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A company of good: A possible dream?

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ABSTRACT

This critical book review of *Strategic Reputation Management: Towards a Company of Good* (Routledge, 2009, 256 pages) examines how the authors take the readers on a philosophical journey into the question of whether a company can truly be "good." The author highlights several strengths of the book, mostly in relation to reputation management, though critically concludes that the authors have not made a sufficient or clear enough case for moving a manager from the concept of strategic manager to a manager of the "good."

> *"An organization cannot just 'look good'; it has to 'be good'" (Aula & Mantere, 2008, p. 15).*

In writing *Strategic Reputation Management: Towards a Company of Good*, authors Pekka Aula and Saku Mantere take the reader on a philosophical journey into the question of whether a company can truly be "good." At the crux of the argument is whether a company can truly be ethical. They question if a company is in the business of making a profit – whether, by behaving ethically, the company "betrays its promise of profit-making for shareholders, while ethical actions fail to be authentic if the only underlying objective is to make profit" (Aula & Mantere, 2008, p. 205).

Aula and Mantere bring their individual interests and backgrounds to this book. Aula, a Professor of Communication at the University of Helsinki, is interested in "the problematic of formation and reformation, construction and-nicative processes in and between complex organizational networks" (Aula & Mantere, 2008).

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The title indictates that the authors hold out the possibility that a company can be "good," yet they do not define what good is. In fact, they argue that "old school" strategic management is actually psychopathic, meaning that, like the psychopathic individual, a company pursues its own goals without regard for the well-being of others, and it uses others as tools to maxmize its own advantage (Aula & Mantere, 2008, p. 11) and therefore cannot be good.

A principle goal of the book is to examine whether strategic reputation management can create a "good company and not a psychopath" (Aula & Mantere, 2008, p. 13). This writer submits that it is a goal Aula and Mantere fail to achieve.

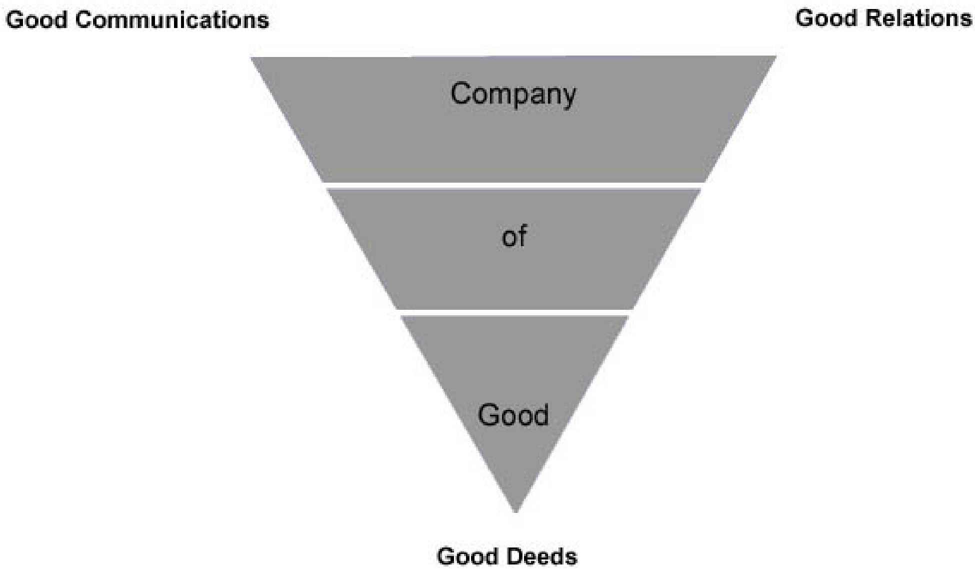
The book begins by making the point that reputation is not internal to a company. It exists in the communicative "interaction between the company and its stakeholders" (Aula & Mantere, 2008, p. 205) and is built on the company's past actions, current state (stakeholders' direct and indirect experiences), and its future prospects (stakeholders' expectations about the future) (Aula & Mantere, 2008, p. 25).

