

'How can organizations effectively and with result react on incidents, which are provoked by its stakeholders?'

An empirical-theoretical study to acquire and retain a good image and strong reputation within an environment in which the image-forming is more and more decided by stakeholders.

ERASMUS UNIVERSITY ROTTERDAM
Erasmus school of Economics
Master Marketing

Berenschot



Name	Arie-Jan Baan
Student number	323246
Email	ariejanbaan@gmail.com
Telephone number	06-13526067
Thesis	Master
Date	31/07/2013
Supervisor	Drs. L.P.O. Kloosterman

Foreword

'Behaviour is the mirror in which everyone shows their image.'
Johann Wolfgang von Goethe

Eventually, there is the final version of my master thesis. The last months, I have done research in which way organizations can retain a good image and strong reputation in a tricky environment. An environment, in which every arbitrary stakeholder can send an arbitrary remark into the whole world.

I have written this thesis in the past five months (April 2013 – August 2013). I am many persons thankful, who have supported me in this process. First of all, my supervisor, Drs. Luit Kloosterman, who have helped me from the very beginning. The informal way of communicating was a pleasure to me.

I also would like to thank the consultancy firm Berenschot for all inspiration and support, they had given me. Especially the following persons have helped me a lot: Drs. Lucas Stassen, Dr. Filip van der Berg, Dr. Albert Jan Stam, Dr. Myrte Ferwerda, Drs. Hendrieneke Bolhaar and Ir. Inge de Zaijer. In spite of the many horror stories of peers around me, I have another experience with writing the thesis. It was a big pleasure to me to dive into the subject. I am sure, this wouldn't have happened without all the persons, I mentioned above.

Thirdly, I want to thank Triodos, AFM and ING. It was grateful to test my hypotheses and conclusions with these experts! Moreover it was quite inspiring to talk with these three iconic organizations in the financial sector.

With kind regards!

A.J. Baan, 10 juli 2013

Table of contents

Chapter I – Introduction

1.1 Motivation	5
1.2 Explanation of research	5
1.3 Purpose and scope research	7
1.4 Scientific and social relevance	8
1.5 Composition of the thesis	8

Chapter II – Theoretical background

A. The foundation of a strong image

2.1 Building a corporate image	10
2.2 Reputation quotient	12
2.3 Extern and intern Alignment	14
2.4 Legitimacy	15

B. The organization vs. inconsistent signals

2.5 Integrated Marketing Communication	17
2.6 Enterprise branding	18
2.7 Identity, image and reputation	21
2.8 Stakeholder analysis; forces and interests in the environment	22

C. The receiver vs. inconsistent signals

2.9 Processing of information	25
2.10 Cognitive Dissonance	26

Chapter III – Research design & Methodology

3.1 Research design	29
3.2 Problem statement and sub questions	30
3.3 Justification of the research method	33
3.4 Theoretical framework survey	34
3.5 Research methodology	37

Chapter IV – Results & Analysis

A. Sub question I: What are core values? And on which moment is an incident in conflict with the core values?

4.1 How are core values defined in the literature	39
4.2 Perception of core values	42
4.3 Core values in practice	43

B. Sub question II: On which moment is a company responsible for an incident (from the perspective of a stakeholder)?	
4.4 Degree of influence	44
4.5 Blame and organizations/firms	45
4.6 Reality vs. perception	45
4.7 Influence/accountability in practice	49
C. Sub question III: What kind of interventions can we distinguish?	
4.8 The importance of proper communication interventions	49
4.9 The different communication interventions	51
D. Sub question IV: Testing the four hypotheses (the matrix)	
4.10 How does the respondent scales the incident (regarding the two factors)?	53
4.11 Are the supposed interventions the best from the perspective of the Stakeholder	55
Chapter V – Discussion & Conclusion	
5.1 The lines come together	65
5.2 Restrictions	68
5.3 Recommendations for further research	69
Bibliographies	70
Appendix A – Surveys	73
Appendix B – Normality checks datasets	86

I - INTRODUCTION

1.1 Motivation

To be consistent and clear in all the communication has become more challenging than ever. For many firms it is more and more difficult to cope with the increasing influence of stakeholders. The stakeholders are increasingly actively (co-) creating the image of the organization. They have, due to the modern communication technology, a bigger reach than ever, which increases their impact. It is a bit difficult to find out what exactly causes this dynamic and what the intentions are of the stakeholders to co-create the image. Social research has given some reasons: nowadays people have a greater belief in their peers than institutions; people want to belong to a certain community etc. (However, this question is not in scope of my research). The environment has become both more complicated and critical for firms. Questions related to legitimacy prove this trend. Many firms are, partly due to the financial crisis, faced with questions like: what justifies my existence on this earth? Why does exist this firm überhaupt? These are fundamental questions and the citizens are nowadays not satisfied with 'nice chats'. The faith in institutions is sharply declined after the financial crises. If customers do not like something, they leave the firm with a big #fail at twitter, which is sent to the whole world, said communications professional Ron van der Jagt on his blog.¹ I'm fascinated how firms should manoeuvre within these continually changing environment. What kind of interventions has a positively impact and which not?

1.2 Explanation of the research

So it has become more difficult (from communication perspective) to operate in the 'stormy' environment. The key question is therefore how organizations can best respond to the behaviour of stakeholders and their increased scope and impact. With this point, we come close to the main objective of this research. The goal is namely to identify which interventions, in response to incidents from the environment, from the perspective of the stakeholder is the best intervention. What are possible strategies, which companies can follow to build and retain a consistent, strong image and reputation? Caused by the many changes around us, this is a very actual question. To get a better view of the changed environment, I would like to mention successively three important trends.

¹ <http://www.logeion.nl/k/n1313/news/view/105215/100028/De-inspiratie-van-communicatie.html>

1. Communication becomes more and more a co-production

The time that communication could be perceived as one-way send consistent signals from the firm is over. We can no longer draw the conclusion that the more messages/signals coming from the organization, the stronger the image. Currently a corporate brand of an organization can best be interpreted as a *network of meanings*. Different voices through a variety of communication methods create the brand (Hatch & Schultz, 2008). In such a network people interpret and reinterpret signals of the organization continually and they add new meanings over and over again and exchange that with each other. Everyone sees the brand from a different perspective, depending on its position in the network. An unambiguous meaning of the brand is therefore no longer possible. The time of only pushing messages is over and firms have to go in dialogue with their stakeholders.² This development is enhanced by the emergence and embedding of social media. *Any individual can now easily submit messages/signals all over the world*. The reach of individuals, but also of pressure groups such as Greenpeace or 'Wakker Dier' is large. Also the employees of an organization – who are no part of the communications department – can tell their story on Twitter, Facebook, a blog, etc. And despite traditional media are still seen as more reliable than social media; social media has a huge impact. News on traditional media can even strengthen the power social media. If, for example, a particular issue, related to an organization, is on TV, all new information about this issue is seen as reliable. So, all the posts about this issue on social media are perceived as reliable.

2. Legitimacy

Besides the fact that every individual in the environment have got a bigger reach, the same environment has become much more critical. Partly due to the crisis, many organizations are confronted with really basic questions. What justifies my existence? What is my purpose here on earth? Companies cannot longer come with nice simplistic stories. The people nowadays claim transparency. Therefore, we can remark that when behaviour is not aligned with the communication, sooner or later these companies surely fail. Behaviour of companies cannot deviate from their core values. Trust in the institutions is surely considerably decreased, so in order to win trust, companies should be transparent.

² Piet Verhoeven (2013), 'Het merk is van iedereen', Communicatie Nu, p. 22 - 24

3. *The entire organization should become more communicative*

In addition, managers in the same company are concerned with their own 'strategic communications'. This means that employees are concerned to build a strong image, but they are hardly working together. This is demonstrated, for example, at the management information and communication on one of the departments of the government. Employees remarked that they scarcely solve problems in cooperation, because everyone was doing his or her own thing (Aarts, 2009). In the situation above, it is clear that it is almost impossible that all employees contribute to a common goal. A quite positive development is that several organizations have started the implementation of a *social intranet*. This social intranet increases effectively the knowledge spillovers in an organization.

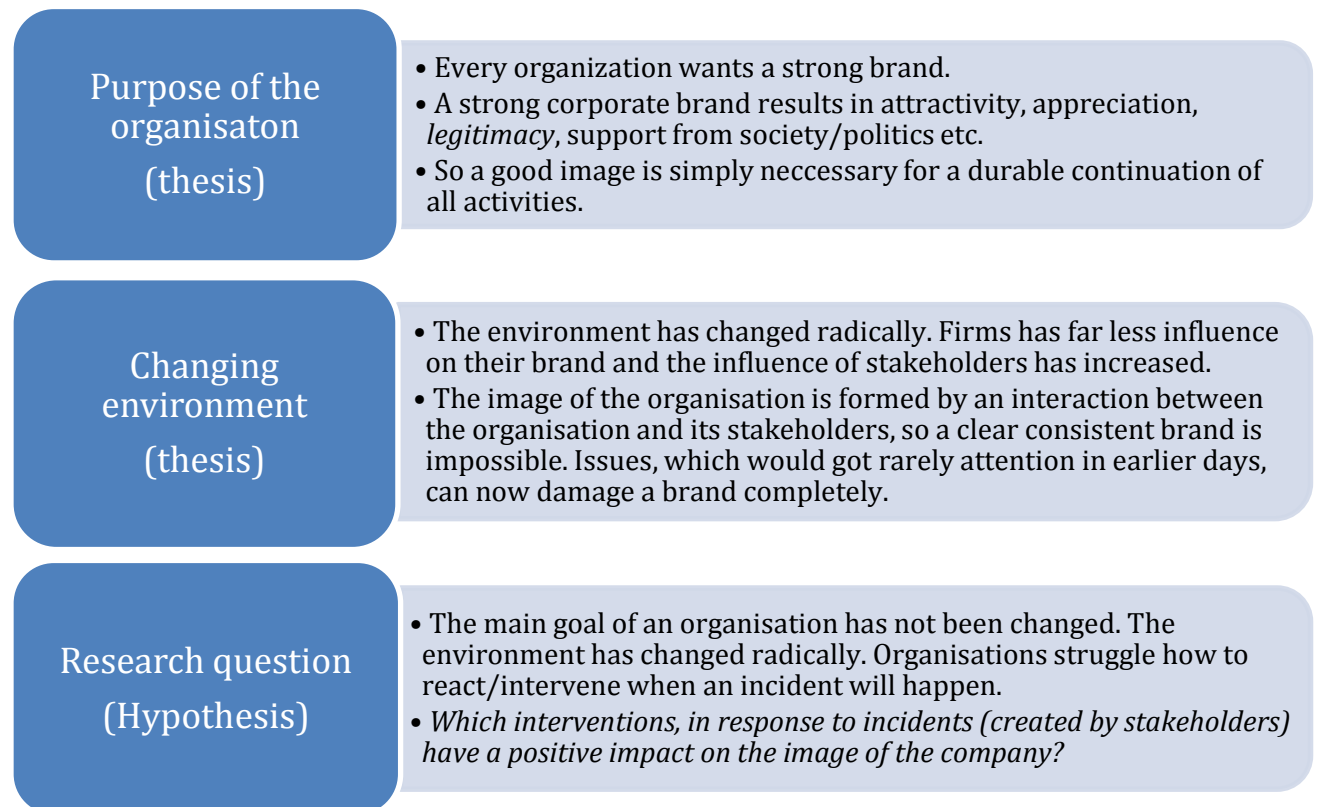
1.3 Purpose and scope research

As described the dynamics of the environment changed radically. Companies have barely grip on their general stakeholders. And this quick-reacting, uncontrolled environment cause easily an inconsistent image of the company. This can be really destructing! Let me give an example to make it clearer:

Starbucks have proved in the last decade to be a marketing machine! Led by Howard Schultz, the company has made an amazing rapid expansion in 1987. And this happened in a saturated market. The expansion has led to 17,000 branches in 30 countries. However, even a company as Starbucks cannot escape from the dynamics of the new environment: some time ago, there has been much controversy in England about the tax evasion. In the press, a quick comparison with McDonalds was made. The fast-food chain makes approximately the same turnover as Starbucks, and has paid about 80 million pounds tax per year, whereas Starbucks has paid just 8.6 million pound. This message is by the environment (research firm Reuters) selected and has caused an incredible large riot. Starbucks, especially in Great Britain, suffered reputational damage. This case is particularly interesting, since many other multinational firms such as Apple, Facebook and Google also paid almost no taxes in the UK. However, these firms are rarely affected by the investigation of Reuters and could safely continue their activities.

The **Goal** of my research is to find out which communication intervention, in response to all the buzz in the environment are effective (from the perspective of the general stakeholder).

To achieve this goal, I will first of all carry out a thorough literature study (Chapter 2). Based on this literature review, I can formulate the hypotheses (Chapter 3). The analysis of the current situation and my hypothesis can be described as follows:



1.4 Scientific and social relevance

From scientifically perspective the starting point is the model of Gray and Balmer (1998), in which corporate communication is the foundation of a strong image and reputation. However, all the communication should be consistent. Eddie et al. (1998) shows that the variable *consistency* is more important for building *brand equity* than the investments in the brand. And to keep or even enhance this consistency is exactly a great challenge nowadays. Next to this, there is already done a lot of research regarding to the management of stakeholders. This thesis is founded on that research. After all, the key question is how to retain a consistent image within the co-creation process. How do you react in the right way on incidents – that attract of lot of negative attention – caused by the growing influence of stakeholders? Incidents, which wouldn't attract that attention in earlier days. How can organizations respond to this in a proper way? The traditional models regarding the

composition of a strong image and reputation need definitely an update. From social perspective, it is obvious quite relevant; around us we see both private and public organizations struggling with this problem. We see around us that organizations react really differently to the 'expressions' of a consumer or pressure group. It turns out that acting in the right way is quite challenging as consumers quickly start talking *about* your brand through various channels. In addition, it is complicated for a company to use all channels in the right way, for the right audience, and with the right content at the right time. There are many, many examples from recent years, what proves that the outlined situation is reality:

- Albert Heijn who is confronted by Wakker Dier with the fact that they sell the 'Plofkip' (framing!)
- Starbucks, where Reuter discovered that they hardly have paid tax (in the UK).
- ING, where hackers made mobile banking impossible.
- Primark, where a factory collapsed in Bangladesh with many deaths.

There are many more examples. Organizations are struggling how to react on these situations. What is wisdom? How can the image damage be limited as much as possible?

1.5 Composition of the thesis

The starting point of this thesis is the literature in combination with the trends I recognized (described earlier). The following theories (concepts) are relevant for my thesis: foundations of a strong image, organizational theories around communication, stakeholder theories and eventually something about the processing of information (e.g. cognitive dissonance). These theories provide a nice framework. Afterwards, I will discuss the research design and methodology. This is based on the literature and the trends. Subsequently, I will give the results of the survey and my interpretation of these results. Then the conclusion will follow, including the limitations and some recommendations for (communication) managers.

