



Values-Driven
REPUTATION



Values-Driven Reputation

A modernized approach for building Corporate Reputation

PART 7

The Future of Reputation

Building Reputation is an organization-wide, long-term commitment. It takes years to earn a strong **Corporate Reputation**, while it takes only moments to lose it.

This paper is the seventh and final chapter of our thought leadership series that outlines a new way of thinking about **Reputation**, seeking to solve many of the chronic ailments that have historically plagued the field of **Corporate Reputation** strategy. We conclude our series with a review of common Reputation measurement and management challenges, and recap the solutions we have provided throughout the series to modernize the future of Reputation measurement.

In summary, the following principles underpin our series and differentiate NRG's Reputation practice:

- 1** It is fundamental to reduce, and eliminate, confusion between [Reputation and Brand](#)

- 2** Reputation should be measured through the lens of [Integrity, not Trust](#), to help companies quantify the impact of Values-Driven behaviors and communications

- 3** Strong Integrity perceptions make a company's Reputation more [Resilient](#)

- 4** While there are a wide range of [Reputation Outcomes](#), all can be classified as either safeguarding goodwill or business enhancements

- 5** Reputation measurement requires a holistic understanding of expectations across the [Stakeholder Universe](#)

- 6** Reputation is most effectively measured through a [Customizable Framework](#) that is based on Corporate Values, Impact Behaviors, and Engaging Communications

