

Can We Adequately Assess Corporate Reputation?

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Nomological Network

Corporate Associations

Celebrity

Social Perceptions

Corporate Reputation

Legitimacy

Image

Reputation

Status

Identity

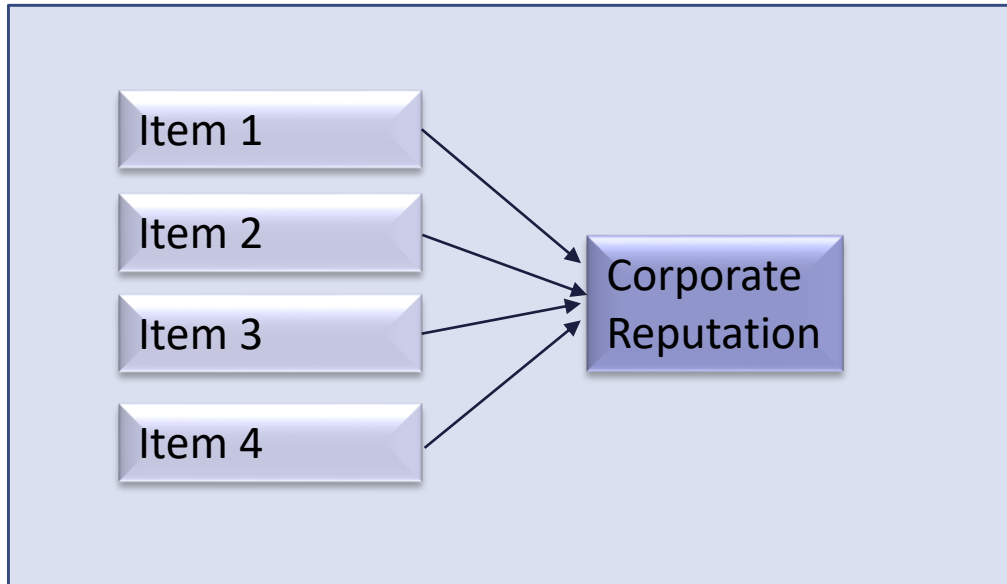
Personality

Social Judgements

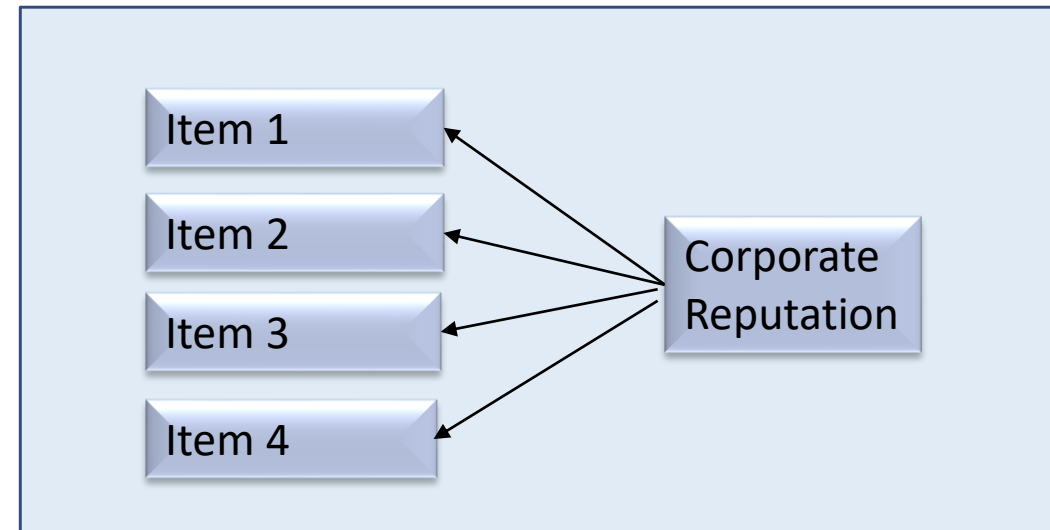
Nomological Network – Poor Proxies

- **If** each construct has discriminant validity
 - **Then** each construct has its own *antecedents* and *consequences*
 - **And** research is muddled
-
- Plus, we have several CR measurement instruments