II – THEORETICAL BACKGROUND

The theoretical framework consists of three parts. The first part will elaborate the models that have been published about building a corporate image and identity. It is interesting to see what the most important foundations are under a strong image and what the role is of communication. Secondly, I will elaborate the situation of organizations. There are several theories and models constructed which aim was to limit as far as possible the inconsistency in all kind of communication. Hereby I will not only discuss the *Integrated Marketing Communication* model, but I will also pay attention to the Enterprise Branding model. That model recognizes clearly the importance of proactively involving stakeholders in building a brand. In addition, there is also attention for some stakeholder models. That kind theories model how to manage stakeholders, who have both much power and are crucial to the firm. In the third part, I will study the situation of the stakeholder, or rather the receiver/observer. What is the effect of an inconsistent signal on an individual? And what are the consequences when a company will not respond? For these questions I will discuss different theories from cognitive psychology. I want to figure out what certain signals can do with people and how individuals actively react on these signals. The influential theory of cognitive dissonance is quite relevant.

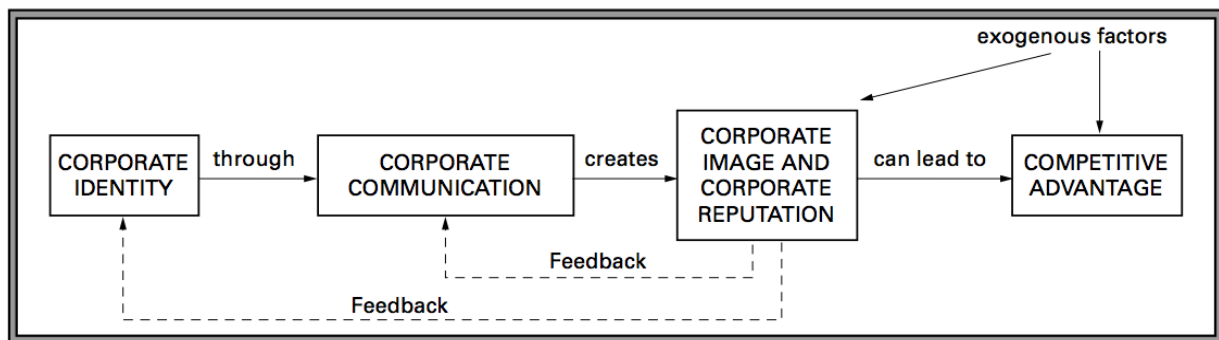
A. The foundation of a strong image

About 15 years ago are several researchers have done research to the concept of a corporate image, identity and reputation (Gray and Balmer: 1998). The investigation into this matter has got a boost by the growing influence of stakeholders on the company. Companies seem to be more fragile if they do not seriously take into account the interests of stakeholders.

2.1 Building a corporate image

This growing influence has increased the complexity of managing a corporate brand. After all, companies have less control and they need to raise support from interested parties, which often result in complex and difficult processes.

Gray and Balmer developed an important model, which illustrates the creation of an image:



We can define the concepts in the model as follows. The interrelations become also directly clear.

- The *corporate identity* is the reality and the uniqueness of the company according to Gray and Balmer: 'It refers to the distinct characteristics of the organization or, stated very simple, what the organization is' (Balmer 1995). Components of this are the strategy of the company, the philosophy (values), the culture and how the company is organized (how hierarchical, how many sub-brands, how many executives)
- *Corporate image* can we define as follows: 'the mental picture of the company that has been created by the stakeholders - what pops up in the mind of people when they see the name or logo of the company.'
- *Corporate reputations* typically arise on the basis of a consistent long-term performance and the reputation can be strengthened by effective communication.
- *Corporate communication* is the aggregate of all signals/messages, both through informal as official channels. Through these channels, the organization transfers its identity to its stakeholders. In other words, the communication is the 'nexus' between the identity and the image/reputation. Consistency of all this communication is crucial.
- *Feedback* is essential for the brand. According to the authors, the 'executives' must continually search for connection with their stakeholders. Especially if important decisions need to be taken, it is essential that the directors take the perceptions of stakeholders into account.

As we can see, the function of corporate communication is very important. The aggregate of all signals must be unambiguous, in order that the recipients will not become confused. Fulfilling that condition is exactly extremely difficult in these days. After all, each stakeholder can easily say anything about the company. This model is the first foundation under my

research. It shows in a proper way what the function is of communication in relation to image, reputation and ultimately identity.

2.2 Reputation Quotient

On basis of the model mentioned above, I will elaborate the concept of reputation. In the last decade, more and more research has been done into the topic of reputation. Reputation is the sum of the perception, assessment and measurement of an enterprise under all external stakeholders: customers, investors, analysts, business partners, journalists, employees, social organizations, governments, the branch and the society. An authoritarian model is the so-called reputation quotient, co-developed by the Reputation Institute. This model shows how stakeholders assess the company and how quickly a good reputation can disappear. The reputation quotient is important for my research. It makes clear what the underlying factors are for a powerful reputation. The quotient is determined by the perception of all external stakeholders. This is a striking analogy with my research. Also in this study, the bases to determine what the best intervention is in response to an incident are **the perceptions of (external) stakeholders**. Apart from possible incidents that may arise, there are six pillars that together are responsible for a strong reputation. Reputation is quite fragile: *Het komt te voet en gaat te paard*. Therefore, if an incident is arising and the company reacts not correctly; the strong reputation will be gone. In the model below, we can see the six pillars with its underlying factors (Fombrun, Gardberg & Sever, 2000).



1. **Emotional Appeal** -> Does the company evoke trust, admiration and sympathy?
2. **Products and services** -> What is the quality? Is the company truly innovative?
3. **Vision and leadership** -> Does the company show strong leadership combined with an inspirational vision?
4. **Work Environment** -> Is the company a good employer?
5. **Social responsibility** -> Does the company exhibit responsible behaviour to its community and the environment?
6. **Financial performance** -> Does the company show outstanding results and potential to grow?

All these factors help to determine the reputation of the company. Side note here is that the image is in most cases different from the reality. For example, a company could in reality create an outstanding working environment. However, the perception of stakeholders can deviate from this reality. Journalists are regularly struggling with this problem.³

³ Joris Luyendijk (2006), 'De kloof tussen beeldvorming en werkelijkheid'

2.3 Alignment-factor

Professor Cees van Riel (RSM) has done a lot of work in the field of corporate communications. In his latest book *'The alignment factor'*, he draws the conclusion that organizations with a high 'alignment-factor' are more successful. These organizations are both internal and external building *mutual rewarding relationships*. Quite explicitly he emphasizes 'mutual rewarding': the systematic promotion and maintaining of mutual understanding. It is important to build longstanding relationships with all relevant internal and external stakeholders and maintain these relations! This task is exactly the work for communication professionals, according van Riel. And the communication professional should make the whole organization aware of these dynamics. Van Riel distinguishes intern alignment and extern alignment.

Intern alignment

The old PR-thinking, where being 'nice for each other was enough, is nowadays really out-dated (Van Riel, 2012). With a good atmosphere and cosiness, alignment will definitely not come. No, 'what matters is that all people in the organization do things that they are supposed to do in the context of the strategic objectives of the company', says van Riel. He gave an example of Eneco.

'Eneco has the following ambition: sustainable energy for everybody. Everyone at Eneco must not only believe in this ambition, but also acting according the ambition. That contains more than just mutual understanding; to put it another way: what are the mutual rewarding benefits? Van Riel gives the following example: 'if I'm an engineer at Eneco and I got the target to hang up five yield boilers a day, I have got a pretty clear task. However, is this task rewarding? As a manager you have to think: what can I offer this engineer in his work, that he contributes to the enterprise goal 'sustainable' together. The engineer should get the perspective that he could contribute to the goals of Eneco. And the consequence of this perspective is that he gets much more challenging work due to the reason mentioned above. Eneco wants to make from each consumer also a producer. The company wants to achieve that customers deal with energy in such a way, that they themselves will also start producing energy. When that goal will be carried out seriously, it leads to completely other work for the engineer: smarter, more interesting. And he must receive training!'

Eventually, internal alignment should simply lead to an enterprise that actually performs better. Van Riel mentions two paths that the management can take to create these internal alignment: negotiate (1) or confront (2). If you choose to negotiate, you should pursue consensus. You should consider reflection (mirroring): hold the outside-, but also the intern world a mirror, for example by publishing a story in the paper). The second option is just taking legal steps. Van Riel makes clear that in Europe often try to avoid the confrontation strategy. After all, we are so attached to the old 'polder model'. However, if we compare Monsanto (chooses very clear the confrontation strategy) with Unilever (chooses merely for the polder model), we can conclude that this American company is many times more profitable than Unilever. Also in the BRIC countries it is much more common to chose the confrontation strategy. For this fact we rather close our eyes in Europe and especially in the Netherlands.

Extern alignment

Building the extern alignment consists of a three-step procedure. It starts with the collection and analysis of information:

- What about the reputation, the public opinion?
- Are there issues or conflicts?
- Are the values and strategy of stakeholders well aligned or is there a gap?

Subsequently the firm has to develop a route. For example, is there a need for an active stakeholder management policy? This can also be done by a strategy of negotiation and/or confronting. Thirdly, there is a task for the corporate communication in the construction of external alignment.

2.4 Legitimacy

As described in section 1.2, companies are increasingly confronted with legitimacy questions. Take a look to the financial sector to assess the importance of these questions. They are alive. Legitimacy is also addressed in the literature. Let's start with a definition of the concept. In the literature, legitimacy is conceptualized as:

'The interaction between organizational strategy and stakeholder expectations, legitimacy management is best viewed as a dialogic process and not a monologue

organizational activity (Ginzel, Kramer, & Sutton, 1993). A dialogic approach to legitimacy management requires on-going communication between the organization and its stakeholders, not a one-way transmission of information from the organization to stakeholders. (...) It involves understanding that legitimacy is not something that can be claimed by organizations, but is instead something that is given by stakeholders. Legitimacy in this view is the stakeholder perception that an organization is good and that it has a right to continue its activities – a right granted the organization by its stakeholders (Bedeian, 1989). Legitimacy is managed successfully when organizational actions are perceived as being consistent with stakeholder expectations.'

This quote makes clear that legitimacy can only exist in case of a continuous dialogue with the stakeholders. That is also endorsed in other papers. With a dialogue the company is aware of an active receiver that influences the image and identity of the company. A good dialogue with stakeholders is characterized as follows (Massey, 2001): 'dialogic communication is characterized by a relationship in which both parties have genuine concern for each other, rather than merely seeking to fulfil their own needs'. In my view, this description is somewhat idealistic. The practice is often more unmanageable. However, the definition emphasise the importance of a dependent relationship between the company and the stakeholder. Gaining legitimacy is not easy. Stakeholders have always initially somewhat scepticism to a new company. Unknown is unloved (Garbett, 1988). However, maintaining a legitimacy is even more challenging. Two aspects make that difficult: (1) the heterogeneity of the stakeholders is challenging: continually meeting the different expectations in the right way is not easy; (2) companies are mostly organized in such a way that processes happens in a fixed pattern, which make it difficult for companies to react quickly and appropriate: 'legitimacy itself drives organizations to replicate stable structures and processes. This stability may result in the organization's being less able to change in response to environmental demands, decreasing its chances for continued legitimate standing. In order to meet these challenges, organizations must (a) be proactive and anticipate stakeholder demands and environmental developments that can cause the organization's legitimacy, (b) protect past accomplishments that brought about legitimacy, and (c) generate goodwill and support' (Suchman, 1995).

B. The organization vs. inconsistent signals

Since consistency is an important pillar for a strong image, companies themselves have also taken actions to prevent inconsistent signals as much as possible. Examples are the Integrated Marketing Communication theorem and the Enterprise Branding model, but also various stakeholder models have helped organizations.

2.5 Integrated Marketing Communication

In 1962, the integration of communication came explicitly in the publicity. Marketing Professor Theodore Levitt held a plea for what he himself called 'Centripetal marketing':

The business firm has to be systematically self-conscious about every commercial message it sends out – whether it concerns its ads, its product design, its packages, its letterhead, how its salesmen dress (...) its point-of-sales materials, its trucks, or the conditions under which its products are displayed and sold. It is essential that the messages of each of these be carefully coordinated to achieve one overwhelming, self-reinforcing, simple and persuasive story (Levitt, 1962)

This quote of Levitt is later regularly used to define Integrated Marketing Communication. This framework emerged after many companies outsource parts of their communications to external parties. A second reason is the large increase of possibilities: many channels, many potential consumers and many ways to broadcast a message. About the exact definition of IMC is, however, no consensus. Some scholars (Ogden 1998; Kotler et al., 2001) claim that IMC intent to get the promotion and advertisement for a certain brand consistent, whereas others just stress that it is about *all* forms of contact, which has a brand with the environment. This includes for example the behaviour of salesmen. In 2005, the American Association of Advertising Agencies formulated the following definition for IMC:

A concept of marketing communication planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines – for example, general advertising, direct response, sales promotion, and PR – and combines them to provide clarity, consistency and maximum communication impact through the seamless integration of discrete messages.

Duncan and Caywood (2002) did an essential addition. They indicate that communication departments focus too often especially on the consumer. Also other stakeholders like suppliers, partners, investors, analysts, pressure groups and, in particular, employees need information. An investor is looking for completely different information than a pressure group and a consumer isn't interested in the information, which can be quite important for an analyst. Involving the employees – obviously one of the most important stakeholder – is significant. This is recognized by Ebre (2006). He indicates that external consumers are often influenced by employees, channel partners, customer service staff etc. But too often, a part of the employees have no idea what exactly the product or service is their organization offers. This is a missed opportunity. Employees often play an important role in building a relationship with the consumer. This has become more important in recent years, due to the increasing interactivity. Workers and consumers can get in touch many times easier through new channels like Facebook and Twitter. Duncan also recognizes the importance of *all* employees concerning the construction of a consistent image: *Employees are the brand (...) the more the employees are satisfied, the more the customer is satisfied (...). Listening to employees is key'* (Duncan, 2002). So it is important that all workers are well informed about all details of the brand, about a new product or service etc. before the consumers find out.