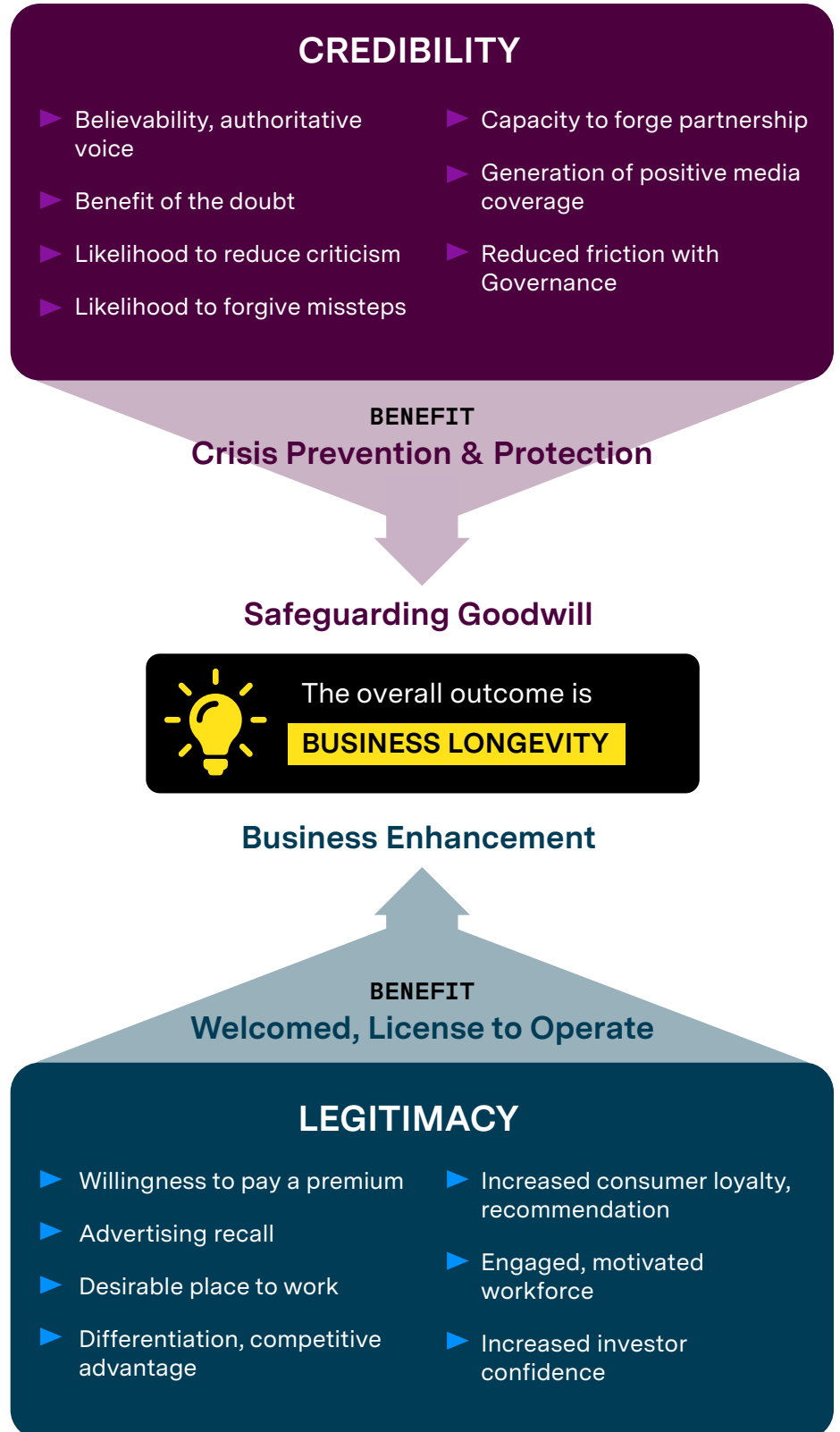
Redefining Reputation

According to MIT Sloan, Corporate Reputation is a “company centric” concept that is based on the credibility and legitimacy a company has among a range of stakeholders, including employees, investors, governance, media, and the public (including customers). While this definition is a great starting point, we see several opportunities to expand on it.

Building on this definition, it is important to consider that Reputation is an intangible and multifaceted stakeholder relationship that a company earns over the course of years, and is earned by consistently demonstrating **Corporate Values** through **Impact Behaviors** and **Engaging Communications**. Despite several definitions and countless pieces of literature, Reputation remains a complex subject, commonly misunderstood because it is conflated with **Brand**.

While people commonly recognize the value of Reputation, they less frequently view it as a critical element of a successful business. A lack of consistent, dedicated investment in Reputation leaves a company depleted of goodwill with its stakeholders and unable to realize the business enhancements that Reputation affords. Put simply, Reputation is a company’s **Resilience**.

Outcomes of Reputation



Chronic challenges of Reputation measurement and management

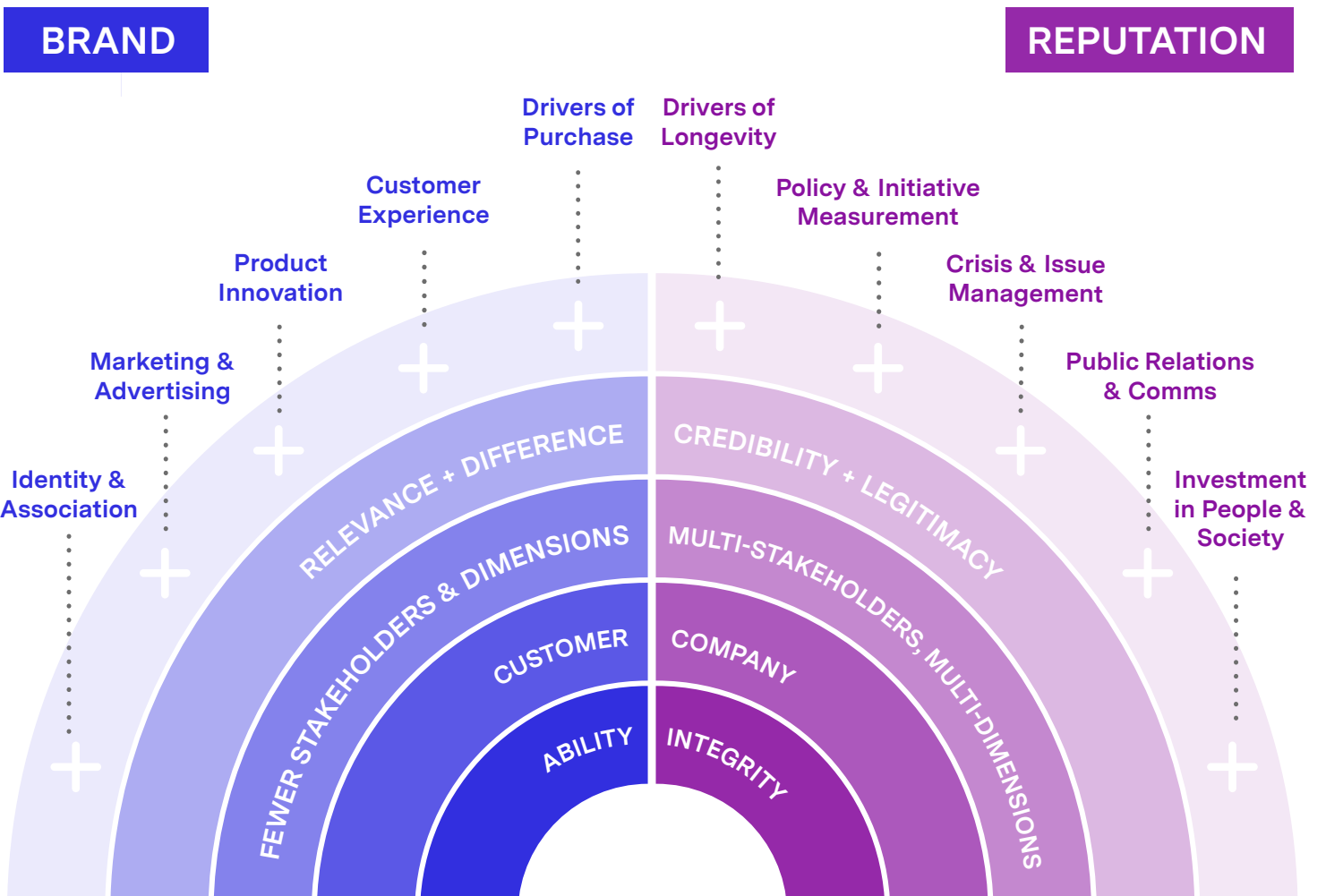
Strategists face several challenges when it comes to crafting and implementing Corporate Reputation strategies. The two major hurdles in this endeavor speak to the elusive nature of Reputation and resulting incongruities in common measurement frameworks.

