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Employee's Perception of Corporate Reputation Management: a Research on a Turkish Leading Housing Firm

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Abstract:

Corporate Reputation is the sum of all tangible and intangible values that are formed by the stakeholders' perceptions of a corporation. The concept of corporate reputation consist of financial strength, long term investment value, use of corporate assets, quality of products/services, innovativeness, quality of management, employee talent, social responsibility. According to the stakeholder's theory, all stakeholders –customers, employees, investors and shareholders- evaluate the reputation differently. Corporate reputation compounded by the cross relations of the stakeholders. Corporate reputation is considered in terms of its historical context, the long term collective assessment of a corporation's integrity.

In this study, it was researched how the employees perceived the corporate reputation. Thus, the survey was designed and conducted to measure how the employees of a corporation assess the corporate reputation of it. In this study, the corporation was chosen among the most famous building trade company listed in Fortune Magazine's ranking of Turkey. The collected data was analyzed to determine how the employees assess the corporate reputation.

Keywords: public relations, corporate reputation management, employee perception

1. Introduction

Organization is a living system that functions continuously. Van Riel (1995) defines corporate communication as a medium that enables effective and efficient internal and external communications and also creates positive relationships with stakeholders if it is used deliberately. Scholars studying on strategic management started to pay attention researches about corporate reputation in 1960's. However, in 1990's scholars that studying marketing started to get involved in evaluation, management and strategic involvement of corporate reputation in terms of its effects on marketing (Brown, 1998).

Corporate reputation is defined by Formbrun (1996) as "a perceptual representation of a company's past actions and future prospects that describes the firm's overall appeal to all of its constituents when compared with other leading rivals." McElreath (1997) argued that 'an organization is a living entity because it has boundaries, inputs, outputs, "through-puts," and enough feedback from both internal and external environments' (p. 13). Organizations are affected by environment in which they exist just like humankind. In order to have a successful and well-conducted public relations and reputation management it is crucial to have an effective communication with the organization's publics especially with the employees since the environment is being more complex and diverse as time goes on.

2. Literature Review

Gotsi and Wilson (2001) reword corporate reputation as "a stakeholder's evaluation of a company overtime." There are 3 principles that they ground corporate reputation on: (1) experience of stakeholders, (2) other forms of communication and symbolism about the organization and its behaviors, and (3) the comparison with its competitors. Fombrun et al. (2000) states that corporate reputation is a framework that bands different perceptions of several stakeholders together about the performance of the organization. Therefore, it can be claimed that corporate reputation is sum of different perceptions of different stakeholders about what the organization said and did during its life.

According to Fombrun and Shanley (1990), organizations which have positive reputation are able to draw in investors and also have competitive advantage in terms of creating an entry barrier. Therefore, it can be claimed that a good corporate reputation has also an economic advantage.

Fortune magazine developed a survey instrument in order to find most admired corporations which is still used. Financial analysts and executives rate companies depending on these characteristics: (1) financial soundness, (2) value as a long-term investment, (3) wise use of corporate assets, (4) innovativeness, (5) ability to attract, develop and keep talented people, (6) quality of products and services, (7) quality of management, and (8) community and environment responsibility (Sobol et al. 1992). Fombrun founded institute of reputation management in 1996 and compounded various studies about corporate reputation in the name of Corporate Reputation Review in 1997. Categorization of these studies done by Cha (2004) into four types: (1) the concepts and definitions of corporate reputation, (2) the constructing factors and measurement of corporate reputation; (3) the relationship between corporate reputation and other variables such as brand value, ROI, management technique and employee relations and, (4) various aspects of reputation management strategies. In the mentioned study Fombrun's definition of corporate reputation is used which is 'an overall positive evaluation of an organization that has been formed over a long-term period among audiences based on various constructs such as a corporation's philosophy, activities and communications' (p.261). There are a variety of studies directed in order to find out other measurement principles for corporate reputation. Some studies valued recognizing of positive reputation; however, other ones focused on strategic involvement of positive corporate reputation on the corporate fulfillment instruments. In the beginning of next section, studies about measurement of corporate reputation will be argued. It will continue with the analysis of studies that focus on outcomes of corporate reputation.