2.6 Enterprise branding

The IMC model assumes more or less that a company has control over its communication and branding activities. However, a brand no longer arises on the conference tables of designers, marketers, brand managers and brand consultants, but rather in the public interaction between the management of an organization and the internal and external stakeholders.⁴ A relevant study in this area is done by Hatch & Schultz in 2008. They have conducted a fascinating case study at LEGO. This Danish company ended up in stormy weather since many children chose the games instead of the Lego blocks:

*'Our longitudinal study of the company found that the LEGO brand's success story has not been one of **continuous alignment** between strategic vision and committed stakeholders. On the contrary, this is a story of on-going and sometimes wrenching adaptations to a shifting marketplace that required numerous organizational changes and concerted effort*

⁴ Piet Verhoeven (2013), *Het merk is van iedereen*, Communicatie Nu, 22 - 24

to continually **realign** vision, culture, and images.’ They used the following framework (Hatch and Schultz, 2008):

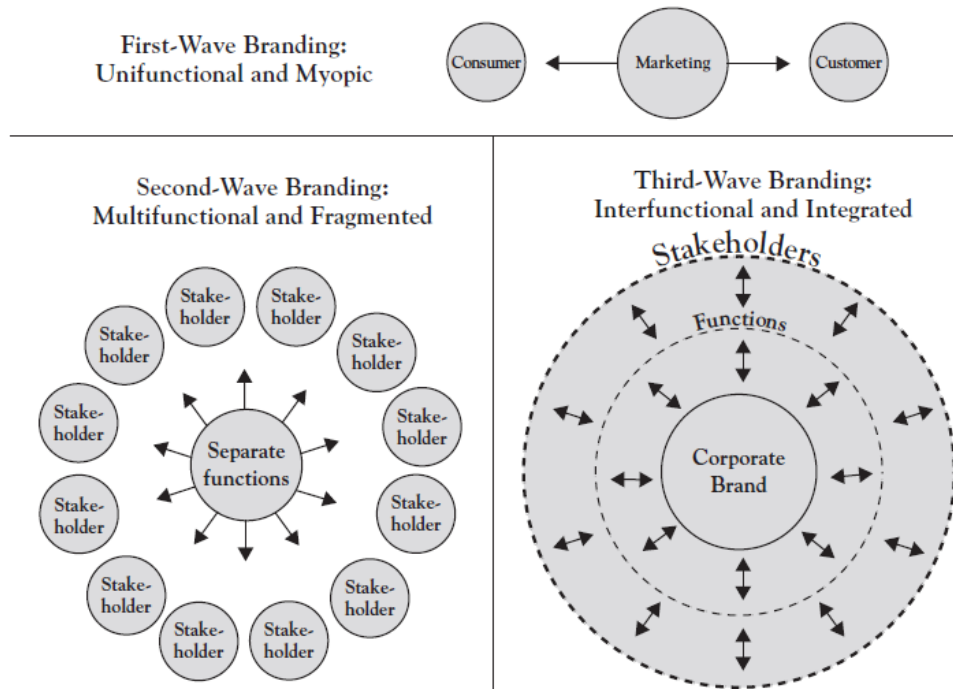
What are the core values?	How to build a brand organization?	How bring the brand to life for employees and consumers	How to integrate all stakeholders for the future?
(Re)state the values and define precisely the identity.	Reorganize and reinforce the cooperation between departments.	Listen and learn from the internal and external stakeholders.	Learn to balance focus on core brand idea with increased stakeholder participation in brand development.

In particular the third and fourth column is relevant for this research. Employees play a crucial role in the construction of identity. Ideally, all employees should live from the brand, and using the identity as starting point for all their activities. Schultz and Hatch (2001) go even further; they stress that all stakeholders have a role in building the brand:

‘The main implication of the symbolic view of corporate branding is that many voices will shape and inform the corporate brand through myriad forms of communication — direct and indirect, face-to-face, and virtual— and through traditional channels as well as new media such as text messaging and websites like YouTube.’

Hatch and Schultz (2001) distinguish three waves. They believe that companies that operate within the third wave are most successful. The following illustration shows the three models/waves quite well:

Figure 9.2. A structural view of the three waves of corporate branding.



Model one (a Marketing mind-set) is the classic model, where a marketing department pushes (one-way) messages towards the consumer. In this approach the relevance of other disciplines in the company is not recognized. In addition, the other stakeholders of the company are also neglected. In the second model we find a first form of integration. Different departments such as HR, PR, investor relations etc. cooperate with the marketing managers to manage the corporate brand. Potential obstacle, however, is that the cross-functional groups are thinking too much from their own perspective and do not (want to) understand each other. The challenge is even greater if the stakeholder relationships are competitive. In the third model, there is a full integration, which means a strong and continuous interaction between both the departments and the stakeholders. In this model, all stakeholders are committed. This requires that organizations listen accurately to its stakeholders. For this, they can use both traditional and new media. It seems fairly simple for companies to retain their good image through this integral approach. However, there are some dilemmas, which Hatch and Schultz described:

- *Centralized vs. decentralized*; a strong centrally organized organization result into the fact that less stakeholders will be integrated. This is mainly due to the fact that employees pay more attention to their own managers than the stakeholders. On the

other way, decentralized organizations have the problem that too many employees are involved in managing the stakeholders, so inconsistency can arise quite easily.

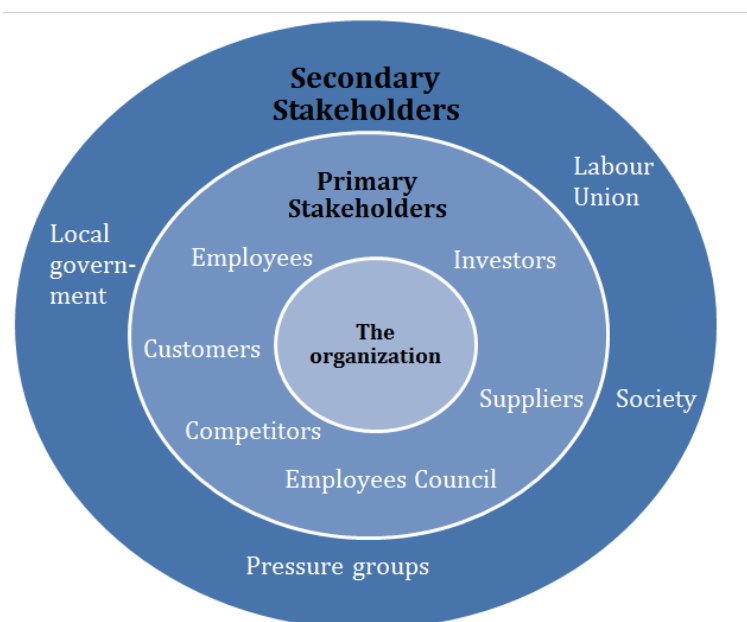
- *Global vs. local*; this problem arises mainly with local companies that are highly internationalized. An example is that traditional British customers of British Airways expect another service of the company than the international customers. However, if the UK customers get a different treatment, the international customers could become frustrated.
- *Stability vs. change*; many managers are accustomed to changes. Change can, however, evoke much resistance at the employees, which create a negative spiral. On the other side, change can also induce a lot of energy. In particular for old organizations the only way to renewal is change.
- *Control vs. shared leadership*; traditionally, companies and organizations want to determine how stakeholders should think about them. This attitude, however, denies the enormous value that stakeholders can add to the story of the organization. Good leaders often share their power and control to acquire a better result. This is an important task for the managers. They should inspire the stakeholders of the company and also get inspired by them. A disadvantage of this approach is that things can run out of control.

2.7 Identity, image and reputation

In the model of Maathuis (1993), we see how external actors affect the message of a company. According to this model a message or image can acquire more credibility when friends, media, allies and other stakeholders tell the same story about the company. An organization push signals at different levels. Influenced by these signals, the stakeholders themselves send signals to the society. The identity is eventually determined by this total supply of signals. Subsequently, the image is the perception, which is formed by the target groups on the basis of the identity. An organization will always have multiple images, since there are different interpretations of the signals. The corporate reputation unites these different images, influenced by the individual standards, values and interests. The reputation of a company affects obviously the relationship of the stakeholders with the company (see also paragraph 2.2).

2.8 Stakeholder analysis; forces and interests in the environment

Governments, pressure groups etc. have definitely interest and power in the environment around the organization. This is known for many years. We can think for example to the famous 'Brent Spar' conflict that Shell had with Greenpeace. Shell believed that the breakdown of the platform would be the best solution, in which they took into account both the risk to the environment and the cost. However, the great pressure from Greenpeace prevented that this option was executed. Stakeholders could we categorize as follows: a primary circle with stakeholders and a secondary circle. The primary ring are those who are directly involved, the second ring those who have an interest in the company, but not in a direct way.



The stakeholder analysis of Vijverberg maps all actors around an organization. With the support of this model, an organization can easily determine which stakeholders have priority regarding influencing them, which stakeholders can be used as a supporter and which stakeholder groups can be ignored. At that time (1998) this analysis was especially relevant for organizations with controversial issues in an environment with influential opponents. However nowadays, any stakeholder can quite easily exert a lot of influence thanks to the modern communication techniques. This stakeholder analysis offers various insights (Vijverberg, 1998):

- The nature of the relationship to the own organization: positive, neutral, negative;

- The possible coalitions from which the stakeholder is member;
- The importance of the stakeholder;
- The power of the stakeholder;
- What are the most important motives of the stakeholder regarding its actions in relationship to the organization?

Vijverberg's insights can clearly be displayed in a table

Stakeholders	Relation	Coalition	Interest	Power	Priority
Employees	+	Labour unions	A good atmosphere	+	Continuity and development
Suppliers	++	Competitors, customers	Sales	++	Profit
Competitors	-	Suppliers, customers	Market share	0	Growth/market share
Employee Council	0	Employees, Labour Union	Well-being employees	+	Development employees
Labour Union	+	Employees, Employee Council	Employment	0	Salary increase
Environmental movement	--	Government, customers	Environment	0	Decrease pollution

It is for organizations impossible to meet perfectly the expectations of all stakeholders. This is explained quite well by Jensen (2001). He explains that there must be a balance between profit optimization and stakeholder theories. After all, stakeholders have competitive and inconsistent interests. Consumers want low prices, high quality, good service etc. Workers want high salaries, good working conditions, a good pension, medical benefits etc. Investors want low risks and high profits. A charitable organization would like that the company donates its charity fund with large amounts of money. The society doesn't want that a company fire employees, but this society wants that the company invest in the local community. Any visible stakeholder does have certain needs. And a part of these needs are conflicting. The question is how a company could make the right way trade-off. Jensen proposes the following:

'Value maximization (or value seeking) provides the following answer to the trade-off question: spend an additional dollar on any constituency (stakeholder AJB) to the extent that the long-term value added to the firm from such expenditure is a dollar or more'

In the literature, there is hardly attention for the question how to make this trade-off. This could be a reason that many organizations ignored more or less the stakeholder models.

However, in our time, ignoring the stakeholder (models) is much trickier. Simply, because every stakeholder can send quite easily signals to the environment. In the article by Jensen (2001) a possible solution is presented regarding the conflict of 'Value maximizing' and 'Stakeholder theory' He defines it as 'Enlightened value maximization' and 'Enlightened stakeholder theory'. With the *enlightened value maximization* Jensen means the recognition that communication with and motivation of managers, employees and partners is extremely difficult. But the core is the structure/framework, which is offered to all employees to achieve their goals. This is a distinctive definition compared to the traditional profit maximization:

'This means, for example, that we must give employees and managers a structure that will help them resist the temptation to maximize the short-term financial performance (usually profits, or sometimes even more silly, earnings per share) of the organization. Such short-term profit maximization is a sure way to destroy value. This is where enlightened stakeholder theory can play an important role. We can learn from the stakeholder theorists how to lead managers and participants in an organization to think more generally and creatively about how the organization's policies treat all important constituencies of the firm. This includes not just financial markets, but employers, customers, suppliers, the community in which the organization exists, and so on.'

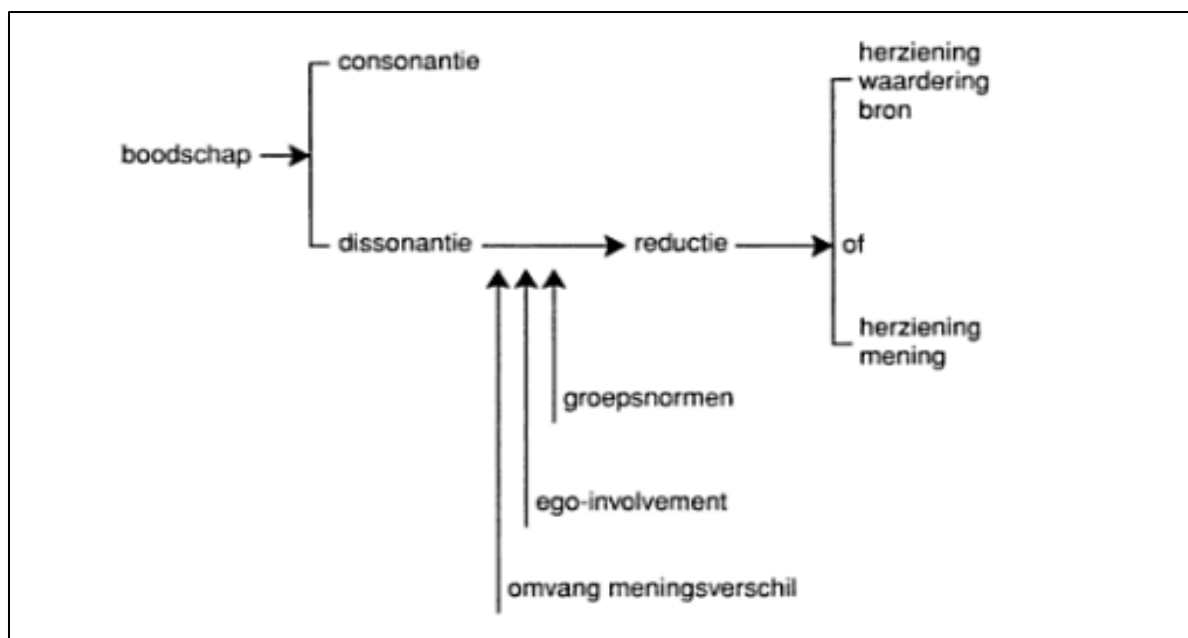
With *enlightened stakeholder theory* Jensen means the stakeholder models who previously have been cited, with the simple specification that the objective goal of the company is the maximization of long-term market value. *'In short, chances in total long term market value or the firm is the scorecard by which success is measured.'* These additions of Jensen are in my opinion quite useful. They are close to the reality. They show how companies can cope with the interest of stakeholders. And the environment urges companies to deal with this dynamic, in order to acquire a lasting strong image and reputation. Stakeholders should feel that they are taken seriously.

C. The receiver vs. inconsistent signals

As described inconsistency arises easily caused by all influences from outside the company. It is therefore interesting to research what scientists have written about how human beings respond to new incentives/signals. This becomes especially interesting when these signals are inconsistent with the initial and existing image of the individual.

2.9 Processing of information

From the psychology we know that people deal different with new information. The following model is used by Veenman (2009) in 'Grondslagen van communicatie' (Foundations of communication):



The processing of new information is actually just fitting these new signals in existing schemata. This can be done in several ways. If the new information is supplementary, the schemata will be developed and broadened. However, it may also be necessary to replace the old information, which result into a better end result. The third option is that we use the new information to add further details to the existing schemata. A number of aspects play a role regarding the processing of new information according to Veenman.

