Employee perceptions of reputation: An ethnographic study

Kim Amanda Johnston [a],[*], James L. Everett [b],[a]

[a] *QUT Business School, Queensland University of Technology, Brisbane, Australia*
[b] *Coastal Carolina University, Conway, SC, USA*

ARTICLE INFO

ABSTRACT

The ability of organizational members to identify and analyse stakeholder opinion is critical to the management of corporate reputation. In spite of the significance of these abilities to corporate reputation management, there has been little effort to document and describe internal organizational influences on such capacities. This ethnographic study conducted in Red Cross Queensland explores how cultural knowledge structures derived from shared values and assumptions among organizational members influence their conceptualisations of organizational reputation. Specifically, this study explores how a central attribute of organizational culture – the property of cultural selection – influences perceptions of organizational reputation held by organizational members. We argue that these perceptions are the result of collective processes that synthesise (with varying degrees of consensus) member conceptualisations, interpretations, and representations of environmental realities in which their organization operates. Findings and implications for organizational action suggest that while external indicators of organizational reputation are acknowledged by members as significant, the internal influence of organizational culture is a far stronger influence on organizational action.

© 2012 Elsevier Inc. All rights reserved.

1. Introduction

Corporate reputations reflect collective views about an organization or an overall assessment of an organization by stakeholders (Cornelissen, 2011). The collective nature of reputation reflects an aggregate of views held by multiple stakeholders about an organization (Fombrun, Gardberg, & Sever, 2000, p. 242). Lange, Lee, and Dai (2011) argue organizational reputation is "an objective reality for the organization, even though it is held and subjectively created by outside observers" (p. 178). So while much of the focus of reputation is on the synthesis of organizational stakeholders' collective opinions and attitudes expressed about the organization (Post & Griffin, 1997), the construct of a reputation is more so founded internally, in "the sense making experiences of employees" (van Riel & Fombrun, 2007, p. 57).

The concept of organizational identity "represents insider's perceptions and beliefs about what distinguishes their organization from others and can provide foundations for presenting images of the organization to outsiders" (Corley, 2004, p. 1146). Organizational identity is defined as "self-descriptors/identity claims used by an organization for purposes of specifying what is most central to the organization that is also most enduring (continuous) and/or most distinctive about the organization" (Whetten & Mackey, 2002, p. 410).

This approach to identity highlights the need to understand the role of culture – a group's shared and socially transmitted beliefs and values – in shaping member understanding of and actions towards the environment. Hatch and Schultz (1997)

---

* Corresponding author at: School of Advertising, Marketing and Public Relations, QUT Business School, 2 George Street, Brisbane, Queensland 4001, Australia. Tel.: +61 7 3138 4089.
E-mail address: kim.johnston@qut.edu.au (K.A. Johnston).

argue aligning internal organizational member perceptions and externally held beliefs about an organization is important. In a sociocultural context, when the role of public relations in set in the management of organizational social ecology, it follows that exploration of reputation is set in the context of understanding how the cultural system influences employee conceptualisations of organizational reputation through the property of cultural selection. Organizations operate as social collectives or as dynamic systems of organizational members who communicate purposefully with influential stakeholders to ultimately achieve organizational goals (Keyton, 2005). This dynamic system is best understood as a "sociocultural" system responsive to an environment through exchanges of information and energy (Everett, 1994). The exploration of how organizational culture shapes these sense making experiences has not been systematically addressed in the literature. A cultural perspective on this problem is organized around the view that organizational culture is a system of social knowledge that is shared among organizational members and transmitted by members across time (Everett, 2001; Schein, 1984).