Gruning (1993) states that corporate reputation has a major role in order to evaluate effectiveness of public relations, relationship with investors and also employee contentedness. Furthermore, there are different studies for measurement of corporate reputation such as Fombrun's reputation quotient (1996), Caruana's reputation index of 34 items (1997), own scales of global PR consulting firms (Porter Novelli, Edelman). These studies foreground the significance of combining various views rather than focusing on single aspect.

There are some measures which measure perceptions in terms of corporate marketing framework. Brown and Dacin (1997) claim that corporations are comprised of (1) corporate ability associations which were determined by: (a) leadership in industry, (b) research and development capability, (c) progressiveness of company, and (2) corporate social responsibility associations, which were perceived to be: (a) concern for the environment, (b) involvement in local communities, and (c) corporate giving to worthy causes. As Gruning, Plowman (2001) also touched upon the significance of reputation management in terms of public relations. The explained measurement scales contain some problems. The first one is that investors and other economic stakeholders are primarily focused on; other stakeholders are not taken into account sufficiently. Another one is about the validity and the reliability of the scales, because they are not proven. For this reason, scholars set off on a quest of new measurements of corporate measurement.

Categorization of corporate reputation measurement scales can be done like this: (1) one aspect based measurement of corporate reputation and (2) multi aspect based measurement of corporate reputation. In the first one, all stakeholders are asked questions relating to their perceptions about total reputation of an organization or a company. Wang et al. (2006) introduced one aspect based measurement which evaluate total perceptions of interaction with a corporation, perceptions about rivals of the corporations and perceptions about assumptions about the future of the firm. However, this holistic point of view restricts considering details and particular factors that affect the corporation's reputation both positively and negatively. On the other hand, multi aspect based corporate reputation measurement evaluates different components of reputation. The reputation measure of Fombrun (2000) involves emotional appeal, products and services, vision and leadership, social and environmental responsibility, environment in the workplace and the financial performance.

Berens and Van Riel (2004) defined three conceptual factors relating to corporate associations. The first factor is about the social expectations of people about the organization; the second factor is about people's perception of corporate personality, and the last one is the trust level of stakeholders toward the company. Helm's (2005) scale involves ten components of reputation: (1) quality of products, (2) commitment to protecting the environment, (3) corporate success, (4) treatment of employees, (5) customer orientation, (6) commitment to charitable and social issues, (7) value for money of products, (8) financial performance, (9) qualification of management, and (10) credibility of advertising claims.

Financial system on a global scale has faltered due to some scandals in United States and Europe in the recent times. Humphrey et al. (2009) argues that this situation created distrust among people towards companies due to transparency issue. Reputation management has a major function in business because it creates a competitive advantage (Martinez Leon and Olmedo Cifuentes, 2010). This is why scholars and professionals deals with it more than ever. (Chun, 2005). Reputation management in the audit industry has become a must since customers of them care about reputation a lot. According to Barton (2005), companies prefer working with audit firms which have high reputation.

Conventionally, corporate reputation management has focused on external stakeholders like customers, and competitors and they have predicated on Fortune, Reputation Institute or Merco. The reputation perception of internal stakeholders is ignored by most of the studies. Internal reputation is a very important factor that shapes external reputation. Since audit firms are labor intensive, the effect of employees is superior (Flehm, 2007; Davies et al., 2010).

Due to the relationship with corporate reputation and financial aspects, role of employees in reputation management should be deeply analyzed. Employees are the ones who produce the product or service to the customers; therefore, quality of the companies' products or services depend on the employees. Motivation and encouragement of employees can positively affect the reputation by creating synergy in the long term. More motivated employees mean more reputation which means better financial performance.