Selective perception

This theory especially studies the behaviour of the receiver. The recipient perceives quite selective (he/she often sees what he/she wants to see). All kinds of factors within the role of the recipient determine the final effect of the transfer of information. This means also that everyone process information on its own way. The existing schemata play an enormous role as for as the perceiving and processing of new information. Of course, these schemata differ with each individual. In the case that new information doesn't fit, we naturally avoid these signals instead of adapting our existing schemata.

Uses-and-gratifications-theory

Further research has shown that the selection of new information is done on basis of two factors: the receiver selects the offered information on the one hand on basis of the utility (uses) he/she expects and on the other hand on basis of the satisfaction (gratification), which the new information could offer. So, he/she selects the information, which is primarily useful for its social and personal functioning and secondly he/she is looking for and perceiving information, which he/she use to relax and entertain.

The relationship between two cognitive elements.

Afterwards the information is filtered through several selection processes, the message will eventually be processed. Individuals can deal on three possible with new signals (O'Keefe, 2002):⁵

- *Irrelevant* -> the new signal is not relevant for the existing cognition.
- *Consonance* -> the new information is perfectly consistent with the existing knowledge/schedules. So, the new messages could be added to the existing information without problems.
- *Dissonance* -> there arises a problem; there is an (apparent) incompatibility between two cognitions, where the concept of cognition may refer to knowledge, attitude, emotion, attitude, belief or behaviour (Festinger & Carlsmith, 1959).

2.10 Cognitive dissonance

Of the three options described above, the third option (dissonance) is the most relevant possibility for this research. After all, we are talking about signals of stakeholders that are not congruent with the signals the company send. So it is appropriate to discuss this theory more in depth, since this is directly related to the hypotheses. For example, when somebody is a big fan of brand X, then we can conclude on the basis of this theory, that this individual will do everything, which is possible to ignore or deny negative signals about and the brand. Let's start with the definition of the cognitive system. Littlejohn and Foss (2005) define the cognitive system as 'a complex, interacting set of beliefs, attitudes, and values that affect and are affected by behaviour'. When inconsistency arises within this system, we talk about

⁵ Kowol, A., *The theory of cognitive dissonance* (<http://adamkowol.info/works/Festinger.pdf>)

cognitive dissonance. People generally don't like it to be in such a situation. After all, people aspire a good balance between all the available knowledge. As a result, anybody tries to diminish the dissonance of his or her knowledge (cognitive dissonance). The underlying thesis of the theory is quite clear: *Individuals feel more comfortable with consistency than with inconsistency*. The degree of dissonance that is experienced is a function of two factors: (1) the relative proportion of consonant and dissonant elements and (2) the importance of these elements or issues. (Littlejohn & Foss, 2005). Festinger (1959), the founder of this theory, has proposed a number of ways how individuals can deal with cognitive dissonance.

- i. Increase or decrease the importance of the issue or element involved
- ii. Change one or more cognitive elements
- iii. Add new cognitive elements to one of both inconsistent cognitions
- iv. Search for new consonant information
- v. Searching for disruptive/misleading dissonant proof

The most important cognitive dissonance phenomena, which are differentiated in the literature, can be divided into four groups: (1) selective exposure to information, (2) *post decision* dissonance, (3) minimal justification (*induced compliance*), and (4) hypocritical induction. The first phenomenon is in case that individuals expose themselves quite selective to new information. People prefer to be exposed to information that supports their existing belief. On the basis of this phenomenon O'Keefe has concluded that the impact of mass media has further decreased. After all, individuals are looking for information that fits into their existing schemata (O'Keefe: p. 85, 2002). However, we must make the comment that this is only one of the many factors, which affect the exposure of individuals to information. Other possible factors are the perceived utility of information, curiosity and honesty (O'Keefe: p. 86, 2002). The second phenomenon is the *post decision dissonance*. This applies for decisions that can cause afterwards tremendous tensions. Individuals could wonder themselves continually whether they have made the right choice. The magnitude of the dissonance that occurs depends on many factors like the importance of the choice, the difficulty involved with the choice, attractiveness of the alternative etc. As individuals are 'wrestling' with a possible regret after they made a difficult choice, many individuals are automatically going to search information that justifies their choice. The third phenomenon is the so-called *minimal justification*. We actually could understand this phenomenon only if we distinguish internal and external justification. A person will use external justification to

explain his dissonant behaviour. For example, situations as politeness, drunkenness, a compensation etc.), can clarify the dissonant behaviour. In case of internal justification the reduction of dissonance takes place by a change in the person himself (for example, his attitude or behaviour). When an individual cannot justify his behaviour externally, he/she will attempt to justify his behaviour by make his/her attitude more consistent with his/her behaviour. The conclusion of this third phenomenon is that people are actually going to believe their own lies; however, this happens only in the case that there is no possible external justification for the behaviour that is inconsistent with the original attitude. The fourth, and last phenomenon, which emerges in the literature, is the so-called hypocritical induction. The basic idea is that cognitive dissonance arises when an individual is alerted on his or her own inconsistency (hypocrisy). This dissonance can be reduced by a behavioural change. Due to this behavioural change, the behaviour is simply more consistent with the existing attitude. This phenomenon can be further explained by an experiment of Stone et al. (1994). In this experiment students were confronted with their own hypocrisy. The participants were asked to make a speech with the following subject: 'Why the use of condoms is desired'. The participants were directly alerted that they themselves aren't always using condoms, which resulted in *a state of high dissonance*. As expected, the students who joined the experiment were afterwards more intending to buy condoms. These four phenomena show quite well how large the scope is of cognitive dissonance. It is therefore important to keep this in mind for the second part of this thesis: people don't like it to be confronted with inconsistencies and they do everything to prevent the dissonance. So in the case that someone is a big fan of Apple, he/she will do everything to avoid incriminating information about Apple. And if this person cannot really avoid this information, he/she will actively search for information, which indeed confirms his existing image (schemata).

Chapter III – Research Design & Methodology

Based on the theoretical framework and the analysis of issues in the last years, I created the design of my research and formulated the hypotheses. The theory (Chapter II) has formed the frames.

3.1 Research design

In order to clarify the structure of the research, it is necessary to go back to the situation as described in Chapter I. We started with the thesis that the environment affects more and more the image of the company. Stakeholders have incentives to show their interests in relation to the company. And that leads to inconsistency. After all, each stakeholder informs the society/environment regarding the company from his perspective. This happens often in a quite subjective manner. Chapter II showed subsequently how a company can create a strong image and reputation, in which ways stakeholders can be managed and finally how the environment (individuals around the company) deal with different signals they receive. However, we see around us that many companies struggle to respond in the right way if an incident attracts much attention in the (social) media. And in these times responding appropriately and adequately on an issue is more important than ever. Before you know it, stakeholders are talking *about* you (and not surprisingly often in a negative way). Companies deal quite different with the changing environment. Interventions (from the past 2-3 years) vary significantly both by company and situation. There are plenty of examples: How reacted Apple on reports that children are being exploited in the Foxconn factories where the iPhones are produced? How intervened Albert Heijn to 'Wakker Dier' regarding the allegations of Wakker Dier concerning the 'Plofkip' in the shelf? How reacted Shell on the offenses of Greenpeace? How reacted Domino's pizza when two employees a ghastly movie placed on Youtube that got more than one million views in 24 hour? With this research I would like to consider important factors, which determine how a company can effectively respond to incidents *from the perspective* of the stakeholder. In order to keep it well arranged, I distinguish rudely four different interventions (these interventions will be discussed more in detail later on).

- Ignore (is only possible in case of a *non-issue*). Otherwise explain in – reactive – what is going on.

- Explain the position of the company clearly and argue why certain decisions are made.
- React jointly with stakeholders. If possible make clear which party has not taken its responsibility. Make sure you can react together with some of your important stakeholders.
- Admit in a credible way that the company has made mistakes, make promises (adjust a part of the strategy if necessary), go into dialogue with stakeholders and communicate this!

This could lead to conclusions that are listed in the following table:

Interventions	Situation x	Situation y	Situation z
Ignore; reactive	X		
Explain position		X	
React jointly with stakeholders			X
Admit default and adapt (part of) strategy			X

The table speaks for itself. Each situation has its own context and demands an own response. Still, it's interesting to create a possible categorization on the basis of literature and empirical material, what is actually the next step. This categorization would support companies to make the right decisions (the appropriate reaction).

3.2 Problem statement and sub questions

The categorization, which strives for a structure regarding how companies should intervene, leads directly to hypotheses. By analysing many examples and on the basis of literature I suppose two factors are crucial:

- Hit the incident the organization in its **core values**? (Conflict/not conflict)
- Has the organization had **influence** on the induced inconsistency? (Responsible/not responsible)

It is obviously interesting why especially these two factors could be decisive regarding the choice of a particular intervention. As we saw in Chapter 1, companies are increasingly confronted with their own legitimacy: what exactly is the *raison d'être* of this organization? So, if an incident arises, it has major implications how the company should respond whether

or not this incident hits the company's core values. In the case that the core values are hit, the company should respond completely different, than in the case where de core values are not hit. The second factor has also impact in how the environment (stakeholders) the company perceives regarding the incident. After all, if a company has actively contributed to the occurred inconsistency, the situation becomes more complex. An example is Starbucks who has actively searched for ways to minimize the amount of tax they had to pay. I do certainly not exclude that there are also other factors, which also affect what kind of intervention would be the best (from the perspective of the stakeholder). The model of the Reputation Quotient (Chapter 2) shows the factors that are the foundation of a good reputation: six pillars together determine the reputation of a company. However these pillars concern mainly the directly involved stakeholders like employees. In addition to these six pillars they identify four factors that also influence the reputation: *fame, industry, country of origin and size*. It is clear that these four factors affect the impact of a communication intervention. After all, a company in the chemicals is always under a magnifying glass regarding security. So if a particular stakeholder informs 'the world' via social media that the safety is in question, such a company should react even more carefully and more responsive, than in the case that a marketing agency receives such allegation where security is hardly never an issue.

The two factors can we place in a matrix, which results directly in four hypotheses:⁶

	In contrast with core values	Not in contrast with core values
Influence on incident	<ul style="list-style-type: none"> • Directly admit your fault, making in a <i>credible</i> way promises. • Adapt (a part) of the strategy and communicates this. (1) 	<ul style="list-style-type: none"> • Defence and explain the position of the company and why the company has acted this way. (2)
No influence on incident	<ul style="list-style-type: none"> • React jointly with other stakeholders. • When necessary, make clear which party didn't take their responsibilities. (3) 	<ul style="list-style-type: none"> • Ignore the problem (only in case of a <i>non-issue</i>). • Otherwise react shortly and show leadership. (4)

This leads to the following general hypothesis:

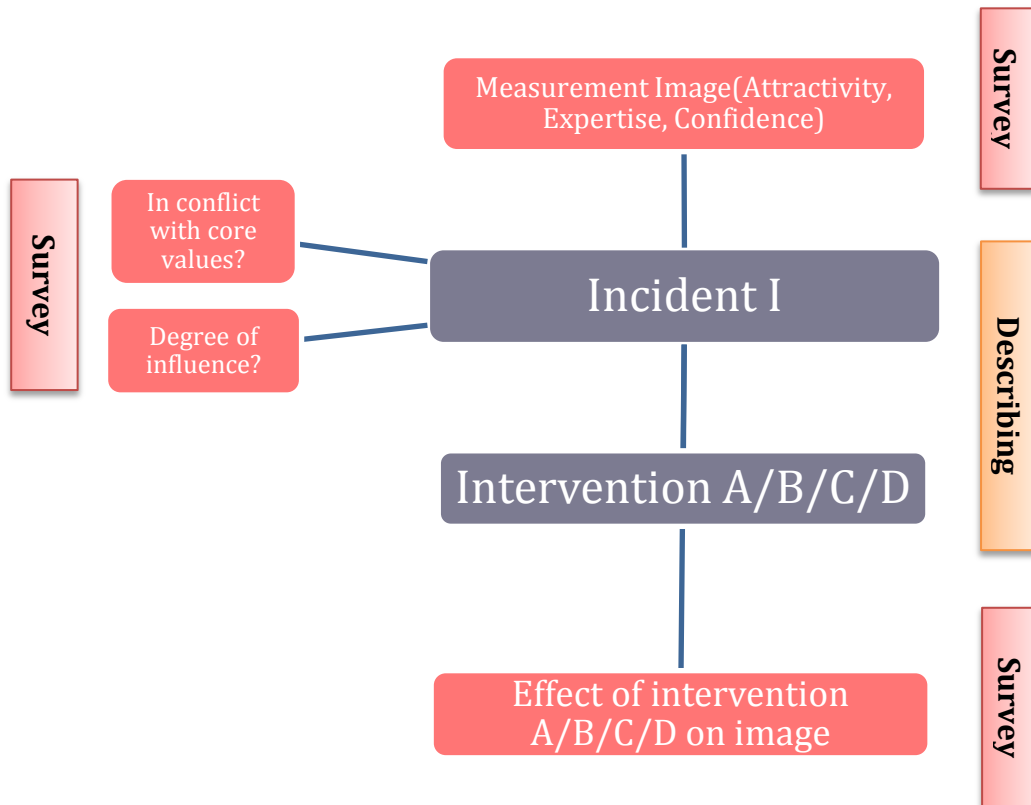
'An appropriate, effective response to an incident is also determined by the following two factors: is the incident in conflict with the core values (1) and is the incident within the sphere of influence of the company (2).'

In other words, I'm going to test which intervention, given the two factors, is effective (born the fruit) from the perspective of the stakeholder. I would like to achieve that companies will gain more control in difficult situation and quickly know how to react.

⁶ E.g. H1 = When an incident happens that in conflict is with the core values of a company and the company has caused this incident (the worst case scenario), directly admitting your fault and making promises for the future is the best intervention.

H2 = When an incident happens that not in conflict is with the core values of a company, but the company has not caused itself the incident, explaining your position and making clear why the company has made certain decisions is the best intervention.

The research design in a nutshell:



The following sub questions will successively be evaluated and will also structure the continuation of this thesis:

- I. What are core values? And on which moment is an incident in conflict with these core values?
- II. On which moment is a company responsible for an incident (from the perspective of a stakeholder)?
- III. What kind of interventions can we distinguish?
- IV. Testing the four hypotheses (see matrix above).

3.3 Justification of the research method

A quasi-experiment will be set up to test the four hypotheses. A questionnaire will be constructed to test whether indeed one specific intervention (see matrix) is the best for one of the four situations. To get enough results I have taken five examples from the recent years: 'Fyra' (NS), 'Plofkop' (Albert Heijn), 'child labour' (Apple), 'DDoS attacks' (ING) and 'horsemeat' (IKEA). For this five examples I have constructed four different surveys in line

with the four different reactions/interventions, I distinguished. The questionnaire consists of several steps. It starts with measuring the image of company. The image will be ranked on the basis of three variables: (1) trust, (2) expertise and (3) attraction. This is a common way to measure the image of a company (Renkema & Hoeken, 1998). Secondly I will describe a certain incident. The four different kind of incidents are off course the four hypotheses that have been previously described in the matrix.

