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Issues management and corporate branding: Combining two concepts to enhance corporate reputation

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In times of intense competition, increased media and public attention to ethical corporate action as well as a high degree of action potential from certain stakeholder groups, managing corporate reputation requires thorough and concerted efforts. We propose that the concept of issues management can greatly aid to meet critical challenges of corporate branding which has been defined as “a systematically planned and implemented process of creating and maintaining a favourable reputation of the company with its constituent elements” (van Riel 2001). Issues management can support corporate branding in two ways: Firstly, it allows for the focussed identification of issues that are of relevance to an organisation and its stakeholders, thus helping to achieve the desired corporate brand positioning. Secondly, a well implemented and accepted issues management system supports internal communication and coordination processes which are necessary for effective corporate branding.

Issues management has been defined as the process by which an organisation “can identify, evaluate, and respond to the social and political issues which may impact significantly upon it” (Wartick & Rude 1986). The main goal of issues management is seen in preventing crises and protecting an organisation’s reputation. However, and often neglected, the proactive management of issues can also serve to strengthen reputation by helping to create a positive, unique and prominent meaning of the organisation in the minds of its stakeholders. This can best be achieved when the signals conveyed are of particular relevance and value for the organisation’s stakeholders on the one hand and supportable of the corporate brand positioning on the other hand.

Drawing on the model of sense-making in organisations (Weick & Daft 1984) the process of issues management can be divided into three phases: (1) *Scanning*, i.e. the internal and external acquisition of relevant data; (2) *interpreting*, i.e. connoting meaning to the data in the context of the organisation and (3) *learning*, i.e. action taking and feedback processes. We propose that a combination of issues management and corporate branding during these phases serves to strengthen the corporate reputation: In phase one, topics of particular relevance to stakeholders need to be identified. During phase two, corporate brand positioning should serve as a particular criterion for issue-selection, and in the final phase communication controlling supports learning to improve external communication as well as internal coordination processes. Furthermore, issues management as a crosscut function exerts an integrative effect on the internal communication processes which we perceive to be a prerequisite for effective and integrated corporate branding.

Preliminary analyses of a qualitative study we conducted among issues management and communication representatives in twelve multinational companies has revealed first results concerning the practice of issues management and its combination with corporate branding. In this study we addressed the following research questions: *How is the concept of issues management employed in order to improve internal communication management and coordination processes that ensure the integration of communication efforts? How are issues of particular relevance to the organisation’s stakeholders as well as of strategic impact on the organisation’s positioning identified to manifest the company’s value and strengthen its reputation?*

Analyses show that issues management practice can be classified along two dimensions: The first dimension portrays how strongly coordination and integration processes depend on either information technology (‘technology-based’) or on social networking (‘social-network-based’). The second dimension refers to whether the process to scan, monitor and interpret issues relies on a team or task force (‘team-centred’) or mainly on the efforts of one or few individuals (‘individual-centred’). We conclude that issues management in multinationals promises best results when it features a combination of technology- and social-network-based philosophies relying on a team-centred working style. This setting allows for the integration over departments, divisions and country borders which can greatly help to integrate corporate branding efforts.

Concerning the identification of relevant issues, analyses reveal that in many cases explicit criteria for identification are not defined. Managers rely to a great extent on their intuition, personal expertise and knowledge of the industry. Furthermore, the focus is primarily on preventing negative impact rather than on proactively strengthening reputation and shaping the corporate brand. Only few of the companies researched have explicitly formulated and documented criteria for selecting issues. However, many interviewees stated that

issues management and issue communication bear a great potential for the development and positioning of the corporate brand. To put more emphasis on the realisation of opportunities and proactive communication of issues to strengthen corporate reputation is one of the goals many issues managers plan to achieve in the near future.

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