Foremost, the mystery of Reputation begins with its subjectivity. While not a new concept, Reputation is rapidly gaining focus and attention, leading to varying interpretations among professionals and industry

experts when assessing a company's Reputation. The absence of a universally agreed-upon definition leaves some concepts over-emphasized and other important concepts unaccounted for.

Much of this confusion stems from the fact that Reputation is inherently intangible. While a business operates upon concrete metrics like financial performance, Reputation lives in the perceptions of stakeholders, which can be more

challenging to measure or quantify. What's more, these stakeholder perceptions are incredibly multifaceted, influenced by a spectrum of issues.



Adding to this complexity, Reputation is often conflated with Brand. Given the enigmatic nature of Reputation, many strategists and industry experts draw from well-established Brand principles that overemphasize customer experience, product quality, and innovation. This Brand-skewed approach creates Brand-skewed measurements (like **Trust**), which make it difficult for internal teams to properly leverage insights and ultimately diminish returns on Reputation-building efforts.

Instead, by measuring Reputation through a lens of **Integrity** (as opposed to Brand-centric **Ability** measures), companies are able to focus on meeting stakeholder expectations and driving positive impact more broadly. In doing so, companies gain a full understanding of how to act upon the crucial levers that impact Reputation, which are Corporate Values, Impact Behaviors, and Engaging Communications.

These challenges emphasize the importance of establishing a distinct understanding of Corporate Reputation, free from the constraints of Brand. Once a clear definition is in place, it becomes crucial for companies to create measurement frameworks that align with the unique characteristics of Reputation. Doing so enables a company to effectively strengthen its Reputation and safeguard its standing in the eyes of stakeholders.

Defining characteristics of Reputation

Reputation is formed across a range of stakeholders and expectations.

<input checked="" type="checkbox"/> Gradual	<input type="checkbox"/> Fast
<input checked="" type="checkbox"/> Earned	<input type="checkbox"/> Created
<input checked="" type="checkbox"/> Broad	<input type="checkbox"/> Limited

Reputation is based more on how a company responds to challenges than delivery of best-in class products.

<input checked="" type="checkbox"/> Legitimacy	<input type="checkbox"/> Relevance
<input checked="" type="checkbox"/> Credibility	<input type="checkbox"/> Distinction
<input checked="" type="checkbox"/> Impact Communications	<input type="checkbox"/> Marketing
<input checked="" type="checkbox"/> Integrity	<input type="checkbox"/> Ability





Borne from the misunderstanding of what Reputation truly is, the second major challenge strategists face is the limited relevance most measurement frameworks provide. While an extensive array of measurement approaches is available, most lack the meaningful insights and applicability required for teams to effectively safeguard a company's Reputation.

One key reason for this lack of relevance is that many frameworks focus on measuring perceptions of a company's Ability rather than more suitable measurements of a company's Integrity. Reputation is founded on a **Values-Driven** relationship with stakeholders, closely tied to Integrity perceptions (e.g., how a company treats its employees, the impact it has on the environment, or the way it serves local communities). Therefore, an emphasis on Ability perceptions (e.g., product quality, innovation) does not provide the necessary insights into how a company should demonstrate its Corporate Values to build Reputation.

