

# Too important to be sourced out to spin doctors: A review of Dowling's *Creating Corporate Identities*

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## ABSTRACT

This critical book review of *Creating Corporate Reputations: Identity, Image and Performance* (Oxford, 2002, 288 pages) examines how corporate reputations are created, focusing on the fact that good reputations are built from the inside out, that reputation is a values-based construct, impacted by the relationship that an individual has with the company, that actions speak louder than words and that reputation has to be earned. While generally positive, the reviewer points out that the author arbitrarily focuses on guidelines for logo design without actually showing the logos being discussed. She additionally muses about the fact that many of the logos and icons mentioned in the text are outdated, having now vanished from the business landscape.

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**G**rahame Dowling, professor of Strategy at the University of Technology in Sydney, Emeritus Professor at the University of New South Wales and former Professor of Marketing at the Australian Graduate School of Management is widely regarded as one of the leading thinkers in reputation management. His 2002 book, *Creating Corporate Reputations: Identity, Image, and Performance*, has become a seminal work in the field, frequently cited by academics. Dowling posits four key points, returning to them throughout the book.

*Reputation management is critical to the success of any organization, and is therefore too important to be outsourced to an ad agency, public relations group or corporate design firm.* Its management is the responsibility of senior management including the CEO, and its implementation is the responsibility of every employee.

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*Good reputations are built from the inside out.* A sound business strategy, vision and mission, company policies and organization culture are key pieces of the puzzle.

*Reputation is a values-based construct and is impacted by the relationship that an individual has with the company.* Because of the multiplicity of stakeholders, each with different values, a single reputation is not possible – rather, every organization has multiple reputations.

*Actions speak louder than words and reputation has to be earned.* Companies that spend their time advertising how trustworthy they are, for example, without proving it through their actions first, do so at their peril.

Dowling starts his book as many reputation writers do, making a case for the value of reputation. In a section on operational value, Dowling lists 13 ways in which a good reputation helps a firm, including supporting sales, increasing employee job satisfaction, protecting companies in times of crisis and helping to raise capital on the equity market. A poor reputation, on the other hand, leads to undervalued shares, journalistic scrutiny, consumer price sensitivity and poor employee morale.

The financial value of a reputation is not really explored in this work. Financially, Dowling assures us, a good corporate reputation increases the length of time that firms spend earning superior financial returns and good corporate reputations may reduce the length of time that firms spend earning below-average financial returns, but aside from two short case-study examples, little evidence is offered to support this assertion.

To understand Dowling's model of reputation management it's important to understand the difference between corporate identity, corporate image and corporate reputation. Dowling's addition to the definitional landscape on these three points is instructive and clear:

- *Corporate identity* is the symbols and nomenclature an organization uses to identify it to people such as the corporate name, logo, and advertising slogan;
- *Corporate image* is the global evaluation, comprised of a set of beliefs and feelings, a person has about an organization; and,
- *Corporate reputation* is the attributed values such as authenticity, honesty, responsibility and integrity evoked from corporate image (19).

At first read, the difference between image and reputation seems slight, but this is a differentiation that Dowling makes clear later on in the book. The corporate image is what stakeholders think a company is all about, whereas

the reputation is the next step, involving values-based judgment about the company on the part of the stakeholder: "If some beliefs and feelings about a company fit with a person's values about the appropriate corporate behavior, then the individual will form a good reputation of that company... In effect, a good corporate reputation represents a tight fit between the image of the company and the individual's free-standing value system" (21).

Dowling's provides a very clear model of how these three elements work together to create what he calls "the Holy Grail" - a super-brand - one that enjoys the trust, confidence and support of its stakeholders.

Although in later chapters Dowling seems dismissive of corporate identity and management efforts to re-name and rebrand (accompanied by expensive consultancy engagements to come up with new logos and colours) here he is clear on the critical role identity plays in forming a reputation: stakeholders have to be able to recognize the company; to recall it in some fashion. Only then can a corporate image begin to form. The corporate image is formed through appropriate values, roles and beliefs within an organization and can be characterized by the beliefs and emotions different groups use to describe the organization.

