are of equal significance. Gan constancy and legitimacy be achieved in advocating reputation? A periodic validation of corporate reputation helps a company achieve constancy in reputation management. Based on an understanding of the economic assets, stakeholders as investors and analysts find it easy to validate reputation by collecting tangible information about the range, price, quality and performance. However, the same does not hold true for other stakeholders. There is a natural tendency for many to accept or dismiss evidence that does not match with their current beliefs. In recent years, there has been an increasing focus on building relationships, as mutual trust and co-operation provide companies a competitive advantage. The commitment and complementarity in relationships help in engaging, bonding and revealing excellence in operations. Engagement through constant communication is the first step in generating a desired emotional appeal. This creates a favourable inclination towards the company, its products and programmes.

Transparency in communication of company policies is yet another important reputation-building strategy, through which misappropriations are avoided and moral high-ground maintained. Transparency is affected by the ownership and governance structure and reflected in the composition of the board of directors. It can be communicated to multiple stakeholders through mission statements that create a framework, demonstrate distinctiveness, establish an emotional connect and provide a 'sense of mission'.[54] The formulation of the mission statement and documentation serves as a constant reminder to concerned stakeholders of what the company stands for and its ethical code of conduct. It helps express a distinctive identity and enables stakeholders to develop images of the company, which can have positive reputational impact and also accord competitive advantage.

The objective of writing mission statements is to challenge and inspire organisational direction; and, please critical constituencies with a language that spells out the variance in attentiveness across societies, shareholders and employees. The language used in the mission statement is a rhetorical tool for addressing concerns of stakeholders. It is symbolic and expresses intent to accomplish. This sense-giving and symbolic function unifies stakeholders with companies and creates long-term value. As response patterns of individuals are aligned with expressive and symbolic rather than substantive action, mission statements may also be used as a tool for building reputation and impression management. The ability to respond to stakeholder values, needs and concerns yields rewards that may be difficult to replicate in the short term. Table 1.2 illustrates mission statements of some Indian companies featuring in the top 10 positions in reputation rankings in 2012.

CONCLUSION

We know what we are, but not what we may be.

—WILLIAM SHAKESPEARE[55]

Why is a good reputation important? The benefits clearly underscore the importance of a good reputation. Companies high on the reputational quotient secure

Tata Consultancy Services Ltd.	'To help customers achieve their business objectives by providing innovative, best-in-class consulting, IT solutions and services. To make it a joy for all stakeholders to work with us.'[56]
ITCLtd.	'To enhance the wealth generating capability of the enterprise in a globalising environment, delivering superior and sustainable stakeholder value.'[57]
Tata Steel Ltd.	'Consistent with the vision and values of the founder Jamsetji Tata, Tata Steel strives to strengthen India's industrial base through the effective utilization of staff and materials. The means envisaged to achieve this are high technology and productivity, consistent with modern management practices.'[58]
Aditya Birla Group	'To deliver superior value to our customers, shareholders, employees and society at large.'[59]
Tata Motors Ltd.	'To be passionate in anticipating and providing the best vehicles and experiences that excite our customers globally.'[60]
Life Insurance Corporation of India	'Explore and enhance the quality of life of people through financial security by providing products and services of aspired attributes with competitive returns, and by rendering resources for economic development.'[61]

shareholder confidence, advantages at the operational front, improved profitability, market-to-book value, total sales and a premium price for their products. It has been found that a good reputation coupled with a good image impacts 35 per cent of investment decisions.[62] While a good reputation can be a tool and yield multiple benefits to a company, a poor or bad reputation can act as a hammer and mar the company's progress. Hence, companies need to be cautious in devising strategies for reputation management.

Building a stellar reputation requires a cohesive strategy that addresses concerns of the internal and external stakeholders who eventually exercise control over business operations. This bonding provides companies the required competitive advantage for trading in crowded market arenas. Reputations are not created overnight. They need to be built, supported and managed through an honest reflection of business philosophy, performance and behaviour.

For building a good corporate reputation companies should:

- Build trust through commitment and integrity
- Be transparent
- Create frameworks for managing triple bottom line
- Nurture relationships
- Communicate through mission statements
- 'Walk the Talk'and'Talk the Walk'