Elaborating why and how employee communication is taking a more important role in organizations, we should pause to reflect on why the function was for many years relatively weak. The employee communication function has struggled for more than a decade to

assert a stronger role for itself—and those efforts continue. According to recent assessment by The Minnesuing Group a forty- member peer group of top internal communicators, three enduring obstacles to internal communicators “earning the proverbial seat at the leadership table” are: (1) leaders who do not understand the relationship between internal communication and the business outcomes they are trying to produce---and the failure of the employee communication function to clearly and credibly articulate the link; (2) a demand for tactical communications support that saps all existing capacity and makes it difficult for the internal communications function to shift from a tactical to strategic focus; and (3) the lack of a well-defined competency model for the strategic internal communications functions.(Doorley,J and Garcia, Fred, H; 2007:134)

Employees do not only contribute for higher reputation; they also avoid loss of reputation. Since employees are important constituents of companies, their reputation directly affects companies’ reputation. They have close relationships with external stakeholders such as customers, suppliers and distributors; therefore, their behaviors, the messages that they give should be managed consciously (Cravens, Oliver;2005).

3. Method

There are limited number of academic studies on corporate reputation despite the observations indicating increased interest on this matter. Corporate reputation is a multi-dimensional concept revealing interactions between multiple stakeholder groups (Fombrun, 1996: 72). Different organizations operating in the same field of industry have different corporate reputation in the eye of stakeholders. Organizations make effort to gain insights on how their stakeholders perceive them and they tailor their communication strategies accordingly. Therefore, high number of surveys have been structured to compile such data for organizations. The most important ones are Capital Magazine researches, Fombrun and Shanley scale, Fortune magazine and Global Reprtrak Pulse.

Determining perceptions of internal stakeholders is of particular importance for evaluating the corporate reputation based on deterministic dimensions of corporate reputation. Objective of the present study is to determine how employees see the corporate reputation of one of the most reputable organizations of Turkey according to Fortune magazine that carries out business operations in Turkish housing industry. Thus, perceptions of employees on the organization's corporate reputation will be determined as they are one of the most important stakeholders contributing to corporate reputation.

Fortune magazine conducts a survey with the financial analysts, senior executives and board of directors’ member of companies meeting the eligibility criteria in order to determine companies with the higher reputation and the strongest prestige in their respective sectors and all sectors within the scope of “*the most admired companies*” survey. A list of the most admired companies in Turkey is prepared as result of the survey.

Many researchers argue that reputation has a positive impact on profitability. This positive impact is also evident in the surveys of the Fortune magazine. Attempt is made by top organizations in the list to determine the opinion of respective employees. The study is based on 9 criteria on reputation. These criteria are classified as *quality of management, product and service quality, financial stability and solidity, long-term investment value, utilization of corporate resources, creativity and development, quality and sustainability of human resources, Global vision and international marketing integration.*

For the purpose of this study, a company from the housing industry that has the highest rank in the most admired companies list has been selected and employees of this company was asked to evaluate their corporate reputation.

It is important to have a stakeholder group (internal stakeholders) determine similar and different dimensions of the reputation in order to answer the question inquiring whether effect of the reputation dimensions varies by each group analyzed.

Perceptions of the employees, i.e., internal stakeholders, of the organization that carries out operations in the housing sector on corporate reputation are analyzed in parallel with the following survey questions:

1. What do employees think about CEO?
2. What do employees think about product and service quality?
3. What do employees think about quality of management within the organization?
4. What do employees think about financial stability and solidity within the organization?
5. Do employees of the organization see it as a long-term investment value?
6. Do employees of the organization find efforts aimed at quality and sustainability of human resources adequate?
7. What do employees think about social responsibility activities of the organization?

In the present study, a questionnaire form has been used as data collection tool. Questionnaire form has been developed based on the scales used in studies conducted to measure perceptions of different stakeholders on corporate reputation in the light of international and national academic studies (Bennett and Kottasz, 2000; Schwaiger, 2004; Fombrun and van Riel, 2003; Fortune Magazine, 2005).