Dowling spends the bulk of his book discussing the drivers of corporate image, which is, in his model, how one creates and manages a corporate reputation. These include the CEO, the vision, the strategy, the organizational culture, the products and services offered, communications, and the community activities in which the company is engaged. He spends an inordinate amount of time on the vision and mission, which he calls "the soul of corporate reputation" (67). He is clear that the mission and vision are no substitute for leadership, but "as a supplement to the CEO's leadership, however, the vision statement can play a valuable role in helping to shape and communicate an organization's values and operating philosophy" (85).

With the mission and vision in hand, one can move on to formal company policies. "Simply stated, the development of a strong set of corporate images and reputations is driven in large part by the formal policies of the organization" (86). Here, Dowling underscores the importance of strategic planning, marketing strategy and organizational structure. There's not much to disagree with here.

Then, he moves on to organizational culture, which he clearly thinks is important, but he stops far short of Drucker's "eats for breakfast" analogy. "Many organizations have also discovered that a key success factor in the management of their external images and reputation is the management of the internal culture" (120).

An excessively long chapter on leveraging images can be summed up in one sentence – attach your company to something (another company, a country, a CEO, etc.) that already has a good reputation, and some of that will rub off on you. This is nicely characterized in the quote below.

Typically reputations take a long time to form, and once developed, they work like a flywheel – delivering a sustained stream of power to whatever they are attached to. If they become strong and unique they can be quite difficult to change (3).

Whereas many writers might have started with how to measure your reputation, Dowling leaves this until near the end. Presumably, if you look after everything before this point, your image will be a positive one. If not, the chapter that follows on how to change your image might be helpful. This is done by positioning the organization to offer value to its various stakeholder groups. “In a competitive market, if an organization has no clear image and value proposition, it usually means that the organization’s reputation will be of less use as a strategic marketing asset” (250).

While a useful treatise on corporate reputation, this is not a book for public relations practitioners. Maybe you can forgive his multiple references to “spin doctors” and perhaps his theory that all forms of corporate communication to external stakeholders are really advertisements in disguise is worthy of some debate, but this choice quote in Chapter 10 is pretty hard to get past: “Most big listed companies use three forms of spin doctoring (or, more formally, corporate communication) – the annual report, investor relations teams, and public relations” (145). In Dowling’s world, the role of public relations vis-à-vis reputation management is not on the creation or strategic side, it’s relegated to Grunig’s press agency role, where, like advertising, public relations should focus on getting the good news out. “Corporate communications... may be the only way to signal to stakeholders that what the organization is doing supports one of their free-standing values...it is the linkage of the corporate image to these values that helps create good reputations – and thus corporate super-brands” (148).

Dowling’s relegation of communication to the back of the management bus did not stop him, however, from writing an excellent chapter on communications strategies for crisis. His five-point direction on what a spokesperson should say in the period immediately following an incident is one of the best summaries I’ve ever read:

1. Everything possible is being done at present to contain the damage or minimize the effects of the crisis, etc.
2. The spokesperson does not know all the relevant details at this time, so any statement now may be misleading.
3. (Preliminary) investigations are under way.
4. The spokesperson will be available to the media at a certain place and time with detailed information.
5. The organization is extremely concerned about this issue. (265)

Countless companies have paid countless high priced consultants for exactly this advice in the heat of the moment; Dowling tosses it out here for free.

A few technical issues mar the enjoyment and utility of this book. The corporate identity chapter contains long descriptions of what logos look like (the colour, the typeface, etc.) and whether or not their old or new logo is more or less effective without actually showing the logos in question. If the publisher was unable to obtain the permissions necessary to reproduce said logos, this section should have been left on the cutting room floor.

It also says something about the pace of change in today's business environment when a book published in 2002 can seem quaintly dated just a decade later. Dowling references brands and cultural icons that have, in many cases, vanished or all but vanished from the landscape such as Kodak, Saab, Datsun and Crocodile Dundee.

To his very great credit, however, Dowling also identifies a number of companies that have, in his opinion, achieved a coveted "super-brand" status, and all of the companies on this list (which includes The Walt Disney Company, Berkshire Hathaway and Wal-Mart) are still powerhouses.

The fact that Dowling's super-brand list still holds up a decade later really underscores the validity of his entire thesis, which is that sound business practices are the drivers of corporate reputation. These support a positive corporate image, which leads to your reputation. The outcomes of this are trust, confidence and support from stakeholders.

## Reference

Dowling, G. (2002). *Creating Corporate Reputations: Identity, Image, and Performance*. Oxford: Oxford University Press.