

**Olena Derevianko**

PhD (Economics), Associate Professor, D.Sc. (Econ.) Degree Seeker,
National University of Food Technologies, Kyiv, Ukraine
14 Behterevskiy Str., Kyiv, 04053, Ukraine
y.derevyanko@pr-service.com.ua

IDENTIFICATION OF A COMPANY'S REPUTATION MANAGEMENT MODEL

Abstract. In the article, the general reputation management (RM) model is substantiated; a system of criteria for model identification has been formed; and typical company reputation management models have been described. It has been proven that reputation management model identification must be performed in three domains: firstly, by reviewing the level of interaction with key stakeholders (feedback review and stakeholder's involvement in a company's positive reputation formation); secondly, research of how active the measures towards formation and maintenance of reputation are; thirdly, development the level of the reputation management system's organizational component within a company. At the same time, a company's reputation management model identification should be performed based at calculation of scored points in each of the three dimensions delineated above. The author draws an inference that the development of proposals with regard to the improvement of the reputation management system must be based upon the following fundamental provisions: firstly, for a company to be able to reach its goals in different business areas, different levels of stakeholder relations development will be sufficient; secondly, emphasis on increase of reputation for a certain stakeholder group, not all stakeholders at once, is justifiable; thirdly, the durability of the formed positive reputation, which is its ability of self-sustenance under the absence of any active RM measures, serves as an efficiency criterion for the targeted company's reputation management model.

Keywords: company reputation; reputation management; reputation management model; stakeholders; typical management models.

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О. Г. Дерев'янюк

кандидат економічних наук, доцент, докторант, Національний університет харчових технологій, Київ, Україна
ІДЕНТИФІКАЦІЯ МОДЕЛІ РЕПУТАЦІЙНОГО МЕНЕДЖМЕНТУ ПІДПРИЄМСТВА

Анотація. У статті обґрунтовано модель репутаційного менеджменту в загальному вигляді, сформовано систему критеріїв для ідентифікації моделі, охарактеризовано типові моделі репутаційного менеджменту підприємства. Доведено, що ідентифікація моделі репутаційного менеджменту на підприємстві має проводитися за трьома напрямками: по-перше, вивчення рівня взаємодії із ключовими стейкхолдерами (зворотний зв'язок та залучення до процесу формування позитивної репутації підприємства), по-друге, дослідження активності дій з формування і підтримки репутації, по-третє, визначення розвиненості організаційної складової системи репутаційного менеджменту на підприємстві. При цьому ідентифікація моделі репутаційного менеджменту підприємства відбуватиметься на основі підрахунку набраних балів за кожним із трьох вищеописаних напрямів. Автор робить висновок, що вдосконалення системи репутаційного менеджменту має відбуватися на основі таких принципових положень: по-перше, для досягнення цілей компанії в багатьох сферах бізнесу достатнім буде різний ступінь розвитку відносин зі стейкхолдерами; по-друге, акцентування на підвищенні репутації для певної групи стейкхолдерів (а не всіх одночасно) є виправданим; по-третє, стабільно позитивна репутація є критерієм ефективності цільової моделі репутаційного менеджменту підприємства.

Ключові слова: репутація підприємства, репутаційний менеджмент, модель репутаційного менеджменту, стейкхолдери, типові моделі менеджменту.

Е. Г. Деревянюк

кандидат экономических наук, доцент, докторант, Национальный университет пищевых технологий, Киев, Украина
ИДЕНТИФИКАЦИЯ МОДЕЛИ РЕПУТАЦИОННОГО МЕНЕДЖМЕНТА ПРЕДПРИЯТИЯ