- *The incident hit the core values and the company itself caused the incident.* An example of this is Starbucks that paid far quite little tax through creative subsidiaries that are settled in tax havens. Whereas Starbucks is positioned as an organization that take care for the environment and humanity.
- *The incident hit the core values, but the company itself didn't actively cause the incident.* An example is the recent DDoS attacks on ING. For a bank like ING security is a core value. It is, among other things, their right to exist (legitimacy)! Although the stakeholder holds ING responsible for the attacks, the bank did not actively cause the attacks. This makes the situation different from the one above.
- *The incident didn't hit the core values, but the company itself actively caused the incident.* An example is the mega bonuses at insurance companies and banks. This creates much disgust at the stakeholders (both internal and external), and the company has also clearly caused this disgust. However, this issue isn't directly hitting the core.
- *The incident didn't hit the core values and the company itself didn't actively cause the incident.* An example is the recent horsemeat scandal, which was some months ago many times in the news. It turned out that IKEA was also selling horsemeat in its restaurant. This incident is obviously not hitting the core values. Ikea is after all a furniture seller. In addition, its suppliers misinformed Ikea.

Eventually I have chosen five incidents (two incidents in one quadrant):

- NS facing the problems surrounding the Fyra. (Quadrant 1)
- Apple facing child labour. (Quadrant 2)
- Albert Heijn faced Wakker Dier regarding the 'Plofkop'. (Quadrant 2)
- ING that several times was confronted with DDoS attacks. (Quadrant 3)
- Ikea where horsemeat was found in the meatballs. (Quadrant 4)

So after the image of the firm is measured in the questionnaire and the situation is described, the respondent will be asked to what extent he/she thinks that the core values are hit and in what degree the firm can be held responsible for this incident. To measure this, I used again a 7-likert scale. In this way, the respondent assesses the incident on basis of these two indicators. Moreover, I directly test whether my assumed categorization of incidents in line is with the opinion of the respondents. A company should first wonder how the stakeholder perceives the situation. It is for example possible that a company is convinced that they had no possibility to prevent a certain incident, but the stakeholder can surely thinks so. In such a case, they have to act from the perspective of the stakeholder! So in other words: has the respondent also the opinion that ING had little influence on the DDoS attacks? The results of this question will be discussed in more detail in Chapter V. After this question one of the four interventions will be described. And this is a crucial part of the questionnaire. I have really emphasized this, when I conducted the questionnaire. Finally the respondent was asked to rate the image of the company (attraction, confidence and expertise). The following table shows how the response could be for the DDoS attacks (ING):

DDoS Attacks	Interventie A	Interventie B	Interventie C	Interventie D
Rating Image_1	5	5	6	5
Perception Indicators				
- Core Values	6	7	5	6
- Responsibility	3	5	2	1
Rating Image_2	7	3	3	6
Δ Image	2	-2	-3	1

The last question is an open question, which asked whether the respondent adapted his consumer behaviour caused by the incident and the reaction of the company. This open question gave me many insights! For example, answers shows directly at which organizations the core values are deeply rooted. Apple is a fantastic example! Often the response in the case of Apple was along the lines of: *No, the iPod is a fantastic device, which is so user friendly and easy. No competitor can beats these qualities. In addition, the production conditions at other electronic giants like Samsung are probably not better!*

3.4 Theoretical framework survey

A survey is often easily put together, without thorough research. However, research has shown that a small change in question can cause a substantial change in the outcome. The standard work of Bradburn, Sudman & Wansink (2004) has helped me with the design of the questionnaire. They formulated three basic principles that you should always apply before and during the writing of a questionnaire.

1. *Resist the impulse to write specific questions until you have thought through your research questions.*
2. *Write down your research questions and have a hard copy available when you are working on the questionnaire.*
3. *Every time you write a question, ask yourself “Why do I want to know this?” Answer it in terms of the way it will help you to answer your research question. “It would be interesting to know” is not an acceptable answer.*

The authors subsequently show what common errors are when researchers construct a questionnaire. Examples of notorious errors are: questions are formulated too abstract, words that are ambiguous, words with a certain implication. However, to analyse correctly, it is useful to divide the questions into three groups: (1) questions about actual behaviour/facts, (2) questions about knowledge, (3) questions about attitudes or a psychological state. Every group has namely its own features and points of interest. In my case the survey will ask questions about attitudes or a psychological state. So I will give more attention to the theory regarding this kind of questions. The writers have written down thirteen points that are important in preparing the questions. They call it *the checklist or major points* (Bradburn, Sudman & Wansink, 2004):

1. Make sure the attitudes you are measuring are clearly specified.
2. Decide on the critical aspects of the attitude to be measured, such as cognitive, evaluative, and behavioural components. Do not assume that these components must be consistent.
3. Measure the strength of the attitude by building a strength dimension into the question itself. Either ask separate questions about attitude strength or ask a series of independent questions, each of which reflects the general attitude.
4. Measure behavioural intentions either directly or by asking about the likelihood a respondent will engage in behaviour. For infrequent behaviours, likelihood measures are best; for frequent behaviours, direct measures are better.

5. Avoid double-barreled and one-and-a-half barreled questions that introduce multiple concepts and do not have a single answer.
6. Whenever possible, separate the issues from the individuals or from the sources connected with the issues.
7. Consider using separate unipolar items of bipolar items might miss independent dimensions.
8. Recognize that the presence or absence of an explicitly stated alternative can have dramatic effects on response.
9. Specify alternatives to help standardize the question.
10. Pre-test new attitude questions to determine how respondents are interpreting them. Using split ballots in pre-test is highly desirable.
11. Ask the general question first if general and specific attitude questions are related.
12. Ask the least popular item last when asking questions of differing degrees of popularity involving the same underlying value.
13. Ask exactly the same questions in all time periods, if at all possible, when attempting to measure changes in attitude over time.

Although some points from this checklist are more relevant than others, these points helped me a lot to improve the quality of the survey. I have made my questionnaire both simple and short as possible. I am convinced that every question should excel in clarity and simplicity. What also has helped tremendously is that I was able to give each respondent a short explanation, just before they started to respond the questions.

3.5 Research methodology

Let starts with the aim of this research in terms of research design. This goal is actually twofold on an abstract level. The first part is *Exploratory* (qualitative): what exactly happens around us? About what are we exactly talking? These matters are reflected in the first three sub questions that are quite qualitative. I also have one open question in the survey, which has yielded many qualitative insights. Respondents have shortly indicated what exactly they really like or hate regarding the organization. I will discuss that in more detail further on. The second part of this study is *Explanatory* (quantitative): can we discover possible relationships? Why is a certain reaction less harmful for the image compared to another? These insights are derived from the response of the questionnaires. I am researching whether there is a link between the two indicators and the *effect* of an intervention. This explanatory section exists of two parts: (1) I will use the chi-squared test to measure

whether the respondents scale the two factors (core values and responsibility), like I had proposed. I will calculate the percent (%) of respondents that put each incident on each of the 4 cells in the matrix (observed counts). Statistically, I can test if they are significantly different from my expectations (expected counts) through a Chi-squared test. For example, believe the respondents with me that the DDoS attack of ING is conflicting the core values of the bank? I can test this by comparing the expected counts with the observed counts. The chi-squared test will eventually give the answer. Afterwards I will measure whether reaction x indeed best suits to quadrant 2 (see matrix). I will conduct this by constructing a new variable: scores question 1 (Image_1) minus scores question 5 (Image_2). Using the ANOVA test, we can compare the average scores (four interventions) of this new variable. So we compare five times (the incidents), four averages (the inventions). Is the mean of reaction x significantly higher than the mean of reaction z for example? In that case, we can say that given the situation the intervention as described in the matrix is actually the best from the perspective of the stakeholder.

CHAPTER IV – Results & Analysis

To answer the first three questions I will dive again partly into the theory. The first two sub questions give me an opportunity to define very precisely the two variables of the matrix. The third sub question will give more insight in how I distinguish the four interventions. Next to that I will give some attention to the phenomenon 'intervention' in general. I will use for my answers both the literature as the conversations I have had with communication experts of ING, AFM and Triodos. Regarding the fourth sub question, I will use the response of the surveys (n = 182)

A. Sub question I: What are core values? And on which moment is an incident in conflict with the core values?

4.1 How are core values defined in the literature?

If we want to define core values, we have to start with the old concept of values. Values play an important role in our lives. Authoritative work in this area is done by Milton Rokeach (1973; p. 5). He offered insight in the values of people with his *The Nature of Human Values*. The definition he formulated for the concept value is: *'an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence.'* Rokeach sees values as occupying a central position in the individual's cognitive makeup. Values serve to guide actions, attitudes and judgments, and therefore are determinants of attitudes as well as behaviour. According to Rokeach a value consist of three components:

- Cognitive component -> this tells a person how he should behave in the right way and what purpose he/she should pursue.
- Affective component -> this allows a person to choose intuitively.
- Behavioural component -> this allows a person to engage actively in a certain behaviour

Rokeach analyses the concept of value from the human side. This definition and the accompanying components certainly have points of contact with the question how companies (should) deal with their core values. In my opinion companies should definitely

verify whether the core values as they have formulated actually is a (1) **sustainable belief**, which leads to a certain (2) **way of behaving**. Also for companies, the three components are of huge interest. It starts obviously with the familiarity of the core values. And companies must constantly ask themselves: does our employees actually know and experience the core values? Too often the core values are 'empty shells', which results in the fact that a lot of the employees them hardly knows. Next to this we come to the second component. Since only knowing the values by heart is far from enough. Management, employees and stakeholders should experience and live through the set core values. They have to, as it were, *adore* the core values. The third component is eventually also crucial: core values must be converted into deeds and actions!

Characteristics

For my research, I have looked for more detailed definitions of core values that are specifically formulated for companies. For many theorists, core values of the company are the values that never change. They are so absolutely, or in other words 'a leading guide throughout all times'. Four characteristics are seen as a condition for core values:

- *Distinctive*: compared to competitors and relative to each other
- *Continuity*: connecting the present with the past and the future of the organization.
- *Dispersion*: are valid to the entire organization
- *Relevance*: are logically connected with the strategy of the organization.

Perspectives

In addition to this definition, it is also interesting to see from which perspectives core values can be perceived. In the literature core values are frequently associated with the development of a brand. Every strong brand has certainly a set of strong values. These core values can be perceived from three different points of view (Urde, 2001):

1. **Values that are related to the organization**: Gad (2001) defines corporate values very simple as 'rules of life'. Kunde (2000) goes further and defines core values as follows: 'The expression of the corporate religion is the set of values that unites the organization around a mission and vision.' Collins and Porras (1998) define core values in this way: ... *the organization's essential and enduring tenets – a small set of timeless guiding principles that require no external justification; they have intrinsic value and importance*

to those inside the organization (p. 222). Other definitions are those of Jensen (1999) who describes core values as 'the ultimate form of storytelling' and Edvinsson and Malone (1997) refer to core values as 'the component of intellectual capital'.

2. **Values that summarize the (corporate) brand;** another target of the core values is to define and describe the 'innermost core' of a brand. From this point of view the *essence* of the corporate brand stands in the central point. 'Brand essence' is an important concept. Upshaw (1995) perceives brand essence as the main value: 'the core of the core – brand essence'.
3. **Values that are experienced by the consumers;** for other scientists is anything only of value in the case that these values are experienced by consumers. According McCracken (1993): 'Brands have value, it turns out, because they add value'. Added value has traditionally been an important concept. Urde (1999) claims that the value experienced by consumers should be fuelled by and should get input of the core values.



Note: First, the organisational values are translated into the core values that guide the organisation's efforts. Second, the core values are translated into customer utility value or added value for various target groups

The figure above shows us that the core values are definitely the centre of the organization. These core values give input for both the organizational values and the values that are

experienced by the consumer. This is of great importance. Urde (1999) describes this process as follows in the paper:

*The organizational values answer, in principle, the questions of what we, as an organization stand for and what makes us who we are. These internal values are an important point of departure for the core values, which in turn summarize the brand's identity. The most important task of the core value is to be the **guiding light** of the brand building process. If they are to fulfil their role and function, core values must be built into the product, expressed in behaviour and reflect the feel of communication. (...) Added values are closely related to core values and organizational values.*

This quote clearly shows the important role of core values. They should be leading for the whole organization. If core values are put into practice in the right way, they guarantee huge impact on the leadership of the managers, the strategy, organization, product development, the communication to its stakeholders, the mentality of employees etc.

4.2 Perception of core values

For this research (in particular the matrix), the starting point regarding the core values is how the consumer perceives these values. What are according the respondent the core values of ING? When all employees of the firm 'adore' the values and act according them, like Apple, the general stakeholder will surely know these values. However, unfortunately, this is often not the case. And whatever the perception of the public opinion may be, it is regarded by the society as the truth. The consequence is that firms should closely monitor how the public opinion perceives them. And if necessary, they should try to change this public opinion. Next to this, not only the core values that are chosen by the company are important, also the general values within the society as well the values associated with the industry are of interest.

Social values

Apart from the core values that specifically belong to the organization, companies must also pay close attention to what happened in the society. They have to monitor closely how general values shift in the public debate. This aspect plays a huge role in the perception of stakeholders. We can see this around us. A century ago child labour was still accepted in Western countries. It was just necessary for a lot of families to survive. Nowadays, it is

widely rejected when a company make use of child labour. It will surely hurt the image and reputation. A comparable shift is perceived regarding the bio-industry. Thirty years ago, only a small part of the population was against the battery cage system (chickens). However, in these days, this attitude is completely changed. A large part of the population is against the cage system: a shift has been happened and subsequently companies tried to disassociate themselves from this production method!

Values associated with the industry

In addition to the values that the company chooses itself and the social values, the values that are related to the industry are also of great interest. These values are often *conditions* for a company to operate within a certain industry. For example, in case of the financial sector, security and safety are simply conditions to operate. Without the value 'safety/security' a bank will go bankrupt. In Holland, this happened some years ago with the DSB Bank. Hence, if an incident/issue arises, which is not in conflict with the core values of the company itself, but contrary to the societal values or the values that are associated with the industry, the organization should take the incident very seriously and respond in a proper way. This could even result into an adaption of the strategy (Quadrant 1).

