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Many a CEO obsessing over a company's reputation can blame management academic Charles **Fombrun** for the preoccupation. The professor at the Stern School of Business of New York University has become a worldwide expert on the matter of corporate reputations through his research, writing and consulting.

His initial interest has spawned a dedicated institute plus a major measurement methodology - the Reputation Quotient - used in a growing number of country-based surveys of reputations. It all began, says Fombrun, at a meeting with oil giant Shell: "It really started about six years ago We were trying to capture what reputation is. We were having a hard time trying to work out what it was, much less get a grip on it.

"Eventually I organised a seminar on reputation and 150 academics turned up. What was immediately apparent is how cross-disciplinary it was. It involves accountants, employee relations, the social responsibility people."

Partly because of this meshing of interests, the process of measuring reputation had developed slowly. But after establishing the Reputation Institute in New York, Fombrun noticed that many corporates were starting to understand the effect reputation had on market perceptions.

"While that was going on there was a conference on measurement and Harris Interactive approached me and said they would like to

work with it," he says.

The Reputation Quotient study, which ranks a country's best corporate reputations, was launched in 1999 in the US and has been extended to other countries. Australia was one of the first to pick up on the study.

Corporates have embraced the idea that reputation is important despite initially resisting or dismissing it as superficial. It is now recognised that studying reputation is about balancing the perceptions side of the work with financial measures.

"Part of it is about the brand," says Fombrun. "In most organisations, accountants have a

stranglehold on financials and there are different fiefdoms, which is why it takes a little longer to recognise its value."

The analysis developed in Australia for the most recent survey (published in the AFR on February 18) has helped make the link between financial performance and reputation much clearer, Fombrun says. It found that strong financial results had an effect on a company's reputation.

"It's very interesting analysis that came out," Fombrun says. "It showed that if you don't have a strong social positioning and you do well financially you're seen as greedy. But if you're very related to the community it's not seen in the same way."

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