Reputation is also about storytelling – the communicative process. "A good reputation is built on the foundation of doing, and communicating about, deeds that can stand the light of day" (Aula & Mantere, 2008, p. xi).

Aula and Manterre note that reputation is intangible and subjective (Aula & Mantere, 2008, p. 77) and is communicated through networks inside and outside the company, which are characterized by an increasing diversity of interactions. By analysing the networks and the meanings constructed within these networks, a company can build a reputation strategy (Aula & Mantere, 2008, p. 206). However, it is important to note that companies also reside within circles of reputation and the good or bad reputations of others within that circle can polish or tarnish a reputation.

In this densely writtern and difficult to read book, the authors dwell on the concepts of virtuous goodness and instrumental goodness. They point out that strategic management is about instrumental goodness - how an organization performs, while virtuous goodness is about being good by nature – having wisdom, and being modest, courageous, and just. The book points out that instrumental goodness can be seen clearly in the theory of strategic management (Aula & Mantere, 2008, p. 208) which sees business from a militaristic point of view, as a game or battle that is won or lost (Aula & Mantere, 2008, p. 10).

The authors propose a reputation triangle of good deeds, good communications, and good relations (Aula & Mantere, 2008, p. 207).



(Aula & Mantere, 2008, p. 132)

A key failing of the book is that the authors do not clearly define what "good" is. They say a good reputation requires a company to do good deeds, have good relations, and have good communications, but they fail to define what good deeds are and with whom a company is to have good relations. They say that, "Managing good reputation is simple in a way: in principle it is sufficient that an organization does its work well in the eyes of its stakeholders" (Aula & Mantere, 2008, p. 133). Which leads one to ask, which stakeholders? Shareholders? Customers? Employees? The community in which the company operates?

The authors discuss the competing demands on companies and how these demands can impact reputation, but they do not provide guidance as to which should take precidence. While they give numerous examples of organizations whose very existence has been jeopardized by not doing good – from the Finnish Ski Association to Martha Stewart - they fail to make the link that reputation can and probably should trump profit.

Aula and Mantere devote an entire chapter to moving the discussion of reputation away from the solely 'reputation is capital' theme to the concept that it is has both a capital value and a conceptual value. In other words, they try to move the discourse from a simplistic "show me the money" concept to the idea that reputation has power beyond the monetary. They warn that, "An organization's reputation does not reside within the management of the organization, but among the organization's stakeholders" (Aula & Mantere, 2008, p. 49). They attempt to move the strategic managerial mindset from the idea that it can control reputation. In this, the authors are more successful.

Aula and Mantere argue that a company's success is not solely based on its products and services but on the emotional appeal it has to stakeholders. "People make their decisions more on the basis of emotions than on common sense" (Aula & Mantere, 2008, p. 51).

The authors argue that storytelling builds this emotional appeal, both inside and outside the organization. One may think, "Storytelling! The realm of public relations." Aula and Mantere acknowledge that companies can and certainly should tell their own stories which are "reliable and true" (Aula & Mantere, 2008, p. 55). However, they warn that the power of stories does not reside with the organization but with how those stories are interpreted by the audience. Public relations can create stories but it cannot create reputation. This is an idea with which the writer might totally agrees. Aula and Mantere make a very strong case for the fact that reputation cannot be managed in the strategic sense. It is not a matter of using a specific tactic to achieve a specific result. Reputation cannot be controlled by spin.

This is probably a sobering, and perhaps disturbing, thought for those immersed in the MBA school of strategic management. An organization's reputation is not really in its own hands, but in the hands of a plethora of others. It could be argued that, in the age of social media, reputation is now within the hands of millions of people and that every contact between a company and any of its stakeholders can lead to an addition or a dimunition of a company's reputation.

It is in the sections of the book devoted to understanding of where reputation is created and how public relations may deal with reputational issues that *Strategic Reputation Management* becomes most useful to the public relations practitioner. Aula and Mantere argue that there are four arenas in which an organization connects with its publics.