4.3 Core values in practice

As described earlier, core values are the internal principles that guide the actions of a company. Core values have no need to be externally proven. Core values are not given up, even in the case that they don't offer competitive advantage in a market. On the other hand, core values are also in some way dynamic and can be adjusted by a continuous dialogue with stakeholders. This is currently exactly the development at the AFM: they are together with stakeholders looking for the ultimate legitimacy of the organization. They actively appeal the stakeholders to indicate whether they do certain things wrong (AFM). Actually, in this way AFM give their stakeholders a part of the responsibility (in this case the mortgage advisors, the banks, insurance companies, politics, consumer etc.). When one of these parties is complaining afterwards, AFM could respond: why haven't you said this earlier? In the case of ING, the core values are leading for the whole organization, said the spokesman. In a situation of crisis too! ING tries to respond at all times from the core values (commitment, openness & transparency). This is an important notion that should definitely be included in

this research. Apart from the 2x2 matrix, an organization should respond as much as possible from its core values. *The core values must also become visible by the way the organization responds.* The spokesman of ING called this the **brand behaviour**. In addition it is important that the organization is designed in such a way that the employees easily know what happens in the society both regarding the firm and regarding the perception of the core values. At ING, the social media reports goes to all departments: innovation and services, processes, etc. Customer feedback can be taken far more seriously through these reports. However, ING is also aware that the perception of the bank is quite different from the reality. In reality many employees do their utmost to put the values into practice; however, the public opinion is different. This requires from the bank to tell continually their story and stay open and transparent. The spokesman gave an important case study as an example, namely the bonuses of the Board of Directors. ING, at time dependent on support of the government, communicated very transparent and open about the bonuses of the three directors. These bonuses were previously agreed and they are paid in line with these agreements. ING acted according its core values (brand behaviour): open & transparent and reliable (commitments). However, the emotion in the public domain was so strong, that this action created a lot of negative buzz. Through this case, it becomes quite clear that emotions of the society could easily be underestimated.

B. Sub question II: On which moment is a company responsible for an incident (from the perspective of a stakeholder)?

4.4 Degree of influence

The second variable used in the matrix is the degree of responsibility that a company have. In which case is an incident outside the direction, the *playing field* of the company? On which moment does the company really have no influence on the situation (from the perception of the stakeholder)? The reality could be different. I have formulated some concepts to get a better understanding and to form a framework:

- *Responsibility*: to what extent is the company responsible regarding the incident?
- *Accountability*: to what extent could the company be held accountable?
- *Legally liable*: is the company legal liable?
- *Prevention plans*: what has the company done to prevent possible incidents?

In my opinion, those concepts come together in the overarching concept of 'guilt' or 'blame'. Is the company guilty of the incident? Or is another stakeholder guilty of the resulting commotion. If we are wondering whether a company has had influence on the incident, we come to the so-called 'allocation of blame'. Let's start with how this works at interpersonal relationships. If a random person acts mean, cruel, misguided, evil, nasty, then we often condemn this behaviour. After all, it is from moral perspective bad. But that's not everything; we are going to blame such a person for his/her behaviour. He/she was not allowed to do this. The concept of guilt is a central and distinctive aspect of our lives. We all meet it daily!

Motives

The Scottish philosopher and historian David Hume (1739) dedicated already in the 18th century a chapter to the concept:

... it is evident that when we praise or blame individuals for their actions we regard only the motives that produced them, and consider the actions as signs or indications of certain principles in the mind and temper. The external performance has no merit. We must look within to find the moral quality. This we cannot do directly; and therefore fix our attention on actions, as on external signs. But these actions are still considered as signs; and the ultimate object of our praise and approbations is the motive that produced them.

This quote shows that according to Hume the motives play a central role. The outcome itself is less important. We always have to research *why* certain choices are made or actions are taken. An example can make it clearer. If a father goes to the casino and he loses a lot of money (of his family), he will be blamed. However, if he had won a lot of money, we are less inclined to blame the same father. The whole family would be grateful for him since his big wins. Hence, the motive is not different whether he loses or wins a lot of money. So motives behind an action are crucial. Stakeholders actually want to know *why* companies have made certain choices, which eventually turned out to be wrong choices.

Blame and a free will

Skeptics suggest that the concept of guilt assumes that people are fully responsible for their actions; this thought excluded determinism as a possible option. There is, however, no consensus:

‘A compatibilist (a compatibilist believes that free will is compatible with determinism) response to this worry by denying that blame presupposes ultimate responsibility or any such thing; and to offer a competing interpretation of our blaming practices – and of their normative structure – which is such as to leave these practices seeming **reputable** (neither confused, nor incoherent, nor unjust) even under the assumption of determinism (Boyd, 2007).

I definitely agree with the compatibilists. After all, this research is about the judgement of a general stakeholder regarding a certain incident. Had the organization the ability to do things in a better way? A belief in determinism is simply not possible.

Blame compared with other attitudes

It is clear that blame is difficult to compare with other emotions like anger, pity, sympathy etc. If person A has sympathy for person B, without any direct reason for it, nobody condemn that behaviour. The same logic applies to anger. If person A is angry at person B, but he cannot provide a reason for his anger, we find that probably strange. And maybe we conclude that his anger is unjustified. However, when we hear that A blames person B without a particular reason, we simply don't accept that. Our reaction wouldn't be that we judge A as unreasonable, irrational or unjust because he blames B without any reason for it. No, we shall say that A himself is confused. A can, after all, never blame B without he knows *why* and *for which* B is wrong. In other words: people find it simply impossible that A accuse person B without any reason. We can conclude that blame clearly deviates from other attitudes as anger, pity or fear of the other. In addition, the concept of blame consists of three actors: the one who accuses, the one accused and the basis for the blame. And this final factor is really unique in the case of blame compared to other attitudes. Debt requires an object.

4.5 Blame and organizations/firms

Till now, we especially investigated some characteristics of blame at interpersonal relationships. This conceptual framework can we (partly) apply to organizations. For example, also in case of organizations, a reason for blame is necessary. We cannot blame a company for something, when there is actually no 'something'. After all, the incident arose because certain things are happened. It is also plausible that the *motives* of certain choices/actions made by the organizations also play a large role. What is the underlying motivation regarding certain decisions and actions? The second point is the question whether the organization could have done otherwise. Had the organization, from the perspective of the stakeholder, the option (*free will!*) to organize things in a different way? Or was that not possible? These two factors, reason and motivation play a large role in assessing the liability.

4.6 Reality vs. perception

An important side note, which should be included, is that imaging is crucial. This is also reflected in the results of the questionnaires. A few respondents counter some difficulty to estimate whether an organization has had the ability to prevent the incident. For example, a part of the respondents was convinced that ING indeed caused the DDoS attacks, which isn't the truth. Another example is the horsemeat scandal in case of Ikea. A part of the respondents considers that Ikea was on default, whereas strictly speaking, it was an error made by the subcontractor. These results of the questionnaire encourage and urge me to elaborate this phenomenon: the gap between image and reality. 'Organizations should be transparent!' is often chanted. Yet to be transparent is less *straightforward* than you might think.

Transparency and avoiding blame

Transparency has become a popular term. In our modern society, organizations should be increasingly transparent and act without a double agenda. Yet it remains a hot potato. After all, a company, which is completely transparent, will definitely be in war with one or more stakeholders. Stakeholder A (e.g. employees) and stakeholder B (e.g. shareholders) could have conflicting interest. So to become transparent is less simple as we may think. Transparency roughly consists of two components: **reliability** & **accessibility**. These two

components are at odds. The past years many authors have extensively written on the subject of transparency. A short anthology:

- David Heald (2003, 2006) contrasts ‘event transparency’ (open information about inputs, outputs and outcomes) and ‘process transparency’ (open about the transformations that have taken place between the inputs, outputs and outcomes).
- David Heald (2003) differentiates real-time transparency (information is released as soon as it arises) and retrospective transparency (information is available after embargoes and delays).
- Andrea Prat (2005) distinguishes the type of transparency that ‘increases the attaining principal’s control over an agent from that which has the opposite effect’
- There is also a distinction between direct and indirect transparency. Direct transparency is the openness, what can be observed by the general public. Indirect transparency is the openness of information, which is meant for (technical) experts. The layman understands little of this information.

Hood (2007) constructed a table based on *How* and *Who*. This leads to four types of transparency, which are categorized:

	Direct (observable by the public)	Indirect (observable by experts)
Individuals (general)	(1) Open mutual scrutiny Example: Rousseau’s (1772) plans for Poland	(2) General surveillance Example: Brin’s (1998) transparent society
Organizations	(3) Public forums for officeholders Example: FOI laws and virtual or physical public forums as advocated by Shrader-Frechette (1991) for risk management.	(4) Bureaucratic transparency Example: The EU’s various transparency directives

After this short elaboration we have to conclude that transparency is less simple than we think. There are different forms of transparency and it is quite insecure how the (social) media is reacting on the transparency of the organization. So it's too simplistic that increased transparency will lead to more confidence and a better image. It is just how journalists, consumers, politicians, investors etc. interpret certain things. In addition we saw in Chapter 2 that a company, which made certain decisions (and is open about it) will benefit a certain stakeholder. But the same decision could anger another.

4.7 Influence/accountability in practice?

By the conversations with Ina Sok, Harold Reusken and Roel Welsing, respectively communication officer of AFM, ING spokesman and head of marketing of Triodos, I've got a picture how they perceive their influence and the imaging of their influence. ING took the example of the disturbances with the online banking. The technical part of the banking is the responsibility of a different organization. However, if interference is happening, the customer will perceive ING as responsible. In this case it is according to the spokesman not wise to blame explicitly the partner, who is responsible for the incident. You should react correctly, open and transparent. So explain the situation clearly and indicate that both parties work together for a solution. To blame a partner (stakeholder) is definitely not an option. Another insight I got from the conversations is that you as an organization should actively involve the stakeholders. The AFM has intense conversations with stakeholders at the end of a period, where the AFM emphatically ask for feedback: *if we do certain thing wrong, you must tell us!* And when there is an issue they can operate jointly with the key stakeholders.

C. Sub question III: What kind of interventions can we distinguish?

4.7 The importance of proper communication interventions

Let's start with an excellent example that proves clearly how accurate a response/communication-intervention should be. Some years ago in the Gulf of Mexico an oil platform (Deepwater Horizon) of BP broke off, losing an unprecedented amount of oil into the ocean. In addition, it took the lives of 11 employees of BP. Next to this, the technicians were failing again and again in closing the gap. Daily, which went on for weeks, an incredible amount of oil came in the Ocean (five million barrels!). An unparalleled natural disaster. Tony Hayward, at that time the CEO of BP, had to account himself for the press. Also on 30th May 2010. At that time he was visibly frustrated by the suggestions of journalists that BP hadn't done enough to close the gap. He wanted to show that he, as CEO, is both worried and takes the situation seriously: *'We're sorry. We're sorry for the massive disruption it's caused their lives. And you know we're – there's no one who wants this thing*

*over more than I do. You know, I'd like my life back.*⁷ This statement had the opposite effect. It was interpreted as the (unjust) self-pity of Hayward. In the media the real victims were the eleven workers who died, the family of these deceased, the wounded and the thousands of coastal residents. This specific quote is seen as the as the turning point. BP has lost on that very moment the favour of the public opinion. The trust and support disappeared. In an article of Garcia (2012) guidance is provided for a proper response, in order to prevent example of above. The author himself uses the following definition: 'Communication is an act of will directed toward a living entity that reacts'

1. **Communication is an act of will:** 'Effective communication is intentional, goal-oriented and coherent with an organization's strategy. (...) Associated actions and behaviours are also a critical part of the message. Communication includes any engagement with a stakeholder.'
2. **....directed toward a living entity:** 'Stakeholders don't simply receive messages, they have their own opinions, ideas, hopes, dreams, fears etc. Most important, it is a mistake to assume that all audiences think and behave just as we expect them to. Understanding an audience's preconceptions, and its disinclination to accept a message, is a key part of communication.'
3. **... that reacts:** 'It should be clear about what reaction you want to provoke before you speak.'

This definition seems to be obvious. In practice, however, it is much trickier. Yet these conditions are necessary for every possible communication intervention. If an incident pops up, these three points of interest should be considered. The example of Tony Hayward speaks volumes. In the same article a checklist is given that 'communicators' provide guidance. Apart from the hypotheses and the proposed interventions (Chapter 3) this checklist is for each and every intervention useful:

- What know we from the audience?
 - Which stakeholder groups is most important?
 - What do we know about the group's values, experiences, and level of sophistication?

⁷ Jessica Durando, "BP's Tony Hayward: I'd like my life back," *USA Today*, June 1, 2010, <http://content.usatoday.com/communities/greenhouse/post2010/06/bp-tony-hayward-apology/1>

- What don't we know that we should?
- The influencers on the group's behaviour
 - What are the group's hopes, aspirations, and desires?
 - What are the group's worries, concerns, and fears?
- The group's relationship to us
 - What does the stakeholders currently do, think, feel, or know about us?
 - What changes in the group's actions, thoughts, feelings, knowledge, or expectations would benefit our goals?

Any communications advisor should answer these three questions before he/she will make the intervention more specific. However, after answering these questions, the intervention should be made more specific. And that is exactly the point where this research could contribute and support the communication advisor.

4.9 The communication interventions

The described interventions/comments are obviously communication interventions. This does not mean, however, that it is always limited to communication. If a company make promises about their behaviour, then these promises must be met. It starts, however, to communicate about the issue in a proper way. As discussed before, in my opinion there are broadly four interventions:

- Ignore (is only possible in case of a *non-issue*). Otherwise explain – reactive – what is going on.
- Explain – proactive – the position of the company clearly and argue why certain decisions are made.
- React jointly with stakeholders. If possible make clear which party has not taken its responsibility.
- Admit in a credible way that the company has made mistakes, make promises (adjust a part of the strategy if necessary), go into dialogue with stakeholders and communicate this!

Ignore (is only possible in case of a non-issue). Otherwise explain – reactive – what is going on.

‘Responding to an incident can enlarge the whole incident’; this is a reasoning which is often used. Ignoring an ‘issue’ is only possible if the majority of the public also acknowledges that nothing has happened. If that is not the case, it can be an opportunity for the company to respond and explain what is going on. By doing so the company can create positive attention and the issue can become a chance!

Explain – reactive – the position of the company clearly and argue why certain decisions are made.

In case of this intervention, the company recognizes the issue and its involvement. In this respect, the company explains its position and why possible choices are made. If the organization is honestly convinced they are not to blame for what happened, they should explain this and may even make clear which party should be held accountable. Important notion is that the company can defend its position only if the issue is not in conflict with the social core values. These social core values are cautiously shifting throughout the times and must therefore be monitored quite accurate by the company.

React jointly with stakeholders. If possible make clear which party has not taken its responsibility.

Reacting together with certain stakeholders makes your reaction more credible. They are your ambassador. With this intervention the company recognizes not only an incident has occurred, but also takes direct responsibility to prevent this kind of matters in the future. With this intervention the organization shows leadership. And with stakeholders (ambassadors of the organization) together they can attack the common enemy.

Admit in a credible way that the company has made mistakes, make promises (adjust a part of the strategy if necessary), go into dialogue with stakeholders and communicate this.

