

The Organisation's Reputation

'A brand for a company is like a reputation for a person. You earn reputation by trying to do hard things well.'

Jeff Bezos

An important function of the leader is to foster, develop and protect the reputation of their organisation. When a leader represents a team of people they are really representing the organisation. Every action that they take as a leader will affect the way in which the organisation is perceived by others - especially customers.

So what is reputation and why is it so important?

Reputation could be defined as the perception that one has about an organisation based on their past experience with the organisation and the recommendations of others. Reputations are built through communication of the experiences that people have with organisations. Communication of such experiences can be by word of mouth:

“What do you think about company ABC?”

“They’re great. We’ve never had a problem with them.”

or

“They always deliver late. Don’t believe their advertising...”

The media can also communicate the experiences that people have with organisations. There are some high profile examples from the media that have greatly affected the reputation of some organisations. Here are a couple:

- A scene from the movie ‘Rain Man’ where QANTAS was mentioned as being the only commercial airline that has never had a fatal crash greatly enhanced the image of the company as a safe way to fly.
- The reputation of Virgin Blue airlines was harmed after a widely-screened news story about food poisoning that occurred on one of its flights.
- And we all know the story of James Hardie Industries....


In the modern world of internet social networking (Facebook, Twitter, etc) news about a person's experience can travel very fast. Look at these examples:


Hey, first post.

I have been with [Australian Phone Company] on a \$49 Iphone cap now for 6 months. I have had crap service and have been putting up with it as the deal was reasonable. Recently my wife had a medical emergency and couldn't get through to me at work for over an hour. Because of this I contacted them today and they first of all advised me that the reason I have crap service is my home town only has 900MHz 3G not the 2100MHz 3G that Iphone and other smartphones require. I was not told this when I ordered the phone, only that 3G is available. I learnt from these forums a week ago that [Australian Phone Company] has a 30 day coverage guarantee that they also conveniently forgot to mention.

Anyway they have offered me a discount of \$370 to cancel my contract plus \$247 handset repayments. I don't think this is fair, what do you all think or has anyone had a similar experience with [Australian Phone Company]?

(From www.whirlpool.com.au)

▣ *Posted: 03 Mar 08 13:43*
Post subject: Ads driving me Nuts
Organisation name: Foxtel 
Issue type: Complaint

I have had Foxtel since day 1 and remember the days when there were no ads (sic). Since that day the ads have not only been increasing but replaying the same ads over every 15 minutes is tantamount to water torture. Rang to complain the other day, got diconected 3 times, got told the supervisor would tell me that same thing as the little twirp on the phone (which he did) but after waiting on hold for 1 hour and 33 minutes I was going to have my 2c worth. I was told ads are up to each individual channel so I would have to contact each channel 'WTF'these blokes should be in politics. Shove your ads and charge me more if you must. 

kadee

▣ *Posted: 03 Mar 08 14:15*
Post subject: Ads driving me Nuts
Organisation name: Not Applicable
Issue type: Comment

I don't care too much about the ads as they give me time to get stuff done but save me from the repeats!!

I'm not talking about the monthly cycle but watching the same episodes from last year. The Lifestyle Channel is the worst. I love property development type programs but without fail lately every episode is one I watched last year!

And yes, I too was told to contact each channel with any complaint.

(From www.notgoodenough.org)

One thing that is noticeable about these comments on the internet is they are all negative.

In a competitive market, every person's decision to deal with an organisation is based on a range of criteria such as price, brand identification, service, location and range. So how is the consumer to know whether one supplier has better service or prices than another? Consumers can gather information from advertising and marketing as well as research. They can read catalogues and go online and research internet pages. But the most important factor for many consumers to purchase from a supplier is their reputation. They will deal with an organisation simply because their friends and colleagues have recommended it, or their favourite television celebrity has praised it. They will ignore price differences and convenience factors to deal with a supplier who has a good reputation. Buying from a supplier with a good reputation makes consumers feel confident about their purchase and they will become loyal to that supplier as long as the reputation is maintained.

Organisations work hard to build good reputations and they work even harder to maintain them. Think about the effort that your company puts in to keep its good name. Customer service systems and training are normally significant investments in maintaining good customer relationships. Organisations with good reputations spend time and resources to make the customer experience as positive as possible.

So what can a leader do to build and maintain a company's reputation?

1. **Know your organisation's values.** The image your organisation wants to portray is described by its values. Some are published in values statements, others are described in job descriptions or induction training and some are even unwritten. Understanding what your organisation stands for is a critical starting point.
2. **Use these values as a reference point for action.** When dealing with any situation, especially those that could affect your organisation's reputation, refer to your organisation's values for guidance. For example, when handling a customer complaint or addressing a staff performance issue.
3. **Set the example.** Model your behaviour on your organisation's values. Consistently apply customer service policies and standards. Put the organisation before yourself.
4. **Stay informed.** Network with customers and others in your industry to gauge your organisation's reputation. Read the news. Subscribe to web sites about your industry. Talk to your friends. One of the best ways to avoid damage to your organisation's reputation is to act early. You can't do this if you don't know what's going on in the world.
5. **Encourage discretionary effort.** Reputations grow when people go 'above and beyond' in their work. When you see this, reward it.
6. **Keep the logo polished.** Ensure that your marketing materials (signs, catalogues, anything with your logo) are up to date, kept clean and are on display at all times. If you have a corporate uniform, wear it and make sure your team does too.