The questionnaire form consists of two sections and 65 phrases. The first section compiles information on demographic details, duration of employment and department of the employees while the second section contains phrases on dimensions aimed at measuring corporate reputation. These dimensions are *leadership and vision dimension* (5 phrases), *products and services dimension* (4 phrase), *financial performance dimension* (4 phrases), *work environment dimension* (7 phrases), *responsibility dimension* (9 phrases), *corporate communication dimension* (15 phrases) and *governance style- corporate philosophy and culture dimension* (16 phrases).

The survey was sent to internal stakeholders -150 persons in total- who work in different departments (corporate communication, R&D, marketing and sale, human resources, finance, architectural design, construction, after-sale services, advertising) of the

organization operating in the housing industry.SPSS 17.0 has been used to evaluate survey results and perform data analysis. Mean value, standard deviation and frequency analysis have been used to evaluate the findings.

4. Findings

More than half of the survey participants (57.1%) are male. Analysis on the duration of employment by the relevant organization showed that 41.9% of the participants are those who have been working in the organization for 3-5 years and the other have been working for more than 5 years.

Survey participants are from different departments. Participants answering the questionnaire stated that they work in human resources, architectural design office, construction team, R&D, after-sale service and corporate communication.

	Mean Value	Std. Deviation
CEO acts ethically and attaches great importance to social responsibility	4.20	1.311
CEO is an excellent leader	4.30	1.094
CEO has professional experience and expertise	3.61	1.058
CEO has a clear vision and management philosophy	3.21	1.184
CEO is reliable	4.50	1.093

Table 1: Mean values and standard deviations for Leadership and Vision

As important dimensions of the corporate reputation, leadership and vision are scored above the mean value as shown by the answers given about the corporate reputation of employer organization by internal stakeholders, i.e., employees within the organization who answered the survey. For example: CEO acts ethically and attaches great importance to social responsibility (4.20), CEO is an excellent leader (4.30), CEO has professional experience and expertise (3.61), CEO has a clear vision and management philosophy (4.30), I think this organization is managed well (4.10), and CEO is reliable (4.50). In this organization, employee trust their CEO and they recognize his experience, expertise and leadership skills in terms of corporate reputation. CEO became a significant dimension of reputation for employees of this organization.

	Mean Value	Std. Deviation
The organization offers products of excellent quality	2.75	1.174
The organization controls production quality and sale activities	4.20	0.997
The organization invests in research and development for improving products and services	3.80	0.957
I would recommend this organization to my relatives and friends because of reliable services	4.50	1.200

Table 2: Mean values and standard deviations for Products and Services

Products and services represent another dimension having impact on reputation of an organization. It is observed that employees provided positive opinions about the service quality using phrases such as: This organization acts responsibly towards customers (4.30), This organization acts responsible in the course of service management process (3.90), The organization controls product quality and service activities (4.20), The organization invests in research and development for improving products and services (3.80), The organization displays superior performance in service quality when compared with other organizations (3.60), I recommend this organization to my relatives and friends because of reliable services (4.50). For an organization operating in the housing industry, it is important that employees see it as an organization that can be recommended to relatives and friends. Employees of an organization are volunteer representatives of that organization. Such a perception is very important for the corporate reputation of an organization.

	Mean Value	Std. Deviation
The organization has an excellent economic performance (income-profit ratio)	4.30	1.018
The organization shows steady growth	4.60	1.194
The organization establishes active relations with investors	3.90	1.077
It has excellent level of brand value	3.25	1.124

Table 3: Mean values and standard deviations for Financial Performance

Financial performance is another factor affecting corporate reputation. Based on the phrases used by employees, i.e., the organization has an excellent financial performance (income and profit ratio) (4.30), it shows steady growth (4.60), It has excellent level of brand value (3.25), the organization establishes active relations with investors (3.90) and the organization provides contribution to national economy for evaluating the financial performance of the organization; it is understood that the organization scored above the mean value. This organization operating in the housing industry is recognized as one of the top organizations according to the evaluation made by Fortune magazine. Employees see this organization as a reliable organization with strong financial position.