Аннотация. В статье обоснована модель репутационного менеджмента в общем виде, сформирована система критериев для идентификации модели, охарактеризованы типичные модели репутационного менеджмента предприятия. Доказано, что идентификация модели репутационного менеджмента на предприятии должна проводиться по трем направлениям: во-первых, изучение уровня взаимодействия с ключевыми стейкхолдерами, во-вторых, исследование активности действий по формированию и поддержанию репутации, в-третьих, определение степени развития организационной составляющей системы репутационного менеджмента на предприятии. При этом идентификация модели репутационного менеджмента предприятия будет происходить на основе подсчета набранных баллов по каждому из трех вышеописанных направлений. Автор делает вывод, что совершенствование системы репутационного менеджмента должно основываться на таких принципиальных положениях: во-первых, для достижения целей компании в различных сферах бизнеса достаточным будет разная степень развития отношений со стейкхолдерами; во-вторых, акцент на повышении репутации для определенной группы стейкхолдеров (а не всех одновременно) является оправданным, в-третьих, стабильно положительная репутация является критерием эффективности целевой модели репутационного менеджмента предприятия.

Ключевые слова: репутация предприятия, репутационный менеджмент, модель репутационного менеджмента, стейкхолдеры, типовые модели менеджмента.

Introduction. Reputation management has come to be defined as a set of managerial measures aimed at forming, maintaining and protecting a company's reputation. Present-day businesses use ever more actively corporate advertising, reputation PR with regard to product and corporate brands, leaders etc. That is, the demand for reputation management technologies is constantly on the rise, which increases the relevance of developing managerial models designated to ease the decision-making process for company managers.

Brief Literature Review. Having analyzed a bulk of publications dedicated to reputation issues, one needs to point out that different authors focus in their research on the study of partial subsystems and elements of reputation management. To these belong famous works – Barnett & Pollock (2012) [2], Beales (2014) [3], Corbin (2012) [4], Frayne (2013) [5], Grunig & Hunt (1984) [6], Komisarjevsky (2012) [7], Linne (2014), Rieves & Lefebvre (2013), Ronald (2013). At the same time, the construction of integral company reputation management models

based at combining different managerial elements is left without due attention.

The purpose is to describe a reputation management model in general, to formulate a system of criteria for model identification, and to describe typical company's reputation management models. In the course of research, the following analytical model construction methods were employed: generalization of the manifestations of a modelled object, dismissal of unessential elements and connections.

Results. During the preparation of this publication 74 food industry companies of Ukraine was investigated by reputation management system and author made a conclusion about presence of certain organizational prerequisites for effective reputation management (RM). These are companies such as «Roshen», «Conti», «Crimean vodka Company», «Chumak», «Hercules», «Three Bears», «Rosynka» and so on. The analysis of the obtained results and practical scientific literature allowed the author to form the models of reputation management, these can be recommended for different industries.

A reputation management model in general must include basic elements which are prerequisites to forming and maintaining company reputation in the long run. Differentiated elements are the subject of many works, however, most common in literature are the publications concerning various activities within the reputation management domain, including these: corporate reputation maintenance, to which topic the following research is dedicated: Barnett & Pollock (2012) [2], Alsop (2013) [1]; formation of government relations examined in the works of Beales (2014) [3] and Frayne (2013) [5]; investor relations technologies are featured in Rieves & Lefebvre (2013), Corbin (2012) [4]; Linne (2014) and Komisarjevsky (2012) [7] etc. write about personal reputation. Therefore, we can single out the first basic constituent of the company reputation management model that will unite all RM activities.

Another vector of research covering the scope of reputation issues is that of communications, namely support of feedback with target audiences and, in particular, measuring the efficiency of such interaction. Research is conducted mostly in the vein of sociology, but an independent direction of research has emerged, i.e., the study of reputation communications, and Grunig & Hunt (1984) [6] are considered to be its founders. By including into the basic reputation management model RM activities (the first element) and stakeholder's feedback support/assessment (the second element) we receive the «altitude» and «latitude» of the model. In addition to the said parameters, the model must contain a third element – the «foundation» that characterizes the presence of organizational prerequisites prior to permanent performance of RM activities and stakeholder feedback support. A profound «foundation» presupposes that a company must have in place reputation maintenance strategies, regulations with regard to Reputation Management business process, and a documented formalized emergency action plan.

Based at the above theoretical considerations, the assessment of a reputation management system functioning in a company must be effected in three directions:

- review of the level of interaction with key stakeholders: feedback and involvement of stakeholders in the process of forming a positive reputation of the company;
- estimation of the intensity of activities aimed at the formation and maintenance of reputation;
- identification of the development level of the organizational (formal) component of the reputation management system functioning within a company.