Formative and Reflective Instruments

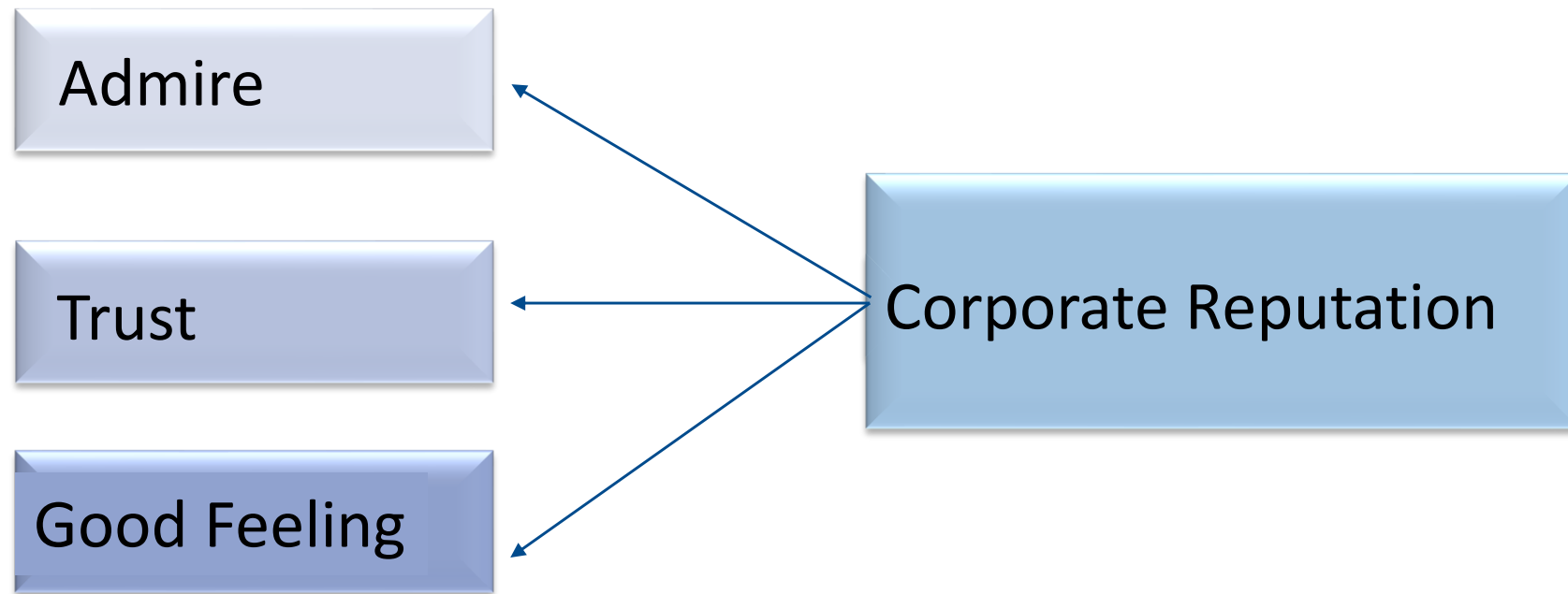


Formative Measure



Reflective Measure

CR: Reflective Measure



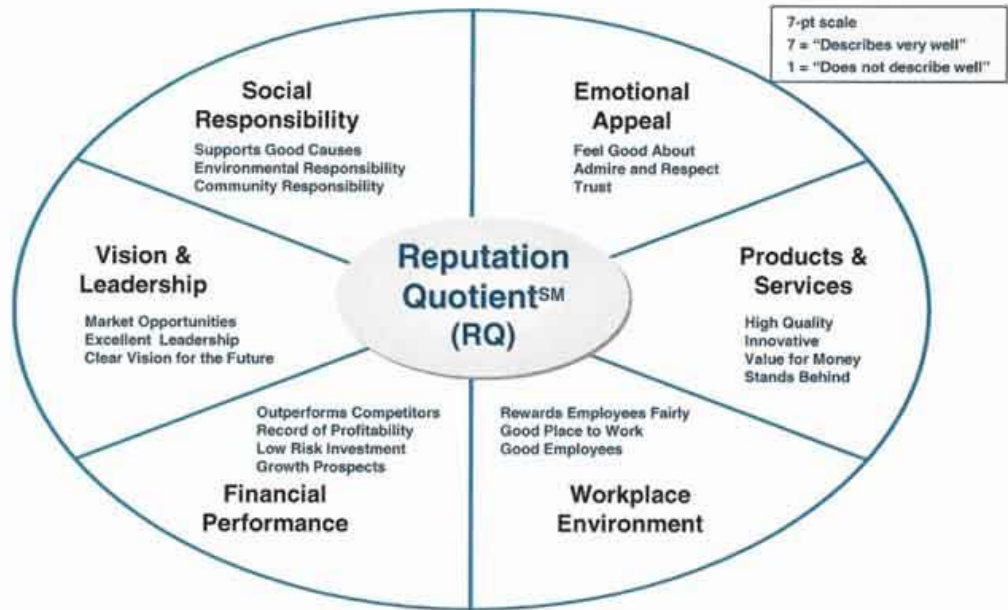
CR: Reflective Measure

- **Structure** **stable** over time
- **Consistent** across stakeholders
- **Constant** across institutional environments

