

## **CORPORATE REPUTATION AND CORPORATE CULTURE INTERACTION**

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### **ABSTRACT**

Today, as competition increases, organizations are no longer unable to differentiate products and services are created on the basis of trying to create in other ways. It is no longer material resources; Abstract, tangible motifs become the most important values, one of the most important of which is the sum of all the other important things and values, and the ultimate goal of "Institutional Reputation" and its management in competent hands. Whether academic or business, corporate reputation is becoming more important for organizations today than ever before. Corporate reputation management, as a public relations work in the business world where large changes and almost mega competitions are experienced, presents antiquity as an effective way to become competitive by offering original values to the target masses. In order to achieve this, it is necessary to establish a strong organization culture, to integrate it with the created cultural image, to reach the target masses and all social stakeholders, to reach a strong image of the institution and to create a positive corporate reputation.

In this study, an attempt has been made to determine the interaction of the definition of "Reputation Management", which is a concept which is very prominent in the modern corporate governance theories in the recent years, and the concept of "institutional culture" which is considered to have a direct effect on its reputation and value.

**Keywords:** Organization id, corporate character, culture and image, corporate reputation management.

### **1. INTRODUCTION**

Enterprises affected by economic, social, cultural and political changes, developments and transformations have faced intense and destructive competition with globalization. In today's world, the marketing strategies that are applied to businesses to achieve their business objectives

such as increasing market share, being ahead of the competition and leading the market and increasing profitability levels are insufficient and these strategies can not make the operations different from others. The differentiation in the fields of product, price, advertising, promotion, patent, distribution, which are the classical components that constitute the focus of the marketing processes, is no longer enough for the enterprises to fulfill these aims. At this point; Untouched, unobtrusive, but very important other resources that can not be imitated, can not be replaced, and are rarely found, that add value to the business or to the brand. The basic values adopted by the organization and the culture that constitutes the basic beliefs and assumptions that are shared among the members of the organization, as well as the concepts of prestige that determine the perception and indication of all stakeholders.

## **2. REPUTATION, CORPORATE REPUTATION AND CORPORATE REPUTATION MANAGEMENT CONCEPTS AND THE SCOPE OF THE DESCRIPTION**

### **2.1 Reputation**

Before defining corporate reputation, it will be appropriate to briefly discuss the notion of reputation. Reputation is an Arabic word and generally and widely regarded as being respected, valued and trusted, is used in terms of prestige and prestige (TDK Turkish Dictionary, 1992: 737). Another source is reputation; Dignity, greatness, being held on hand, being valued, being dignified, being felt at the moment of absence; When I am a traveler who is me, he can not go out into the world when he is gone, the purpose of living, being worthy, reliable, respectable; Prestige (<http://sozluk.sourtimes.org/show.asp?t=itibar> - Access Date: 22.03.2016). When we examine the above definitions, we can say that value judgments precede the definition of reputation. From this it can be argued that the notion of reputation actually refers to the positive or negative value judgments of people about others (persons or organizations).

### **2.2 Corporate Reputation**

From the beginning of the '90s there are different definitions about the concept of corporate reputation that has not started to be considered as a key concept in discussions about organizational effectiveness and organizational efficiency. Some of them are: Corporate reputation is a collective representation of past activities and outputs that describe the ability of a company to provide the desired outcomes for all its stakeholders (Fombrun, Gardberg, Sever, 2000: 243).

Corporate reputation is also defined as a collective mindset of stakeholders for an organization (Nakra, 2000: 35). Corporate reputation; Employees, customers, suppliers, distributors, competitors, and the public (Dörtok, 2004: 63). In essence, what is called reputation is a result of the company's behavior in the past (Wang et al. 2003: 76). Corporate reputation, which has

increased in the last few decades in business management and marketing, is one of the most important sources of competitive advantage for businesses (Greysen, 1999, Dolphin, 2004: 4). Corporate reputation is a holistic value in the minds of stakeholders for a long time, depending on the relationship with the business (Chun, 2005: 105). Every institution has a reputation in the eyes of stakeholders. This reputation can be good or bad. Creating a good corporate reputation can take many years, but in the event of a poorly managed crisis, one person can be lost. It is much clearer after the value of reputation has been lost. Corporate reputation is a very important resource that is not tangible, invisible but adds value to business, is rarely found, imitated by others, and can not be replaced. For this reason, how to manage corporate reputation is a vital issue for businesses. Reputation is an important influence in achieving the goals of both individuals and organizations because the society or public opinion is credible and supportive of individuals and organizations (Karaköse, 2007: 5).