Given Reputation's close association with Integrity, the most effective Reputation-building teams are those driven by purpose, such as sustainability, diversity, equity, and inclusion (DE&I), government relations, employee engagement, and community relations teams. These teams actively seek out insights on how the company can engage in Values-Driven behaviors, and work within or alongside communications teams to communicate these initiatives—thus, bolster Reputation. However, most measurement approaches look to marketing and

Brand teams to build and manage Reputation, overlooking the critical link between Reputation, Impact Behaviors, and Communications.

These disconnects, both in framework structure and delivery, leave a company ill-equipped to protect its Reputation. This can create a self-defeating cycle where Reputation approaches fail to demonstrate value for the business, making it challenging for strategists to advocate for the necessary investments to build and protect Reputation effectively.

Focusing on Integrity improves Values-Driven Reputation measurement

COMMONLY USED REPUTATION STRATEGIES



ABILITY

Competency-based perceptions, e.g.:

- Quality of products
- Customer experience
- Innovation

INTEGRITY

Values-based perceptions, e.g.:

- Treatment of employees
- Impact on the environment
- Service to local communities



The NRG Values-Driven Reputation difference

NRG Reputation’s mission is simple: remove the ambiguity of what Reputation is and what it means for a business, while providing communications and purpose-driven teams with a **Reputation Measurement Framework** that accurately connects their Values-Driven behaviors and communications to Reputation outcomes.

We do this primarily by ensuring our clients have a concrete understanding of what Reputation is and how it serves their business.

NRG connects Reputation to purpose-driven teams through...

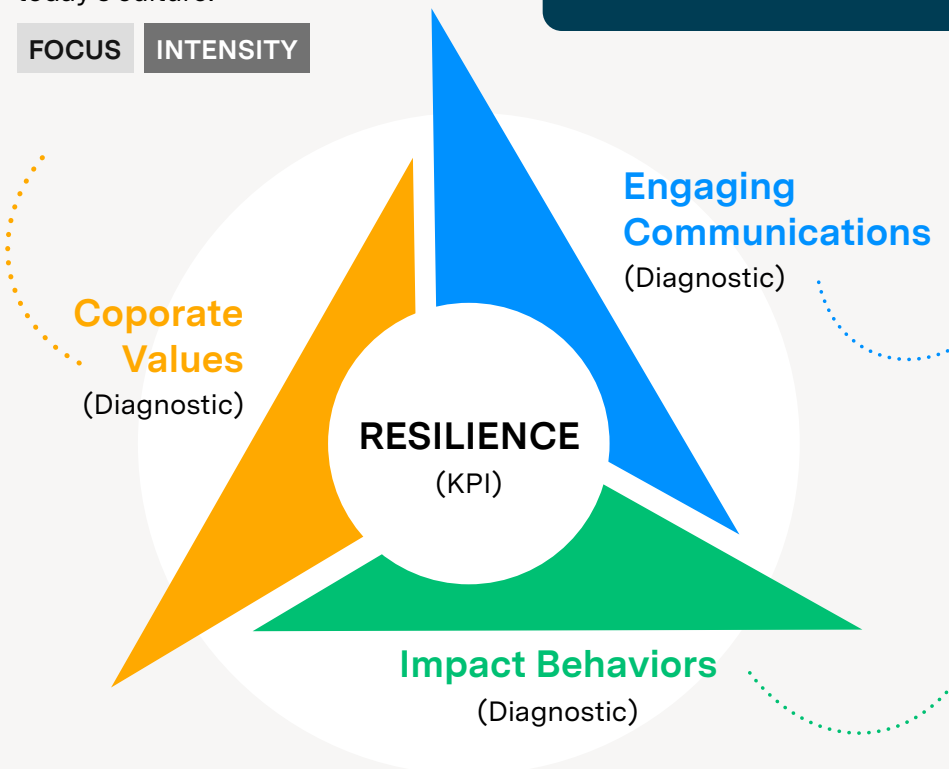
- Our proprietary Resilience measurement
- An evaluation of Corporate Values, Impact Behaviors, and Engaging Communications
- Prioritization of Integrity measurements rather than Ability measurements
- Integration of CSR and ESG programs to Reputation framework

NRG provides clarity on what Reputation is through...