2. The culture concept

The concept of culture developed among cultural anthropologists carries a lengthy intellectual tradition and grounding theory for understanding and interpreting human action including definitions and actions towards their environments (e.g., see Steward, 1955; Sutton & Anderson, 2004). In this body of work, culture is viewed as a system of shared meaning, values and beliefs, shared, socially transmitted over time among a particular social group (Bates, 2001; Durham, 1991; Geertz, 1973; Keesing, 1981; Keyton, 2005). While definitions of central concepts and applications differ in the work on culture (Sackmann, 1992), in keeping with the anthropological tradition, the culture concept is employed in this study as a grounding and orientating force for interpretation that underpins human understanding, definitions and actions towards the environment (Hatch, 1993; Milton, 1997). The historically given and socially transmitted nature of cultural knowledge is highlighted by Geertz (1973), who argues that the culture concept "denotes an historically transmitted pattern of meanings embodied in symbols, a system of inherited conceptions expressed in symbolic forms by means of which men (sic) communicate, perpetuate, and develop their knowledge about and attitudes towards life" (p. 89).

Culture shapes group members behaviour, collective action, and meaning, and gives direction to their work lives (Durham, 1991; Milton, 1996; Norlin, Chess, Dale, & Smith, 2003). Culture acts as a sensemaking influence for group members to guide the reality of the situation (D'Andrade, 1984). Durham (1991) refers to culture as a pool of information that is prescriptive and socially shared. Operating as a learned system of shared knowledge culture assists members of a society to relate and cope with their environment (Bates, 2001). Shared knowledge informs cultural assumptions that operate "as general expectations that provide possible responses to a situation, responses that reflect and embody cultural values" (Hatch, 1993, p. 664). The mediating influence of culture takes place in the form of cognitive criteria to constrain or endorse behaviours related to environmental variables (Dil, 1980; Durham, 1991; Everett, 1993, 1996; Milton, 1996). The instructional role of culture acting as criteria provides insight into diversity of human behavioural customs (Durham, 1991). This view is articulated by Goodenough (2003):

> Culture consists of (i) criteria for categorizing phenomena as meaningful stimuli, (ii) criteria for deciding what can be, (iii) criteria for deciding how one feels about things (preferences and values), (iv) criteria for deciding what to do about things, (v) criteria for deciding how to go about doing things, and (vi) the skills needed to perform acceptably (p. 6).

Managerial assumptions of environmental reality shape what mangers value (Doty, Bhattacharya, Wheatley, & Sutcliffe, 2006; Georg & Fussel, 2000; Hatch, 1993). This shaping process, Hatch (1993) suggests, "occurs through the processes of proactive manifestation through which assumptions provide expectations that influence perceptions, thoughts, and feelings are then experienced as reflecting the world and the organization" (p. 662). Shaping, interpretation, and environmental understanding all occur through internal processes to refine environmental information.

Harris (1994) suggests sense making is facilitated through knowledge structures of schemas. Schemas are organized expressions of experience that serve as a frame of reference for action (Weick, 1979) or act as a mechanism to shape and simplify cognition (Di Maggio, 1997). Knowledge structures are cognitive schemas that act to instruct or bias individual's interpretation and understanding of environmental information (Harris, 1994). As cognitive structures, people use schemas to both understand and attribute meaning to events (Sackmann, 1991; Walsh, 1995). Weick (1979) asserts that although there is this great focus by management on the environment (he refers to enormous amount of talk, socialising, consensus building and vicarious learning that goes on . . . (p. 151)), the outcome is that managers often remain ignorant or they have little real understanding of the environment (Weick, 1979). Managers' role as organizational decision makers mediating environmental information is highlighted by Weick (1979) who suggests "reality as perceived by the members becomes more the source of Selection within the organization" (p. 125). Environmental understanding or the 'reality' of the organizational environment is therefore "selectively perceived, rearranged cognitively, and negotiated interpersonally" (Weick, 1979, p. 164).

3. Culture as criterion–cultural selection

Culture working as a set of selective criteria that act on the collective pool of member understandings constitutes what Durham (1991) terms "cultural selection" – the capacity of the cultural system to influence the nature of its own evolution.