

# REPUTATION COUNCIL FINDINGS, WAVE 2

Ipsos MORI's Reputation Centre has assembled some of Europe's most senior corporate communicators to form the Reputation Council. Its members bring unparalleled levels of communications expertise and through our regular feedback sessions provide insight on a wide range of reputation issues within both the corporate environment and the wider world.

The second sitting of Ipsos MORI's Reputation Council has expanded on the impact the **recession** is having on the practice of corporate communications, it has underlined the central place that **trust** occupies in building reputation, and has gathered advice from Council members on responding to **cynical stakeholders**.

## Tightening the belt

There are no prizes for guessing the top concern among communicators (or anyone in business) at the moment – the economic downturn is the most common issue on Reputation Council members' minds. This wave investigated how corporate communicators are coping with reputation management in a recessionary climate, with the mood of many Council members summed up as follows:

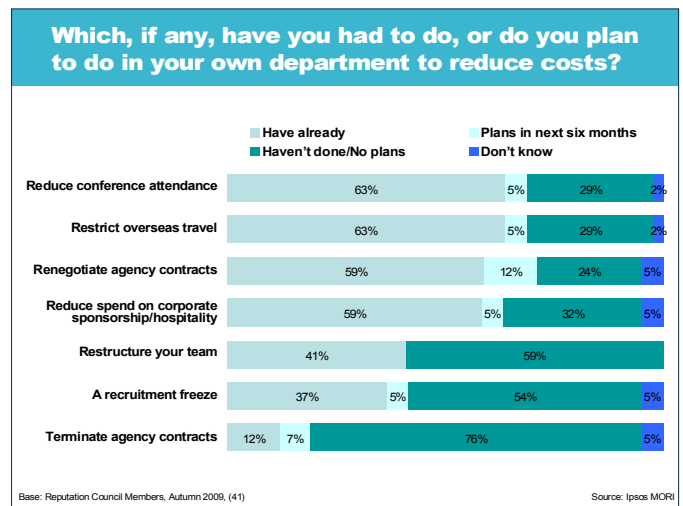
*"I think we're trying to do the same amount on a smaller budget and that just means being nimbler, more efficient, quicker, grabbing opportunities when you see them and then making sure you do the stuff that really, really matters, not the stuff which is nice to have"*

Certainly the recession is having a pronounced effect on Council members' daily work patterns, with widespread cost saving measures in force across a number of areas of discretionary spend:

- Around two-thirds of members have reduced or plan to reduce conference attendance, overseas travel and spend on corporate sponsorship and hospitality.

- Costs are also being cut with regard to external agency spend, but rather than terminating agency contracts, many are attempting to renegotiate them instead.
- Internal changes, although less prevalent are still occurring; two-fifths have or will have a recruitment freeze or a team restructure.

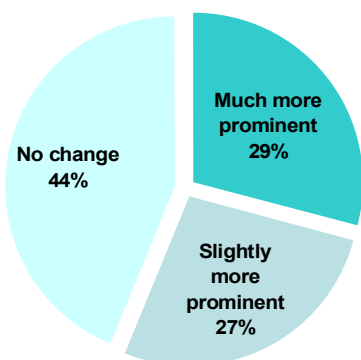
For some this is a reinforcement of a previously frugal culture, with a stringent approach to cost control seen as a continuation of their organisation's policies rather than a particularly new chill wind. Nevertheless, for most Council members, the recession is the preoccupation of the moment, and one that is having some very real consequences for how communicators are carrying out their day-to-day jobs.



## Trust is still key

Trust, ethics and transparency remain at the heart of reputation – at a time of recession these pillars of performance matter more not less. Indeed, over half of Council members feel that trust has become more prominent as an issue within their organisation recently, including over a quarter who think it has become much more prominent.

### Has trust as an issue become more or less prominent or has there been no change?



Base: Reputation Council Members, Autumn 2009, (41)

Source: Ipsos MORi

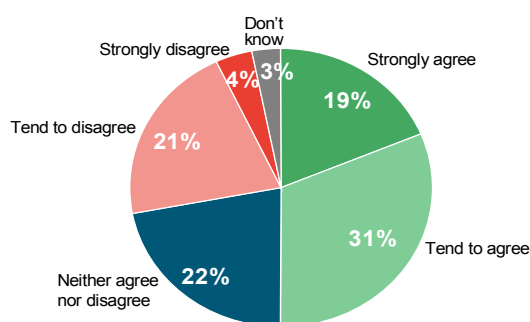
Of course, recent issues relating to MPs' expenses and bankers' bonuses mean the issues of trust and transparency are of heightened importance. Clearly the credibility of these institutions has been affected, and there is mounting evidence that these events have had a wider impact:

*"I do think the financial crisis and the interventions debacle accelerated the declining trust in organisations and institutions"*

To support this view, we have found that in many cases public opinion of business in general (not just the banks) has been rocked by the financial crisis. From research on behalf of the Institute of Business Ethics and Centrica, half of the British public agree that the conduct of banks linked to the financial crisis has damaged their trust in all businesses.

### British public opinion: Half say the conduct of banks has damaged their trust in all businesses

To what extent do you agree or disagree that 'The conduct of banks linked to the financial crisis has damaged my trust in all businesses'?



Base: Reputation Council Members, Autumn 2009, (41)

Source: Ipsos MORi

This crisis of trust has prompted some Council members to make renewed attempts in stakeholder engagement:

*"There is a concerted effort to reach out transparently to all of the stakeholders we have and explain what it is we do and explain and rationalise for people our decisions"*

*"We've tried to put more and more focus on having others talk about what we're doing to help build that trust in ourselves... We've tried to not do so much of a 'sell-job,' but do it more as 'we all have these common challenges and here's what we're doing' ... We've tried to take a little bit different tone and tack"*

And trust is not just an external issue. With many companies considering (or already implementing) job cuts and pay freezes, the importance of trust is being felt internally, and of course that can have a profound effect on reputation:

*"If people internally don't believe what the company's saying about itself, externally that will start to echo and affect the external belief in the company too"*

---

## Dealing with the Cynics

Just over half of Reputation Council members report having experienced cynicism from stakeholders (56%), and many of those see it as 'par for the course' in the world of big business, since "everybody's cynical about everything". For some, it is a question of targeting the more receptive stakeholders in preference to committed cynics:

*"We have a 20:60:20 approach. So ... there's about 20% of our stakeholders who don't believe us and will never be on our side, the same on the positive [side], and it's the 60% in the middle that we focus on"*

Where there is a case for attempting to engage cynical stakeholders, Council members give advice including:

- careful targeting of stakeholders,
- focusing on areas of common interest,
- seeking ongoing and meaningful dialogue with relevance for stakeholders (rather than single-mindedly pursuing the organisation's own agenda),
- ensuring the organisation's communications is aligned with its behaviour, and
- engaging sympathetic third parties to help tell the story on your behalf.

So while we talk about 'trust' as the prominent issue, on a practical level it is 'mistrust' and cynicism from stakeholders that many Council members are having to deal with, exacerbated by the recent crises and scandals. Against this backdrop, the struggle continues for credible communications and meaningful stakeholder dialogue. Council members highlight that demonstrating transparency, ensuring consistent messaging and pursuing mutual benefit with stakeholders must be at the heart of these efforts.

**For more information please contact:**  
[kirsten.mcloughlin@ipsos.com](mailto:kirsten.mcloughlin@ipsos.com)

The full report from the Reputation Council Wave 2 is available [here](#).