- A novel framework that emphasizes the importance of connecting Reputation KPIs to real-world Reputation outcomes
- Best practices that avoid the conflation of Reputation and Brand
- Customized Reputation measurement based on company Values and impact strategy
- Composite measurement that includes a wide range of Reputation perception drivers
- Holistic Reputation understanding through multi-stakeholder measurement

Corporate Values are key to building relationships with stakeholders and are increasingly prominent in today’s culture.

FOCUS INTENSITY



Without strong communications impressions cannot be shifted, and the Reputational narrative is in the hands of news, political, and other influential voices.

EXPECTATIONS DISTINGUISHED

Reputation is about meeting stakeholder expectations and standing out on things stakeholders value most.

SOLIDARITY PRINCIPLES
 APPRECIATION
 COMPASSION EMPATHY

In summary: The journey to activating Values-Driven Reputation

Throughout this series, we have offered guidance on a pervasively misunderstood concept of Reputation while providing guideposts and key principles for strategists to consider as they

seek to modernize their Reputation measurement approach. This involves reducing confusion between Reputation and Brand, prioritizing Integrity by way of NRG's proprietary Resilience measurement, establishing

the value of Reputation, creating a holistic understanding across stakeholders, and, finally, leveraging a custom measurement approach that captures the crucial impact of purpose-driven teams.

See below for a recap of NRG Reputation's differentiated approach, or click on individual titles to unlock deeper insights.

PART 1

[The Myth of Trust](#)

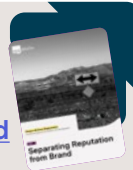
In our initial release, we highlighted the significance of Integrity perceptions as a key factor in assessing a company's Reputation. In doing so, we debunked the misconception that Trust should be the default Reputation KPI, as Trust tends to emphasize product and Brand-related Ability aspects rather than Integrity.



PART 2

[Separating Reputation from Brand](#)

In our second release, we unraveled the mystery surrounding Reputation by distinguishing it from commonly linked Brand concepts, and outlined the most effective measurement methods to holistically evaluate Reputation. We emphasized that Reputation should reflect a company's dedication to serving society and its employees through Corporate Values, rather than merely serving as another measure of customer-centricity.



PART 3

[Resilience in Reputation](#)

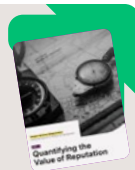
In our third release, we addressed the persistent disconnect that strategists encounter when assessing Reputation. We introduced NRG's proprietary Reputation metric, Resilience: an Integrity-based measurement that assesses Reputational well-being by predicting Reputation outcomes for enhanced performance and protection.



PART 4

[Quantifying the Value of Reputation](#)

In our fourth release, we provided insight into why companies invest in Reputation-building initiatives and categorized Reputation benefits into two key outcomes: Safeguarding Goodwill—established through the development of a company's Credibility—and Business Enhancements—established through behaviors and communications that extend and amplify the company's license to operate.



PART 5

[Stakeholders for Reputation Measurement](#)

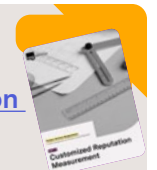
In our fifth release, we underscored how growing global awareness prompts individuals to prioritize Values in their decision-making, making stakeholders more inclined to hold companies accountable for a range of issues. Here, we emphasized the need for a holistic measurement approach that considers a variety of perceptions and expectations from the full Reputation Universe, comprised of five key stakeholder groups: Resource, Public, Governance, Information, and Investment.



PART 6

[Customized Reputation Measurement](#)

In our sixth release, we outlined how NRG's approach to Reputation measurement is rooted in aligning the endeavors of purpose-driven teams with their impact on the company's Reputation. Here, we introduced NRG's tailored Reputation measurement framework, which places a strong emphasis on Corporate Values, Impact Behaviors, and Engaging Communications as crucial elements for assessing and guiding Reputation initiatives, policies, and messaging.





National Research Group is a leading global insights and strategy firm at the intersection of content, culture, and technology. The world's most powerful marketers turn to us for insights into growth and strategy for any content, anywhere, on any device.

AUTHOR

Roy Persson

ADDITIONAL CONTRIBUTORS

Nick Crofoot, Lucy Murrey, Fergus Navaratnam-Blair, Grady Miller

DESIGN

Emily Murphy and Grace Stees

METHODOLOGY

Unless otherwise stated, data in this report is from *Resilience in Reputation*, a study of 4,000 Americans ages 14+ conducted online from February 2-14, 2023. Sample was sourced from third-party, non-probability based research panels. Sample outgo was balanced to be nationally representative of the online population on age, gender, education level, region, and race/ethnicity. Post-field, data was weighted to these same set of demographic variables to ensure alignment with the population.