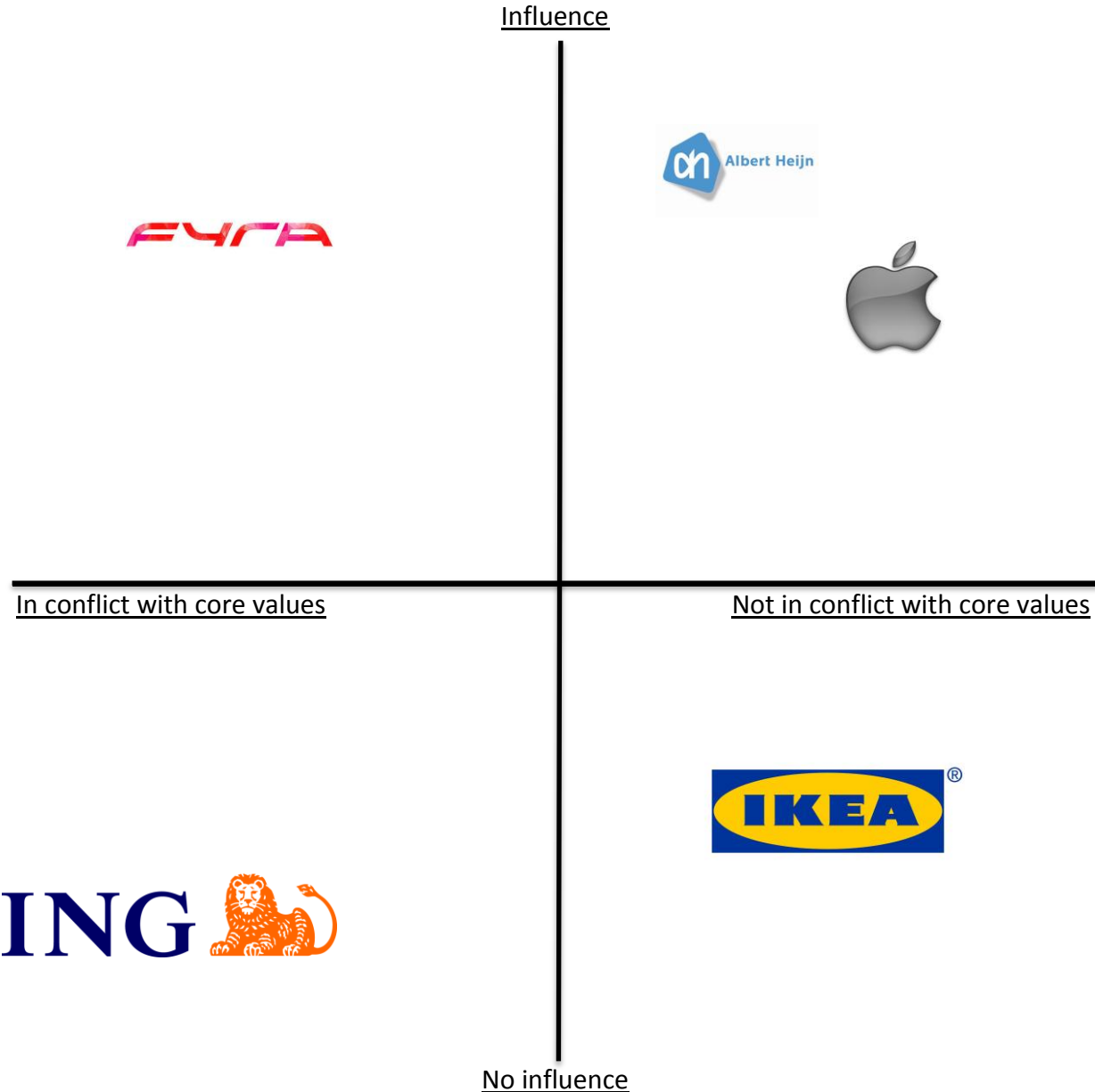
With this intervention the company acknowledges that mistakes are made in the past. The company recognizes its responsibility, which is not taken seriously. They are aware of the mistakes and promise they have learned from it. It is crucial that they promise in a credible way plausible improvements. So regarding this intervention, credibility is key. This does not

mean that a company should say: 'from tomorrow this will not occur again'. Such quotes are after all, extremely incredible.

D. Sub question IV: Testing the four hypotheses (the matrix)

4.10 How does the respondent scales the incident (regarding the two factors)?

Before we can test the hypotheses, we first must test whether the respondents perceives the issues in the right way. To answer that question correctly I would like to show where each incident is situated. Logical reasoning and discussion with many people resulted to this scale.



So now we can elaborate whether respondents also perceive the incidents like this. How is the imaging? Does it deviates from the reality? Estimates the general stakeholder the blameworthiness of a company correctly? And can a respondent properly determine whether or not an incident is in conflict to the core values of the company?

To measure this the chi-squared test is quite suitable:

$$\chi^2 = \sum \frac{(\text{observed} - \text{expected})^2}{\text{expected}}$$

The degrees of freedom is determined as follows: (r-1) (c-1)

If the expected scores differ much from the observed scores, it will result in a big χ^2 . And a big χ^2 will indicate that there are significant differences between the reality of the incidents and the perception of the general stakeholder.

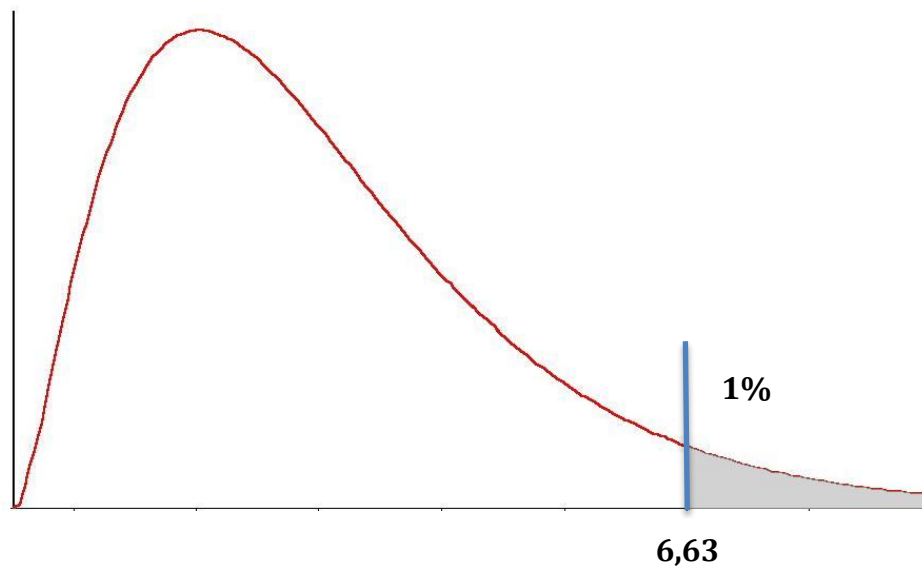
Expected count	In conflict	Not in conflict	Total
Influence	16,5% (30)	43,4% (79)	109
No influence	16,5% (30)	23,6% (43)	73
Total	60	122	182

Observed count	In conflict	Not in conflict	Total
Influence	22,7% (27)	32,8% (39)	66
No influence	19,3% (23)	25,2% (30)	53
Total	50	69	119

Sum (observed – expected)	In conflict	Not in conflict	Total
Influence	6,2%	- 10,6%	16,8
No influence	2,8%	1,6%	4,4
Total	9	12,2	21,2

De χ^2 $[(21,2)^2 / 182] = 2,47$

This value should be compared with the p-value of Chi-squared distribution. This value is (at a *df* of 1 and a significance level of 0.01) **6.63**. We compare this with the chi-squared value of 2,47. This means that we can conclude that respondents can access whether an incident is significantly in conflict with the values of the company/society and whether the company could have avoided the incident.



If we take a closer look at the tables we can conclude, that the biggest difference is in the quadrant, where the company has had influence on the incident, but the incident is not in conflict with the core values. And when we further zoom in we see that respondents actually understand that the organization (in this case, Apple and Albert Heijn) are blameworthy for the emergence of the incident. However, a significant proportion is convinced that the issue is in conflict with the (shifting) societal values. This means that companies like Apple and Albert Heijn should accurately monitor whether they don't make decisions which are contrary to societal values. After all, these values shift over time.

4.11 Are the supposed interventions the best from the perspective of the stakeholder?

Eventually we arrived at the crucial question: are the hypotheses true? Is the matrix useful for communication advisors? In order to test the hypotheses, I have constructed a new variable: namely *question 1* minus *question 5*. This variable shows what the effect is of the response. Subsequently, I used the ANOVA test in order to compare the different groups. I define 'group' as to which reaction/intervention the respondents are 'exposed'. So I compare for each quadrant in the matrix the averages of four groups. The starting point is

the respondent. How did he/she classify the incident and does he/she think that the response of the company is appropriate?

ANOVA

The ANOVA test is a widely used test to measure certain differences between groups. Using the ANOVA test, I can compare several (more than 2!) averages with each other (in contrast to the t-test). First step is always to check whether the data meets the assumptions. The one-way ANOVA assumes that the four groups has a normal distribution. In addition, the test assumes that the groups come from a distribution with the same variance. The Levene's test for equality of variance test whether the variance in the groups can be assumed as equal. If these conditions aren't met, a non-parametric Kruskal Wallis analysis be considered.⁸ So, all these conditions have to be checked:

1. Are the scores in the groups normally distributed?

- I have used the Q-Q plot to get insight in the distribution of the values. An alternative could be to account the 'skewness' and 'kurtosis'. If the distribution is normal, then the value is zero. As long as the values fall between -1 and + 1, the distribution is approximately normal.

2. Have the different groups about the same variance?

- The F-test can be used to measure whether the groups have approximately the same variance. Another option is the Levene's test, which I have used.

3. Are the scores represented on the *interval* level?

- The scores of the questionnaires can be presented on interval level. All scores are interval variables. Respondents indicated on a scale of 1 to 7 whether they agreed with the statement.

The conditions above I checked and fortunately the data meets these conditions in three of the four quadrants. Now I will further discuss these three quadrants. Based on the ANOVA test and the post-hoc test, we can eventually draw important conclusions. I will execute this per quadrant. The cases are classified on the basis of the perception of the respondent. That is the basis. The chi-squared test showed us that this is significantly correct.

⁸ [http://os1.amc.nl/mediawiki/index.php?title=One-way ANOVA](http://os1.amc.nl/mediawiki/index.php?title=One-way_ANOVA)

Group I: In conflict with core values – Influence on incident

	In conflict with core values	Not in conflict with core values
Influence on incident		
No influence on incident		

Descriptives

In_Strijd_Veel_Invloed

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
1,00	20	-2,8500	2,08440	,46609	-3,8255	-1,8745	-9,00	-1,00
2,00	19	-1,3158	2,47325	,56740	-2,5079	-,1237	-5,00	5,00
3,00	19	-,8947	2,23345	,51239	-1,9712	,1818	-7,00	2,00
4,00	17	-2,0000	2,50000	,60634	-3,2854	-,7146	-6,00	4,00
Total	75	-1,7733	2,39692	,27677	-2,3248	-1,2219	-9,00	5,00

Test of Homogeneity of Variances

In_Strijd_Veel_Invloed

Levene Statistic	df1	df2	Sig.
,284	3	71	,837

ANOVA

In_Strijd_Veel_Invloed

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	42,702	3	14,234	2,643	,056
Within Groups	382,445	71	5,387		
Total	425,147	74			

Based on the table above, we can conclude that at a significance level of 0.1 the averages are significantly different. So we can conclude there are differences between the different interventions regarding the change of image between. However, these are not significant at a level of 0.05, so the differences are not quite huge. The post-hoc test shows us exactly which interventions caused the best effect and which the worst. In other words: which intervention generate actually the best impact regarding the image in this quadrant?

Multiple Comparisons

Dependent Variable: In_Strijd_Veel_Invloed

Bonferroni

(I) Intervention_Group1	(J) Intervention_Group1	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
1,00	2,00	-1,53421	,74353	,256	-3,5523	,4839
	3,00	-1,95526	,74353	,063	-3,9733	,0628
	4,00	-,85000	,76563	1,000	-2,9281	1,2281
2,00	1,00	1,53421	,74353	,256	-,4839	3,5523
	3,00	-,42105	,75300	1,000	-2,4648	1,6227
	4,00	,68421	,77483	1,000	-1,4188	2,7872
3,00	1,00	1,95526	,74353	,063	-,0628	3,9733
	2,00	,42105	,75300	1,000	-1,6227	2,4648
	4,00	1,10526	,77483	,949	-,9978	3,2083
4,00	1,00	,85000	,76563	1,000	-1,2281	2,9281
	2,00	-,68421	,77483	1,000	-2,7872	1,4188
	3,00	-1,10526	,77483	,949	-3,2083	,9978

Based on this test we can see that the main difference are between intervention 1 (reactive) relative to intervention 3 (acknowledge guilt) $3 > 1$. In addition, there is also a reasonable difference between intervention 2 (explain) with respect to intervention 1 (reactive) $2 > 1$. However, this difference is not significant. This pattern is in line with the hypothesis, which assumed that admitting guilt (acknowledge) is the most proper way to respond. And hardly responding (intervention 1) on an incident which had hit the company, isn't obviously an option.

Group II: Not in conflict with core values – Influence on incident

	In conflict with core values	Not in conflict with core values
Influence on incident		
No influence on incident		

Descriptives

Niet_in_strijd_Invloed

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for		Minimum	Maximum
					Mean			
					Lower Bound	Upper Bound		
1,00	19	-2,1053	1,69623	,38914	-2,9228	-1,2877	-5,00	1,00
2,00	20	-,1000	1,94395	,43468	-1,0098	,8098	-4,00	5,00
3,00	15	-2,4000	2,41424	,62335	-3,7370	-1,0630	-8,00	1,00
4,00	15	-1,6000	1,80476	,46599	-2,5994	-,6006	-7,00	,00
Total	69	-1,4783	2,13244	,25672	-1,9905	-,9660	-8,00	5,00

Test of Homogeneity of Variances

Niet_in_strijd_Invloed

Levene Statistic	df1	df2	Sig.
,445	3	65	,722

ANOVA

Niet_in_strijd_Invloed

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	58,428	3	19,476	5,048	,003
Within Groups	250,789	65	3,858		
Total	309,217	68			

The ANOVA test shows that in this quadrant the averages significantly differ (on a significance level of 0.05). In addition, the differences are even significant at a level of 0.01. This means that we can discover significant differences between the average image change of the different reactions in this quadrant.

Multiple Comparisons

Dependent Variable: Niet_in_strijd_Invloed

Bonferroni

(I) Intervention_Group4	(J) Intervention_Group4	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
1,00	2,00	-2,00526*	,62927	,013	-3,7178	-,2928
	3,00	,29474	,67845	1,000	-1,5516	2,1411
	4,00	-,50526	,67845	1,000	-2,3516	1,3411
2,00	1,00	2,00526*	,62927	,013	,2928	3,7178
	3,00	2,30000*	,67092	,006	,4742	4,1258
	4,00	1,50000	,67092	,173	-,3258	3,3258
3,00	1,00	-,29474	,67845	1,000	-2,1411	1,5516
	2,00	-2,30000*	,67092	,006	-4,1258	-,4742
	4,00	-,80000	,71724	1,000	-2,7519	1,1519
4,00	1,00	,50526	,67845	1,000	-1,3411	2,3516
	2,00	-1,50000	,67092	,173	-3,3258	,3258
	3,00	,80000	,71724	1,000	-1,1519	2,7519

*. The mean difference is significant at the 0.05 level.