As regards assessing the reputation management system in the area of interaction with key stakeholders, the following is suggested: firstly, conduct a survey of the representatives of each stakeholder group (consumers, staff, community representatives, investors, and partners); secondly, examine the system of stakeholder feedback support by way of surveying the company's management. In the course of the survey, a respondent is provided with a list of companies under assessment (not more than 10) and is offered to abstain from absolute answers of «yes» and «no», but, instead, to evaluate a company against a scale (rating) within the range from 1 to 100.

We propose a tentative list of questions for external identification of the development level of the reputation management system in the area of interaction with company's stakeholders:

- *Would you like to purchase the company's product (work in the company, partner with it, invest into the company etc.)?*
- *Would you recommend the company to others (potential consumers, partners, investors etc.)?*
- *Could you say anything positive about the company?*
- *Will you support, if necessary, the company's anti-crisis policy (product price increase, layoff, non-payment of dividends)?*
- *How much are you interested in the company's development? (Would you leave your daily matters behind to talk about positive/negative news about the company?)*

We have also formed a tentative list of areas of assessment of stakeholder feedback support system by virtue of company management survey:

- *Frequency of stakeholder's feedback measurements;*
- *Goal of stakeholder's feedback measurements;*
- *Duration of stakeholder's feedback measurements;*
- *Labor intensity (own efforts, outsourcing) of stakeholder's feedback measurements;*
- *Planning of stakeholder feedback measurements.*

Based on survey results, in accord with the score assessment level, the development level of reputation management system is identified in the area of interaction with stakeholders – from the lowest to the highest:

- I – messaging (from 1 to 24 points),
- II – informing (from 25 to 49 points),
- III – persuasion (from 50 to 74 points),
- IV – involvement (from 75 to 100 points).

The more developed is the system of interaction with stakeholders, respectively, the more sustainable company reputation will be. In the given context, «reputation sustainability» means the ability of reputation to remain attractive (positive) for a lengthy period of time without any effort on the part of company management. That is, sustainability is secured by stakeholders who share the company's values and support it, which is particularly important at times when economic conditions worsen.

Irrespective of the development level of the stakeholder interaction system, reputation management of a company is characterized by a certain level of activity aimed at the formation and maintenance of reputation. A research of reputation management activism can be conducted by way of questionnaire survey of company managers. They should be offered to assess (on a scale from 1 to 100 points) how actively the company uses the following reputation building and maintenance methods:

- *The practice of regular press releases distribution among domestic mass media;*
- *The practice of regular distribution of press releases among foreign mass media;*
- *The practice of regularly organizing special events for the mass media and involving mass media (including opinion leaders from among active bloggers and social media users);*
- *The practice of regularly organizing special events for other stakeholder categories;*
- *The practice of regularly updating the company's website(s);*
- *The practice of regularly updating the organization's official pages in social networks that are an instrument of two-way communication with stakeholders;*
- *The practice of regularly updating official webpages of the organization's product brands that are an instrument of two-way communication with stakeholders;*
- *The practice of publishing corporate media for top-priority stakeholder categories.*

Having assessed in this manner the development level of reputation management system in two dimensions (interaction with stakeholders and active use of various PR instruments), it is necessary to take into account a third dimension, which is by no means less important, i.e. the availability of organizational elements of the reputation management system. With the aim of identifying the development level of an organizational (formal) component of the RM system, we suggest utilizing the list of ten organizational elements (provided in Table 1). The availability of

Tab. 1: Tentative list of indicators used to establish the level of organizational component development of a company's reputation management (RM) system