	Mean Value	Std. Deviation
Managers provide employees with opportunities to improve work performance	2.90	1.065
The organization makes investments in qualified staff and personnel	3.00	1.015
The organization has a proper employee training program	2.60	1.160
Corporate premises/ signs of the organization reflect characteristics and identity of the organization in the best way	2.85	0.888
Hygiene is important in all premises of this organization	4.00	1.058
I like physical appearance of the organization	4.20	1.045
Employees are satisfied with the organization	3.50	1.160

Table 4: Mean values and standard deviations for Work Environment

Work environment is another factor that determines the corporate reputation. Phrases scored by employees for their employer organization show that: the organization invests in qualified staff and personnel (3.0), the organization has a property training program (2.6), the organization utilizes state-of-the-art technology and it is innovative (2.95), managers provide employees with opportunities to improve work performance (2.90), all information, whether negative or positive, is shared with employees (2.60), hygiene is important in all premises of this organization (4.0), I like physical appearance of the organization (4.20), this organization attaches importance to occupational safety (accidents, injuries, etc.). The organization's physical image is appreciated by employees and hygiene of premises, the importance attached to occupational safety contribute to positive opinions. However, phrases such as corporate symbol, logo and design of the organization are consistent with the corporate image (2.80), signs/ premises of the organization reflect its characteristics and identity in the best way (2.85) scored below the mean value thus revealed negative results. Work environment factor that affects corporate image features dimensions such as *good work environment, rewarding employees*. The scores related with such dimensions show that the organization is perceived as an enterprise that contributes to the training of employees, invests in human resources and exchanges information with employees. The policies adopted about training, development of employees in this organization operating in the housing industry are important for the improvement of the corporate reputation.

	Mean Value	Std. Deviation
The organization provides positive contribution to social and cultural life of the city	3.44	1.077
This organization is responsible and sensitive about environmental problems in the city	2.84	1.162
This organization attaches importance to occupational safety (accidents, injuries)	4.25	0.888
This organization feels responsibility towards customers	4.30	0.992
This organization acts responsibly in the process of service management	3.90	0.983
The organization carries out social responsibility projects actively	2.70	1.183
The organization contributes to the society	3.36	1.221
The organization contributes to the national economy	4.30	1.200
This organization feels responsibility towards customers	4.30	0.992

Table 5: Mean values and standard deviations for Social Responsibility

Social responsibility dimension involves factors such as *environmental responsibility and social responsibility*. Corporate social responsibility is another factor determining the corporate reputation.

The most successful organizations and institutions around the world act with the awareness that they have responsibilities towards the society and the environment. Therefore, they prepare and release regular reports on their social responsibility performance in order to build "trust" in the eye of their target groups. Corporate social responsibility is underpinned by efforts of creating corporate reputation by pursuing an approach based on giving back to the society and fulfilling responsibilities towards employees that represent internal target group.

In the present day, high number of organizations invest in social responsibility projects supported by employees. Social responsibility projects are critical for motivating employees and improving their commitment towards the organization. Employees want to work for companies attaching importance to values they believe and contributing to the world they live in. Employees in the housing industry scored phrases related with corporate social responsibility efforts of their respective organizations, and negative results have been obtained about phrases such as this organization is responsible and sensitive against environmental problems of this city (2.84), the organization carries out social responsibility projects actively (2.70) and positive results have been obtained about phrases such as the organization contributes to the society (3.36), the organization provides positive contribution to social and cultural life in the city (3.44) which show, nevertheless, that the organization is a positive contributor within the society. Positive contribution on social and cultural life is natural considering the fact that it is a company operating in the housing industry.