Corporate Reputation; In short, a value that accelerates financial investments and organizational development (Jackson, 1997: 571–586), and a product of the interaction between corporate values and social values (Sherman, 1999: 11).

It is important for organizations to establish a unique reputation that is not available to others. Institutions and people want to be respected in other institutions where they do business. They want to be perceived by other institutions as well as by all their stakeholders.

### **2.3 Corporate Reputation Management**

According to Charles Fombrun (1996), one of the world's forerunners of reputation management, Corporate Reputation Management; "It is an invitation to attract qualified people, large investors to fund, attract quality suppliers to the company, establish loyal customers, and establish relations with public institutions and organizations to the extent necessary." According to Fombrun; Corporate reputation, which indicates the perception of businesses' past and future activities, can also be defined as a key concept when compared to other leading competitors. According to Fombrun, corporate reputation shows that customers, investors, business people and the general public are good or bad, strong or weak (Fombrun, 1996: 37).

Corporate reputation management is the most important capital of companies. Modern management approaches put corporate reputation management at the top of the most important jobs of senior executives. In many companies today, shareholders are evaluating senior executives in terms of their corporate reputation. Reputation is also defined as the most important concept in the management of tangible values. The evaluation of such assets within the company's valuations above the physical capital reveals the importance of the concept even more clearly.

Corporate reputation management; It can be considered as the process of controlling and directing internal and external stakeholder groups such as organizational staff, customers, investors, shareholders, supplier groups, and their thoughts, knowledge and emotional reactions. Furthermore, it can be considered as a governance strategy that enables the internal and external stakeholders to determine their expectations from the institution through an effective communication strategy and to enable the targets of the employees to be overlapped with the organizational targets. The reputation, which is an indispensable value for this, must be managed in a functional manner (Karaköse, 2007: 7). In this context, the aim of corporate reputation management is; It can be expressed as revising the organizational process against the negative situations that may damage the organization's reputation and eliminating the events that may threaten the corporate reputation in advance. Corporate reputation management is a value management that finds the expression of a corporation in the eyes of business stakeholders, in their thoughts, words, interpretations and actions (Fombrun, 1996: 37-38).

### **3. CORPORATE CULTURE**

#### **3.1 Description of the Concept of Corporate Culture**

Culture is one of the basic assumptions that a group shares about how the world is and should be, and reflects its feelings, thoughts, and values. Organizational culture comes from the ideology and norms, from the shared beliefs that make up the organization movement. Norms provide behavioral and cognitive development of organizations (Yazıcı, 2001: 130-131). Just as people have personalities, institutions also have cultures of shared values, beliefs, and norms. Shared values are based on key points associated with the organization such as product quality, customer service and satisfaction. Beliefs are the beliefs that people in the organization believe and believe about themselves and the firm. Rules, norms, non-written rules that guide behavior and internal affairs (Flamholtz, Akşehirli, 2000: 490).

Organizational culture, employees should have knowledge about organizational functioning and make it possible to internalize organizational processes; It is the sum of the common value judgments and beliefs that provide them with a set of norms about the patterns of behavior within the organization (Biber, Ertürk, 2013: 187). Founded or developed by a company member to come from above the problems of internal corporate integration / internal integration and integration with external environment, taking into account the fact that it works well or adequately, and so the new members have the right way to deal with these problems It is the model of the basic assumptions taught to show, think, feel, and culture, not formal, shared, perceived life (Wagner, Hollembeck, 1992: 695). It directly influences both groups within the organization as well as all social stakeholders and groups outside the organization, directly and indirectly.

Corporate culture according to Akıncı (1998):

- The basic values adopted by the Authority,
- Philosophy that guides the organization to its employees and clients,
- Common opinions on how things are done around here,
- Basic beliefs and assumptions shared by members of the organization,
- Strong beliefs about how to organize the work, how to use the authority, how people should be rewarded and controlled,
- Shared beliefs, attitudes, predictions, and expectations models that illustrate how people work in organizations and how they should interact with each other,
- An organization is the whole of its core values and beliefs, symbols (symbols), ceremonies and mythologies that convey them to employees(Akıncı, 1998: 32-33).