No.	Organizational elements of RM system, their availability within a company	Level Indicators		
		Functional	Systemic	Strategic
1.	Internal specialist(s) in charge of publishing content and maintaining the corporate website and the social media pages of the company and its brands	+		
2.	PR specialist within the marketing unit	+		
3.	Editors office of the corporate media/ journalist(s) on the staff of the company	+		
4.	Specialized PR unit (reputation management department) exists as a separate unit within the company		+	
5.	Regulation of the Reputation Management business process, availability of relevant documents		+	
6.	Integration of the functions of persons involved in the Reputation Management business process into the regulatory documents concerned with respective units		+	
7.	Integration of the functions of persons involved in the Reputation Management business process into job descriptions of respective employees		+	
8.	Documented formalized PR strategy and operational plans of PR activities of different horizon periods			+
9.	Documented formalized emergency action plan (anti-crisis RM activities plan)			+
10.	Training of organization's authorized speakers in the fundamentals and instrumental practices of PR activities on systemic principles			+

Source: The author's own development

necessary elements allows to establish how strong the «foundation» of a RM system is, and to identify it as functional (least developed), systemic or strategic (most developed).

Identification of company's reputation management model is performed on the basis of calculated scores in each of the three areas of RM system assessment. Next is offered a brief overview of the typical reputation management models (Table 2). All

Tab. 2: Typical company's reputation management models		
No.	Model Type	Main Features
1.	"Balanced"	– highly developed in each of the three areas: RM activity level, stakeholder feedback and availability of organizational prerequisites. Possible in theory, however, in practice it is costly and requires developed reputation management skills on the company management level
2.	"Foundationless" or "Summerhouse"	– oriented towards periodic reputation maintenance measures taken without the creation of an internal RM unit; it is unstable, and, as a rule, not capable of effective reputation management without the involvement of outsourcing PR agencies
3.	"Repository" or "Iceberg"	– the part being "below surface" is much larger than that which is "above surface". A formalized RM infrastructure exists which is used ineffectively. On the one hand, the existence of a "foundation" secures high resilience of the company's RM system in the face of a threat of crisis phenomena; on the other, it pulls away company's resources towards the support of such formalized structure
4.	The "Broad" Model	– based on effective two-way communication with stakeholders, it is stable. The "broader" the model, the longer positive reputation will "last", provided that its information support is halted
5.	"Pyramidal"	– an unstable model characterized by high activism of reputation measures in conditions of undeveloped stakeholder feedback; susceptible to reduction (cessation) of active reputation management measures
6.	The "Funnel"	– a stable model that features RM focused on maintaining long-term trust and ignoring messaging activities; RM of mature companies with no record of recession approaches this model. The "trap" of the model is the loss of skills of prompt response to unexpected reputation threats
7.	The "Comb"	– The level of activism of RM activities as well as company reputation management efforts on the part of different stakeholders are different; RM imbalance reduces reputation stability

Source: The author's own development

these models are worked out by the author and have never been mentioned previously in other studies.

Proposals concerning the improvement of the RM system must be developed in accord with the identified reputation management model. Our standpoint is that there exists no ideal system: the RM model should be consistent with the goals and possibilities of a particular company. That is, the improvement of the RM model should be based on the following fundamental principles:

- In order to achieve company's targets in all business areas (at different points of the lifecycle, in conditions of different business activity scopes etc.) a differing development level of relations (interaction) with stakeholders will be sufficient.
- Emphasis on the development of reputation for a certain stakeholder group, not all stakeholders at once, is justifiable; and it is permissible to speak about a field focus of the reputation management model.
- The durability of the formed positive reputation, that is, its ability of self-sustenance in the absence of any active RM measures, serves as an efficiency criterion for the targeted company reputation management model.

Conclusion. We have arrived at the conclusion that reputation management model in a company generally includes three domains, in which, respectively, model identification should be performed, namely: firstly, reviewing the level of interaction with key stakeholders (feedback review and stakeholder involvement in the formation a company's positive reputation); secondly, research of how active measures directed at the formation and

maintenance of reputation are; thirdly, establishing the development level of the organizational component of the reputation management system within a company. As a result of undertaken research, typical company reputation management models have been described, among which the following have been singled out: «balanced», «foundationless» or «summerhouse», «repository» or «iceberg», the «broad» model, «pyramidal», «funnel», and «comb». These universal models of reputation management can be recommended to all companies, regardless of scale of their operations and national affiliation. In further research work, author's proposals with regard to reputation management models identification were tested based on the materials of Ukrainian industrial enterprises.

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