- Emotional appeal
- Captures essence of many definitions

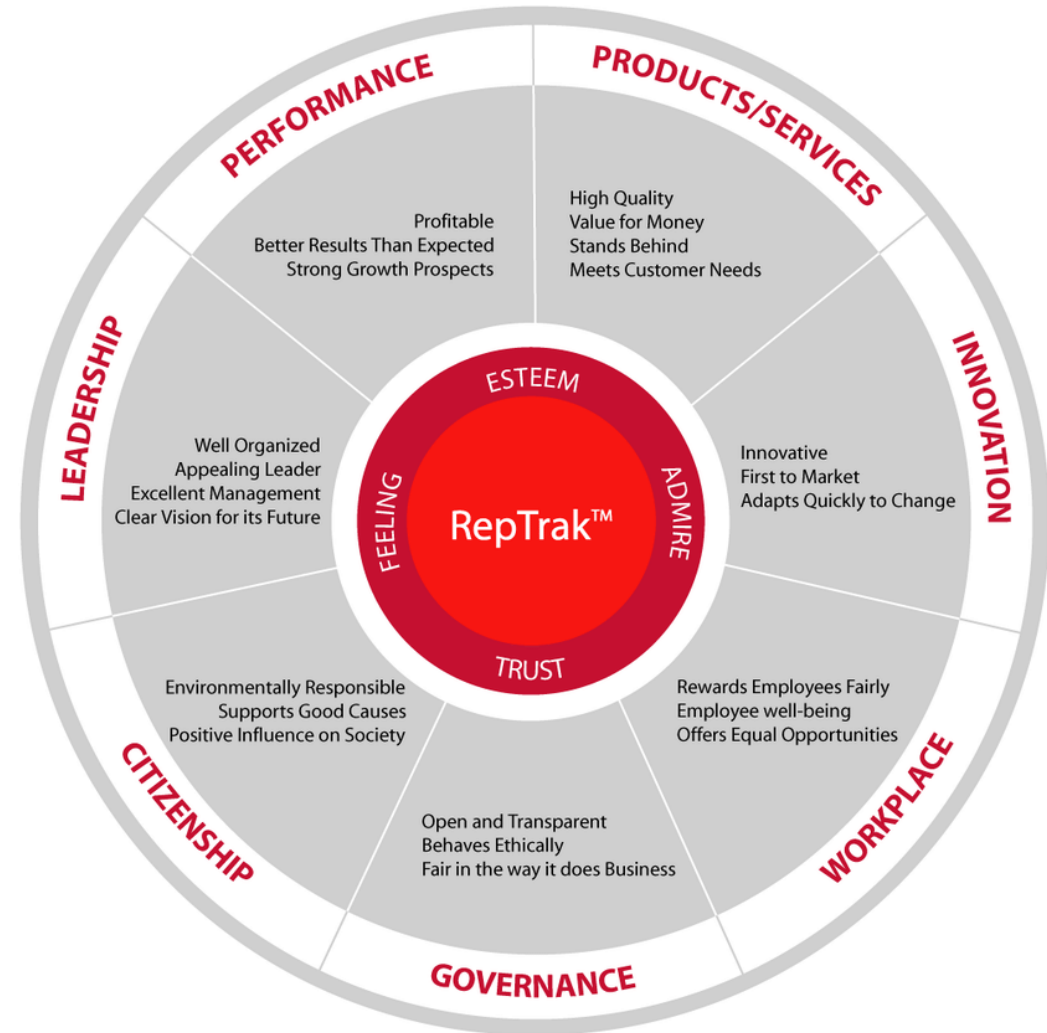
Formative Measures

The 6 Dimensions and 20 Attributes of the Reputation QuotientSM Reputation
Around the World
May 27, 2003



Page 4

Harris Interactive Inc.