Institutional culture, considered as a personality / identity or even fingerprint, has gained much more importance for enterprises with changes and developments in developments and management theories in recent years both in terms of internal customers as well as external customers and all social stakeholders. This has forced businesses to create a culture that is unique to them, to maintain and to constantly develop it.

Each institution has its own culture and this corporate culture makes it different from the others. Since the companies belonging to different cultures in the globalizing world are getting more and more competitive each day, the difference that the institutions create by their own cultures is also very important for them to reach their targets and be successful. In this direction, the organizations that make up the organizational culture and are continuously running are standing up; Not only remain standing, but also businesses with strong, conscious, shared and human / employee / customer oriented cultures are gaining a competitive advantage that can not be imitated in global competition.

### **3.2 Corporate Culture Characteristics**

Institutional culture identifies behaviors, values, systems, rules and procedures that enable organizations to adapt to the complexities of the global environment (Sağır, 2011: 116) and corporate culture have a number of important characteristics. These(Luthans, 1992: 563):

**Observed Behavioral Style:** When one of the organizational affiliates influences the other, they use common language, terminology and rituals (related to behavior and compliance).

**Norms:** Standards of behavior that guide how something is done in an organization.

**Ruling Values:** There are basic values that the organization recommends and those within the organization expect to share. Typical examples are high production quality, low absenteeism, high yield.

**Philosophy:** There are policies that demonstrate corporate beliefs about how to treat employees and / or customers.

**Rules:** There are strong guidelines for getting involved in the organization.

**Institutional Climate:** This is a detailed, comprehensive view. It is carried by the psychological order. The way in which organizations interact with each other and how organizational members interact with customers or other external target groups.

None of the above listed elements can represent an organizational culture on their own. However, the institution as a whole can reflect the cult. Moreover, all of these elements, their form of implementation and perception and their values and levels in organizational life will directly affect the corporate image and reputation. For example, the institutional climate, which expresses the style and structure of relations and communication with an organization's internal and external target groups, will directly affect the corporate reputation, which is the sum of all the impressions, perceptions, attitudes, feelings, thoughts and judgments, directly affecting internal and external perceptions.

#### **4. ORGANIZATIONAL CULTURE INTERACTION WITH CORPORATE REPUTATION**

In defining the corporate reputation, the perceptions of all the social stakeholders of an enterprise or organization are mentioned. An important issue in terms of reputation is; Thoughts and opinions about internal stakeholders (ie employees) and external stakeholders (customers, shareholders, suppliers, funding sources, government, media, competitors, society, opinion leaders). At this point, conflicting images, culture, identity, personality concepts emerge. At the same time, these are the main and essential elements of reputation.

These concepts can be explained briefly as follows(Brotzen, 1999: 53):

**Personality:** The organization expresses its character and what is actually "the system of values", in a sense it is the institution's soul.

**Identity:** The group is the thought about itself. In other words, the organization expresses how it sees itself and how it is perceived by internal and external stakeholders. It includes corporate

communications activities that are conducted to strengthen the reputation and more often the fabric creates a colorful / visual face reflected in and out.

**Culture:** The basic values adopted by an institution, the philosophy guiding its policy towards its employees and its customers; A model of shared beliefs, attitudes, predictions and expectations that show how things are done in an institution, and a collective of basic values and beliefs and symbols, ceremonies, and mythologies that convey them to employees.

**Image:** How stakeholders see the organization. In other words, it is the impressions and perceptions of all the stakeholders about the organization, the images in the minds.

While the concept of personality tells the present situation in the organization; Identity is made up of employees' corporate considerations. Institutional image comes from the impressions of customers, suppliers, shareholders and, more generally, public opinion (Davies et al., 2003: 37).

Identity, culture and image are the most important dimensions of reputation management, and there is a logical and emotional connection between them. For example; A shaving razor company is losing itself as a leader among companies manufacturing products developed against AIDS / HIV viruses and likewise if the customers find this company credible, reliable and sufficient in the medical sector, this is a sign of identity and image harmony. This harmony between identity and image will strengthen the brand's reputation and brand. The aim of reputation management is; To improve this harmony between identity and image. The way to achieve this is to have the organization's values, to strengthen them, and to have loyal employees (Schultz and Werner, 2005, <http://www.oup.com>. Access Date: 13.06.2016).

