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Reputation is not about glossy public relations. Nor should people confuse it with image and brand.

Laurel Grossman, developer of the Reputation Index, which is published today as a separate 20-page liftout in The Age and Sydney Morning Herald, says a company's reputation is built around how effectively it meets the needs of all its stakeholders, including customers, employees and interest groups. When you focus on public relations only, reputation doesn't carry through," Ms Grossman said.

This, she said, was one reason why some organisations were hostile about participating in the study for the index. In many cases, the heat was coming from their public relations units.

It demonstrates the fact that companies over the years have become totally focused on media relations," she said.

At the end of the day they are not geared to take queries from what one might call the ordinary citizen. Their public relations sections are geared up to talking to the media rather than particular stakeholder groups."

A former school principal, Ms Grossman started looking at reputation management when doing postgraduate research. At the time, she was working at senior-executive levels in the public service.

She studied the work of one of the leading experts in this field, Charles Fombrun from the Stern School of Management at New York University and the author of the successful book Reputation: Realising Value from the Corporate Image.

About two years ago Ms Grossman set up her business, Reputation Measurement. Partners include former Standard & Poor's managing director Graeme Lee.

She says her business has links with Professor Fombrun's Reputation Institute, a private research organisation that focuses on corporate reputations and how to measure and manage them.

The institute is now working with Harris Interactive to develop an online corporate reputation survey, canvassing the views of consumers, general investors, employees and even those boycotting large companies.

It has developed a Reputation Quotient, which, it claims, allows research on what drives a company's reputation as well as comparisons of reputation both within and across industries.

The reputation survey is another research tool aimed at providing some hard evidence to what has until now been a largely intuitive area of research.

But how reliable is an index that relies on something as arbitrary as the subjective opinion of a few interest groups? Ms Grossman acknowledges it is not objective, but so what? She says that is what reputation is all about.

One could argue that is the very nature of reputation to some extent," she said. Reputation can be formed out of opinions that are sometimes not as founded in fact as they might be.

That is no reflection on the groups that have done their utmost to find out the information and support their claims, but at the end of the day, reputation is very much a perception issue.

Ultimately, reputation is driven by the arbitrary nature of those factors. "

She said the index addressed this issue by standardising the results.

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