	Mean Value	Std. Deviation
The organization has a strong internal communication system	2.98	1.160
Employees of this organization have strong interpersonal communication	2.90	1.518
The organization is fair towards competitors	4.00	1.067
The organization understands the media and carries out effective activities about media relations	4.50	1.075
The organization established direct communication channels for customers	4.30	1.160
The organization shows positive presence in the media on multiple occasions	4.25	1.087
The organization has public relations/ advertising personnel and budget	4.15	1.127
All activities (public relations, advertising, governance) of the organizations are compatible and consistent	4.25	0.901
The organization has a corporate website with quick search function	3.50	1.161
Corporate website is managed well and updated regularly	3.30	1.144
Corporate symbol, logo and design of the organization is consistent with its corporate image	2.80	1.281
National press cover positive news about this organization frequently	3.70	1.369
All information, whether negative or positive, is disclosed to employees of the organization	2.60	1.240
The organization is straightforward while relaying information to the public	3.75	1.160
There is strong communication between service providers and service recipients within this organization	4.10	1.138

Table 6: Mean value and standard deviations for Corporate Communication

Corporate communication is classified in two main sub-categories: internal and external communication. Internal communication is a bond gathering employees and each function of the organization around the same goal and establishing coordination and harmony between them. The organization overcomes crises through corporate commitment, motivation and effective internal communication. Internal communication that is an integral part of corporate governance is an important instrument shaping the reputation in the mind of employees.

The most important duty of corporate communication is to build trust. Trust is the most fundamental element of reputation. Internal and external stakeholders place trust in an organization only when communication process is managed successfully. Scores given to phrases on corporate communication by survey participants show that this organization operating in the housing industry attaches higher level of importance to external communication than internal communication. Corporate communication is equally important for internal and external stakeholders. The answers on internal communication show that: Organizations have strong internal communication systems (2.98), Employees of this organization have strong interpersonal communication (2.90), Corporate philosophy and vision are known by the public (2.80), The organization has an advanced corporate website with quick search function (3.50), Corporate internet sites of the organization are managed well and updated regularly (3.30). The answers on external communication show that: There is strong communication between service providers and service recipients within this organization (4.10), The organization is straightforward while relaying information to the public (3.75), The organization understands the media and carries out effective activities on media relations (4.50), The organization established direct communication channels for customers (4.30), The organization carries out relations with investors actively (3.90), Advertisements of the organization communicate a positive corporate image (4.30), The organization shows positive presence in the media on multiple occasions (4.25), The organization has professional public relations/ advertising personnel and budget (4.15), All activities (public relations, advertising, governance) of the organization are consistent and compatible with each other (4.25), National press cover positive news about this organization frequently (3.70), This organization has a positive image in the eye of external parties (3.04).

“If you do not respect the value of the environment, you cannot gain reputation even if you carry out multiple social responsibility projects or pay high amount of wages to your employees. If employees of a company are unhappy, that company would have no chance of having high reputation. We say that reputation is built on values but keep in mind that those values are for employees. Therefore, reputation starts from the inside” (Kadibesegil, 2006:23).

Organization that are aware of the importance of employees about the corporate reputation make their employees an integral part of corporate reputation management. Employees are keen to take a role as a representative of corporate reputation as much as they desire to work in an organization with good reputation.

	Mean Value	Std. Deviation
Corporate and governance philosophy of the organization is different than others	2.80	1.060
Corporate culture of the organization has positive effect on corporate development	2.26	1.156
Employees of the organization share corporate philosophy and vision	2.75	1.233
Employees of the organization deal with problems of the organization actively	2.40	1.066
The organization has a clear corporate philosophy	2.32	1.164
Managers can turn changes about the technology, human resources and medical information into corporate advantages quickly	2.90	1.067
This organization acts responsibly in the process of service management	3.90	0.983
There is strong collaboration and harmony between departments of this organization in terms of practices	2.80	0.971
Philosophy and vision of the organization are known by the public	2.80	1.162
Advertisements of the organization relay a positive corporate image	4.30	1.008
The organization handles problems and crises effectively	3.00	1.123
The organization implements a transparent management system	4.30	1.012
Management decisions of the organization is based on a long-term perspective	2.80	1.079
The organization has an ability to deal with the change excellently	2.70	1.044
I think this organization is managed well	4.10	1.311
Philosophy and vision of the organization are known by the public	2.80	1.162