Corporate identity is the opposite of what a company has chosen to be and expressed. Organizational culture, on the other hand, is mostly shaped by the company's mission and vision, its core aims, values and characteristics, which are unique to the organization. In short, it shows who a man is by his definition. From this point we can deduce that the cultural identity is an element that motivates. Corporate image concept is; Based on what they say about themselves, how people see the company. Integrated marketing communication activities involving advertising and all marketing actions and processes have significant impact on awareness, awareness, recognition and image creation for a company. However, corporate reputation encompasses all these concepts and even goes beyond. It reflects the identity, culture, image, perceptions, impressions, beliefs and experiences of all social stakeholders over time related to the company. Similar to the reputation of individual individuals, we can say that corporate reputation is the character, essence, even DNA of the company.

It is also possible to see the relationship and connection points with organizational culture corporate reputation on many "expert prescriptions" proposed for corporate reputation. If some of these will be examined

(<http://www.bursaekonomi.com.tr/default.asp?page=newsopen.asp&opennews=734&qmshow=233> - Access Date: 27.03.2016, <http://www.stratejikfokus.com/images/doc/kurumsalitibar.pdf> - access date: 26.03.2016):

Criteria for being a reputable company according to Gürgen (2016):

- Corporate social responsibility policies,
- Corporate governance principles,
- The ethical values of the institution,
- Corporate values,
- Vision, mission, systems that will spread strategically,
- Reputation management is the primary task of the company's senior management. Road map of corporate reputation according to Kadibeşegil (2016):
- Internalization of company vision, definition of corporate culture and values,
- Ethical and moral values as well as accountability practices,
- Adoption of international accounting standards and transparency management,
- Corporate social responsibility understanding and management,
- Employee satisfaction and employees' career development plans policy,
- Customer satisfaction policies and customer orientation,
- Competence in research and development and innovation.

When the connection between organizational culture and corporate reputation is examined in the light of expert prescriptions, It may be possible to express the relation between an institution's identity, culture, image and corporate reputation: corporate culture; Truths and faults and principles that an employee of an organization, managers and workshops at all levels and all social stakeholders who are related / interested in that organization are familiar with that institution. In fact, we all think we know a company by name; But we are reminded and informed by the presentations that he actually made about the experience of the company after his company's name in order to explain what we know or do, his activities, his plans and his intentions. We make these presentations in various ways, with comments and images of the institution. We can say that the basic element that determines how nice and nice these presentations are is the institutional culture. Sometimes the image of the institution, the identity of the institution and the caste are exactly the same. Sometimes different images can come from the corporate culture. This is a result of proper management of the institutional culture. It can be



said that the sum of the images formed about all the target groups constitutes the institution's reputation.

## **5. CONCLUSION AND RECOMMENDATIONS**

Nowadays, marketing and marketing communication sectors are considered as the fastest changing sectors of the world. Achieving them through a value-based approach that is at the heart of the customer and in the presence of an intensely competitive environment where customer wants and expectations are constantly changing and increasing rapidly has become a very important target.

In an environment where competition grows wildly, the life span of products shortens, and the differences between products decrease, institutions are looking for some standards that will make a difference in products or services and create value for them that can not be imitated. If a value / value monopoly can not be created for all stakeholders in the operating market, it is unlikely that the work done will be successful. Here is one of the important goals of the efforts of the people of the present day with the increasing importance of value economics; And there are activities to create value for the organization and target masses. The most important of these values is the institutional reputation of companies that can be evaluated as the sum of all other corporate values.

The ultimate goal for all organizations would be to evaluate the specialist prescriptions in the fourth section, which outlines the road map of having a positive reputation; We can say that it is clear that the institutional reputation has gone through the organizational culture. In short, all prescriptions have drawn a path through certain values, norms and rules, from important management techniques and policies, from institutional principles and strategies, from the relationship and communication with all social stakeholders, and from all these coherence. When we bring all these concepts together, the concept of confrontational organizational culture emerges. Expert opinions can be said to have argued that on the way to the end, the culture of the organization is clearly a ticket to this journey.

It is becoming widespread that in the world of business, both academic and business, corporate reputation is more important for organizations than ever. In this direction, it is necessary to create a strong organizational culture first, to integrate it with the created cultural image and to reach the target masses and all social stakeholders to reach a strong corporate image and to create a positive corporate reputation in this way.

From these connection points, it can be said that organizational culture is the institution of corporate reputation and that reputation should be built on culture.

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