Fortune World's Most Admired Companies

ORDER ^	NAME	COUNTRY	CURRENT ALL-STAR RANK	INDUSTRY	INDUSTRY RANK
1	Apple	U.S.	1	Computers	1
2	Amazon	U.S.	2	Internet Services and Retailing	1
3	Microsoft	U.S.	3	Computer Software	1
4	Walt Disney	U.S.	4	Entertainment	1
5	Starbucks	U.S.	5	Food Services	1
6	Berkshire Hathaway	U.S.	6	Insurance: Property and Casualty	1
7	Alphabet	U.S.	7	Internet Services and Retailing	2
8	JPMorgan Chase	U.S.	8	Megabanks	1
9	Netflix	U.S.	9	Entertainment	2
10	Costco Wholesale	U.S.	10	General Merchandisers	3

THE WORLD'S MOST ADMIRABLE COMPANIES



Corporate Reputation Quotient(CRQ)

2020 Corporate Reputation Rankings

GUIDE TO SCORES

- Excellent
- Very good
- Good
- Fair
- Poor
- Very poor

FILTER BY

All companies

2020 RANK	COMPANY	TREND 2016-20	2020 SCORE	CHANGE IN RANK
#1	The Clorox Company		82.8	- +
#2	The Hershey Company		81.5	- +
#3	Amazon.com		81.4	↘ 1 +
#4	Publix Supermarkets		81.2	↗ 2 +
#5	General Mills		81.2	- +
#6	Wegmans		80.4	↘ 5 +
#7	Costco		80.3	↗ 11 +
#8	Procter & Gamble Co.		79.9	- +
#9	The Kroger Company		79.4	↗ 12 +
#10	UPS		79.4	↗ 1 +

AXIOS + The Harris Poll | 100

US data; scale validated in many countries

Fombrun, Gardberg, & Sever (2002)
Gardberg (2006)



RepTrak (formerly Reputation Institute)

Fombrun, Ponzi, & Newbury (2015)



CR: Formative Measure

- Structure less **stable** over time
- Less **consistent** across stakeholders
- Less **constant** across institutional environments

- **Domain** more **malleable** ~ social construction

CR \neq Visibility

Methodology

As we have in the past, Fortune collaborated with our partner Korn Ferry on this survey of corporate reputations. We began with a universe of about 1,500 candidates: the 1,000 largest companies ranked by revenue, along with non-U.S. companies in [Fortune's Global 500](#) database that have revenues of \$10 billion or more...[\(Read more\)](#)

About The Axios Harris Poll 100

The Axios Harris Poll 100 is based on a survey of 34,026 Americans in a nationally representative sample. The **two-step** process starts fresh each year by surveying the public's **top-of-mind awareness** of companies that either excel or falter in society. These 100 "most visible companies" are then ranked by a second group of Americans across the seven key dimensions of reputation to arrive at the ranking. If a company is not on the list, it did not reach a critical level of visibility to be measured.

For consideration in the 2021 Global following criteria:

- Be a corporate brand with global revenue above USD \$2 billion
- Achieve a global average familiarity threshold above 20 percent in all fifteen countries measured and a familiarity threshold above 20 percent in eight or more of the fifteen countries measured
- Reach a qualifying Reputation Score above the median score (i.e., 67.3 points) based on thousands of companies featured in RepTrak's reputation intelligence database

Reputation for ...

Must meet **norms** and expectations of *construct measurement*

- Quality
- Innovativeness
- Sustainability
- Corruption
- Deceit
- *Etcetera*

What is the *domain* of a reputation for

- Quality?
- Innovativeness?
- Corruption?

Reputation for CSR – Citizenship Dimension of RepTrak
Gardberg, Zyglidopoulos, Symeou, & Schepers (2019)

So what?

- Reflective measure – valid and reliability across time and sample
- Formative measure
 - Importance/relevance of items varies over time and sample
 - ‘Not sure’ rates
- Reputation for - **challenge** authors to measure the **construct**
- **Danger**– use of poor proxies that have their own theoretical mechanisms and relationships
- Archival data
 - Sampling frame matters – both company and respondent
 - Weighting

Can We Adequately Assess Corporate Reputation?

Maybe

Can we hold our field to a higher standard
of rigor and consistency?



References

- Fombrun, C. J., Gardberg, N. A., & Sever, J. M. (2000). The Reputation QuotientSM: A Multi-stakeholder Measure of Corporate Reputation. *Journal of Brand Management*, 7(4), 241–255
- Fombrun, C., Ponzi, J., & Newbury, W. (2015). Stakeholder tracking and analysis: The Reprack System for measuring corporate reputation. *Corporate Reputation Review*, 18(1), 3-24.
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- Ponzi, L. J., Fombrun, C. J., & Gardberg, N. A. (2011). RepTrakTM Pulse: Conceptualizing and Validating a Short-Form Measure of Corporate Reputation. *Corporate Reputation Review*, 14(1), 15-35.