Table 7: Mean values and standard deviations on Governance Style-Corporate Philosophy and Culture

Governance style of the organization is the final factor that determines the corporate reputation and has an effect on employees. Scores of the phrases, i.e., Corporate and governance philosophy of the organization is different from other organizations (2.80), Corporate culture of the organization has a positive effect on corporate development (2.26), Employees of the organization share corporate philosophy and vision (2.75), The organization has a clear corporate philosophy (2.32), Managers can turn changes about the technology, human resources and medical information into corporate advantages quickly (2.90), There is strong collaboration and harmony between departments of this organization in terms of practices (2.80), Management decisions of the organization is based on a long-term perspective (2.80), The organization has an ability to deal with the change excellently (2.70), indicate that corporate management did not become a part of the corporate strategic governance.

Strategic governance behavior is about effort displayed by an enterprise for building and maintaining long-term relationships. Building relationships is the most effective and reliable way of attracting qualified internal and external stakeholders. Having a good reputation requires relying on a long-term vision rather than focusing on short-term profits (Tucker and Melewar, 2005: 387). Fombrun (2005) described corporate reputation as literary representation of a company's past behaviors that reveals its difference from the competitors and defining its future perspective. As is seen, corporate reputation is perception of internal and external stakeholders about the organization. This perception must be created and managed by the enterprise.

In the transparent business environment of our era, reputation management became an integral part of the management type applied by companies against consumers with high level of awareness. Organizations with long-term success and growth targets are obliged to build and maintain trust. All images created about the organization in the eye of stakeholders form the corporate reputation. Corporate reputation represents good or bad, strong or weak emotional and influencing reactions of customers, investors, employees and general public about an organization.

5. Discussion

Positive corporate reputation depends on relationship between stakeholders and organization. Stakeholders are described as groups or persons that either affect or are affected by achievement of corporate goals (Freeman, E, 1984). Stakeholders are classified in two groups: internal stakeholders and external stakeholders. Internal stakeholders are shareholders, employees, senior executives and investors. External stakeholders are public authorities, competitors, customers and suppliers. Freeman's stakeholder theory suggests that all stakeholders play an important role in building positive reputation for an organization. Therefore, relationship built with each stakeholder is important. Positive feedback of each shareholder about the organization provides positive contribution to the creation of corporate reputation.

Employees who are internal stakeholders are an important stakeholder group. Employees are brand ambassadors that effect corporate reputation positively. An organization should, first, establish good communication with employees and relay corporate culture to them accurately in order to have a positive reputation.

Employees internalizing the corporate culture that allows functioning of internal dynamics of an organization represent that organization to external parties in the best way. Leaders play an important role in the process of internalization of corporate culture by employees. The ultimate responsibility of a leader is to ensure internalization of corporate vision and culture by employees as they are the most important recipe of reputation.

Internal communication is as important as external reputation. An organization should have good a good reputation management system in place in order to have good reputation. Transparent, consistent and proper communication with all stakeholders- employees,

customers, investors and suppliers- is a condition precedent for having a good reputation management. Having a good reputation management depends on the communication established with employees who are considered as internal customers of an organization. The most important condition of property reputation management is creation of value in the eye of employees at first place. This process of value creation is about taking steps and carrying out activities that make employees feel valued rather than paying satisfactory wages.

It is an unavoidable fact that happiness of employees is the recipe for good reputation management. An employee feeling happy as an individual while working for an organization reflects the corporate identity accurately to the external stakeholders. An employee struggling in becoming a part of an organization cannot represent vision, mission and values of that organization properly.

In this context, reputation perception of the organization constituting subject matter of the present study was found positive and it has been concluded that its reputation in the eye of internal stakeholders is one of the important factors carrying it to the position it holds as one of the most reputable companies.

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