Table 1: Reputation Management Arenas

Peace	There is no direct contradiction between the organization and its publics. "The relationship is in harmony" (Aula & Mantere, 2008, p. 83).
Defensive Battle	Some stakeholders challenge the organization's reputation and the organization attempts to maintain its favourable perception (Aula & Mantere, 2008, p. 84).
Offensive Battle	An organization is faced with a reputational crisis, because there is a negative, unified perception among stakeholders (Aula & Mantere, 2008, p. 85).
Riot	"Neither the public nor the organization tries to unify their perceptions of the organization, or when both strive to shatter the existing perceptions at the same time" (Aula & Mantere, 2008, p. 88). The riot arena can be useful if an organization does not want to be considered predictable.

The most useful section of this chapter is the section devoted to analyzing the reputation management strategies employed by various organizations.

After a lengthy debacle involving its premier athletes taking performance-enhancing substances, the Finnish Ski Association reinvented itself as an organization devoted to the Finns' love of outdoor sports, promoting "recreation and fun for everyone" (Aula & Mantere, 2008, p. 115). Aula and Mantere successfully guide the reader through the various arenas of the crisis: from peace, through defense, through riot, and ultimately to offense. This example can serve as a guide for the practitioner in maneouvring through a crisis.

However, this book fails to sufficiently communicate the fluidity and complexity of reputational issues, especially crises. In the writers' experiences of crises, including SARs and the blackout of 2003, reputational issues, and especially crises, do not unravel in a seamless string. The basis for assessing the impact on reputation are the events and the information flowing from those events. The events themselves can be very unpredictable. No one anticipated the re-emergence of SARs. The blackout of 2003 was not over after the lights came on again a day or two after the event. The province's electrical system remained vulnerable for the next 10 days, as the nuclear generating plants were brought back online.

The public's interpretation of these twists and turns impacts the reputation of the organization that has little or no control over the events themselves. The re-emergence of SARs reignited the public's fear of the disease, but also its worry about the ability of institutions fighting the disease to protect them. If

Ontario's electrical system had failed again in 2003 because it was over loaded, it would have dealt a serious blow to the reputation of both the electricity supplier and the provincial government.

Aula and Mantere argue that there are prerequisites for good communication and reputation management:

- Seamlessly connecting with the company's strategies and leadership practices
- Communicating with different audiences at the same time
- Building, caring for, and maintaining reputation
- Ensuring every member of an organization is involved with good communication
- Allowing each member to influence a reputation, encouraging and not forcing.

This speaks powerfully in today's socially connected world in which everyone has a voice, and there are many ways in which a organization communicates with its publics and in which publics communicate with and about an organization. This is a significant challenge for the strategic manager, both in terms of managing reputation in the Twitterverse, but also to the MBA mindset of objectives, strategies, and tactics. It requires a 'letting go' of control for people who are trained to be in control.

Strategic Reputation Management: Towards a Company of Good is an interesting and ambitious book that is at times difficult to read. Aula and Mantere set out to challenge the traditional approach of reputation management. They seek to demonstrate that reputation management is not simply about reputation as capital and managing the messages, image, and the brand of an organization. In this they succeeded, however they may have won the battle, but lost the war.

The authors demonstrate quite clearly that reputation does not reside with the company but in the stakeholders' perceptions of the company. Aula and Mantere sought to challenge the traditional strategic management approach of having a goal, developing strategies for achieving it, shaping tactics, organizing, and utilizing resources and personnel. They view this as psychopathic – seeking one's own goals while disregarding the well-being of others. Instead, they seek to replace that with a "company of good." Unfortunately, ultimately their argument that a company can be "good" fails, because they do not define what "good" is. They provide no clear picture of what that "company of good" would look like. They do not sufficiently address the question of how to decide in which area an organization should be good, if the 'goods' are mutually exclusive.

The book is insightful in the sections devoted to practical, strategic reputation management. It is useful for the public relations practitioner who is endeavouring to understand pragmatic reputational issues. In the end the authors do not make a sufficient or clear enough case for moving a manager from the concept of strategic manager to a manager of the "good."

Reference

Aula, P., & Mantere, S. (2008). *Strategic reputation management: towards a company of good.* New York: Routledge.