The post-hoc test traces the differences. In this quadrant the differences are especially between intervention 2 (Explaining) versus intervention 3 (Acknowledging guilt) and 1 (Reactive responding) (**2>1**; **2>3**). In addition, there is a (smaller) difference between intervention 4 (Reacting jointly with stakeholders) and 2 (**2>4**). This is in line with the hypothesis that explaining your position, the situation and why certain choices are made is crucial. Side note to this quadrant is, that 'not in conflict with core values' can shift throughout the time to 'in conflict with core values'. After all, the societal values are also certainly important and shifting over time.

Group III: In conflict with core values – No influence on incident

	In conflict with core values	Not in conflict with core values
Influence on incident		
No influence on incident		

Descriptives

In_Strijd_Geen_Invloed

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
					1,00	13		
2,00	8	,6250	1,84681	,65295	-,9190	2,1690	-1,00	4,00
3,00	8	-1,6250	2,06588	,73040	-3,3521	,1021	-6,00	1,00
4,00	13	,3846	2,21880	,61538	-,9562	1,7254	-3,00	5,00
Total	42	-,7143	2,38170	,36750	-1,4565	,0279	-6,00	5,00

Test of Homogeneity of Variances

In_Strijd_Geen_Invloed

Levene Statistic	df1	df2	Sig.
,206	3	38	,892

ANOVA

In_Strijd_Geen_Invloed

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	60,821	3	20,274	4,486	,009
Within Groups	171,750	38	4,520		
Total	232,571	41			

Also in this quadrant the differences are significant at a level of 0.01. In this case it is again important for organization to realize in which quadrant the issue is located. Subsequently the matrix can support them to respond in a proper way.

Multiple Comparisons

Dependent Variable: In_Strijd_Geen_Invloed

Bonferroni

(I) Intervention_Group2	(J) Intervention_Group2	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
1,00	2,00	-2,70192*	,95532	,045	-5,3610	-,0428
	3,00	-,45192	,95532	1,000	-3,1110	2,2072
	4,00	-2,46154*	,83387	,032	-4,7826	-,1405
2,00	1,00	2,70192*	,95532	,045	,0428	5,3610
	3,00	2,25000	1,06298	,245	-,7088	5,2088
	4,00	,24038	,95532	1,000	-2,4187	2,8995
3,00	1,00	,45192	,95532	1,000	-2,2072	3,1110
	2,00	-2,25000	1,06298	,245	-5,2088	,7088
	4,00	-2,00962	,95532	,253	-4,6687	,6495
4,00	1,00	2,46154*	,83387	,032	,1405	4,7826
	2,00	-,24038	,95532	1,000	-2,8995	2,4187
	3,00	2,00962	,95532	,253	-,6495	4,6687

*. The mean difference is significant at the 0.05 level.

With the post-hoc test we can determine again where the biggest differences are. In this quadrant the differences are between intervention 2 and 4 versus 1 (**2>1; 4>1**). Moreover, there is also a reasonable difference between intervention 3 versus 4 (**4>3**). We can explain these differences quite well. In this quadrant, it turned out that it is really important to clearly explain what the situation is and the company's position within that situation. And this is particularly the case with intervention 2 and intervention 4.

Group IV: Not in conflict with core values – No influence on incident

	In conflict with core values	Not in conflict with core values
Influence on incident		
No influence on incident		

Descriptives

Niet_in_Strijd_Geen_Invloed

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
					1,00	8		
2,00	14	-,7857	1,52812	,40841	-1,6680	,0966	-4,00	3,00
3,00	9	-1,8889	1,61589	,53863	-3,1310	-,6468	-4,00	1,00
4,00	6	-1,3333	2,87518	1,17379	-4,3507	1,6840	-5,00	3,00
Total	37	-,9730	1,95059	,32068	-1,6233	-,3226	-5,00	3,00

Test of Homogeneity of Variances

Niet_in_Strijd_Geen_Invloed

Levene Statistic	df1	df2	Sig.
2,043	3	33	,127

ANOVA

Niet_in_Strijd_Geen_Invloed

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	16,394	3	5,465	1,496	,234
Within Groups	120,579	33	3,654		
Total	136,973	36			

This ANOVA test shows that the differences in this quadrant are not significantly. The differences between the effect on image of the interventions are apparently too small. Nevertheless, I have performed a post-hoc test to determine where exactly the (small) differences are.

Multiple Comparisons

Dependent Variable: Niet_in_Strijd_Geen_Invloed

Bonferroni

(I) Intervention_Group3	(J) Intervention_Group3	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
1,00	2,00	,78571	,84719	1,000	-1,5922	3,1636
	3,00	1,88889	,92883	,301	-,7181	4,4959
	4,00	1,33333	1,03234	1,000	-1,5642	4,2309
2,00	1,00	-,78571	,84719	1,000	-3,1636	1,5922
	3,00	1,10317	,81669	1,000	-1,1891	3,3954
	4,00	,54762	,93273	1,000	-2,0703	3,1656
3,00	1,00	-1,88889	,92883	,301	-4,4959	,7181
	2,00	-1,10317	,81669	1,000	-3,3954	1,1891
	4,00	-,55556	1,00746	1,000	-3,3833	2,2721
4,00	1,00	-1,33333	1,03234	1,000	-4,2309	1,5642
	2,00	-,54762	,93273	1,000	-3,1656	2,0703
	3,00	,55556	1,00746	1,000	-2,2721	3,3833

The test above shows that the differences are indeed minimal. There is just one small difference that can be traced: intervention 1 versus 3 (**1>3**). This is a logical result. After all, admitting guilt (intervention 3), whereas the incident is located in the quadrant, where the organization has had little or no influence on the incident. In the questionnaires intervention 1 is described as follows: *Company x has hardly responded to the incident*. It turns out that not reacting is actually almost never an option. Exactly in this quadrant, a company can take the opportunity to be the forerunner and leader of its branch to react on the incident.

Chapter V – Discussion & Conclusion

We are now arrived at the point where the conclusions can be drawn. This is the time to bring the red lines throughout the research together. These lines, which all debouch into the model.

5.1 The lines come together ...

Through this chapter I would like bring the big lines together. Three main lines are circling around the question how to build and maintain a strong image in tough times:

LINE I: The environment

- What has exactly changed in the environment?
 - What are the consequences of this changing environment for the organization?
-

LINE II: The organization

- What are the underlying factors of a strong image and reputation?
 - What have organizations done in the past to acquire and retain a consistent and strong image?
 - How can a company get grip on the changed environment and the growing influence of stakeholders on the image and reputation?
-

LINE III: The stakeholders (public opinion)

- How process stakeholders new information?
 - What is the impact of inconsistent signals?
-

These three lines bring us to the model which is the core of the whole research. First, I will shortly summarize the conclusions of these three lines. Let's start with the first line, namely the environment. The environment is critical. Where the legitimacy of a bank was in the past not 'im frage', this question is nowadays quite actual. In addition, each individual, also the own employees, can communicate to the world. Organizations should start with the foundation and wondering what exactly justifies their existence. Why do they exist? Companies must have a proper and credible response to this questions. The second line is the organization vs. a strong image. Next to all forms of communication (including how the organization behaves 'brand behaviour') a strong identity – distinctive core values, which lives throughout the organization – has a positive effect on the image. In this respect consistency is quite important! Consistency in all communication is a condition for a good

image and a strong reputation. The concept reputation is further elaborated and developed with the reputation-quotient (Fombrun, Gardberg & Sever, 2000). But capricious stakeholders show quickly whether they are not satisfied with the organization. So inconsistency arise quite simple and quickly. In this context, the external and internal alignment is crucial. If the company is to a large degree 'aligned', the risk of contradictory signals is simply much smaller. The external alignment could result in acquiring legitimacy. Legitimacy can only be achieved by a dialogue with all stakeholders. And companies have to continue this dialogue, again and again! Only by an intense dialogue more grip can be held on the environment. This second line in the thesis show us what organizations can do to avoid inconsistency as much as possible. This include off course the *Integrated Marketing Communication, Enterprise Branding and Stakeholder Management Models*. The third line is the line of the stakeholders. We start again with the changed environment (which is caused by the stakeholders!). Recipients have to process much more incentives on day compared to the past. People generally select the signals, which they process actively. Psychologists have shown that two factors are decisive in the selecting process: uses and gratifications, or in other words utility and satisfaction. People select the things which they consider either as useful or it delivers satisfaction. A second important model is the cognitive dissonance. Recipients consider it as uncomfortable when they hear certain things which are incompatible with their existing beliefs. Human beings deal differently with this inner inconsistency. This means actually that if a particular person is a really big fan of an organization, he/she won't directly believe signals, which are negative about the company. This is regularly confirmed by the response of the last open question of the survey. Answers like this appeared a lot:

- 'Apple makes fantastic products! In addition, other electronics producers are also making use of child labour, it is there perhaps even worse.'
- 'Ikea is innocent regarding the horsemeat in the meatballs, this is the default of the supplier, who had the trust of Ikea'

These three lines results into the final model. Although it is surely a condition for organizations to do as much as possible to prevent inconsistent signals (for example by remaining the dialogue with your stakeholders); this guarantees in no way that no more incidents could happen. The environment has become a lot more erratic and this results that apparent small issues can easily evolve into major incidents. Enough examples have already

been passed. The question then is how to deal with an upcoming incident. Two factors play a role in determining how to respond. The core values and the influence. Regarding core values not only the core values defined by the company are important, but also the social core values and the values that are inherently associated with a particular industry (e.g. safety of money in case of the financial sector). In particular the social core values can shift through time and must therefore be constantly monitored. The second factor, influence, quickly evolves to the concept of blame. Who was accountable? It is, however not really important who actually was at default, but much more who the stakeholder perceives as guilty! Imaging is crucial. The model (the 2x2 matrix) is first of all intended to identify/locate the issue. In addition, it helps organizations to make the right decision in how to react. Off course, every incident is unique and requires its own specific approach. In addition, the company should always respond from the values of the brand (brand behaviour). So the way of communicating must be in line with the values of the company. However, these two side notes doesn't alter the fact that there we can make a categorization, which can guide companies. This is confirmed by the results of the questionnaire, I have implemented. Three of the four quadrants have significant results!

	In conflict with core values	Not in conflict with core values
Influence on incident		
No influence on incident		

The response has shown that in green coloured quadrants the supposed intervention actually has the most positive effect on the image. In some cases, two interventions (including the supposed) has significantly a positive effect on the image. Regarding the fourth quadrant, there is a side note, which may clarify why this quadrant isn't significant. I described intervention 1 in the questionnaire as 'the company hardly respond to the incident'. It turns out that even if the incident is not really relevant for the organization and the organization cannot held be accountable for the incident, not responding (ignoring) is still no option. In such situations, the organization could take the opportunity to show their leadership! The results from the survey give enough starting points for further research. For example, in further research the interventions can be more defined by simulating them in case of describing. In conclusion, I hope this thesis is going to help companies and

organizations to respond quickly and appropriate when an possible incident pops up. Engage the stakeholders! Know what is going on in the environment around your organization! Make sure that the organization is both internal and external 'aligned'! Prove your legitimacy, every day again! Define tangible core values and act according them (live them!). They give direction and guidance to the organization. In addition, be aware of the environment in where stakeholders can make small incidents big issues. Subsequently, it is quite important to get the imaging as far as possible in line with reality. Stakeholders can actually help the organization with this process. After all, they are credible. This is also important for the validity of my model. Because what if the public (the general stakeholder) places the issue in another quadrant than yourself? Regarding the public, their image is reality. This is an important condition for this model: make sure that the imaging is close to the reality. This can be achieved by an on-going dialogue (AFM). Make sure that the (relevant) audience knows where your company stands for, what actually your values are. That is important too for the second factor: the public should know who the accountable party is. If that is the case, the 2x2 matrix support organizations to make the right choices.

5.2 Restrictions

The thesis has some limitations that should be mentioned:

- It is not easy to measure what the effect is of a certain response. The reactions/interventions are described in the questionnaires. So the respondents had to imagine what the effect was of that reaction on their attitude to the organization.
- The ING-incident was for a part of the respondents still fresh in the memory and they also remembered the actual reactions of ING. Therefore it was even more difficult to estimate what the effect was of a fictional reaction in the questionnaire.
- For more robust results more respondents should participate and secondly, it would be better if the possible communication interventions would be not described, but be simulated.
- The vast majority of respondents are higher educated (HBO and WO). Since, this is only a part of the society, the results are not representative. It would be better if the respondents come from all education levels.

5.3 Recommendations for further research

I would like to make some recommendations for further investigation. The environment changes continually and that requires a lot for organizations. Retaining a good image and strong reputation is necessary for a successful organization. This research has made a first step to guide organizations how they can deal with certain incidents. I have particularly tried to identify the trade-offs, which play a role in responding correctly. However, there are still many open questions. The matter is complex. I would like to do the following two recommendations:

- Thorough research to the incidents (which happened in the past few years), where stakeholders have played a large role regarding the imaging, and the effect of the response of the company. Such a research can determine which interventions have been successful and which is not. And off course which factors have played a positive or negative role.
- Simulate reactions to existing incidents. This can be done through a focus group, in order to measure a more truthful effect of the response.

Bibliographies

Aaker, D.A. and Biel, A.L. (Eds), *Brand Equity and Advertising*, Lawrence Erlbaum Associates, Hillsdale, NJ, pp. 125-139

Aarts, Noëlle (2009), *Een gesprek zonder einde*, Amsterdam University Press

Berenschot Communicatie (2003), *Managementmodellen voor communicatie*, Amsterdam

Blame and Blameworthiness (2007), Jessica Boyd, (A dissertation presented to the faculty of Princeton University in candidacy for the degree of doctor of philosophy)

Bradburn, N., Sudman, S. and Wansink, B. (2004) *Asking questions: The definitive guide to questionnaire design for market research, political polls, and social and health questionnaires*. San Francisco, CA: Jossey-Bass.

Cees B.M. Van Riel (2012), *The alignment factor, bouwen aan duurzame relaties*, Academic Service, 256 pages

Christopher Hood (2007), *What happens when Transparency Meets Blame-Avoidance?*, *Public Management Review* 9(2), 191-210

Collins, J.C. and Porras, J. (1998), *Built to Last*, Random House, London 368 pages

David Hume (1740), *Treatise of Human Nature*, book III, part II, section 1 ('Justice, whether a natural or artificial virtue')

Duncan, Tom (2002), *IMC, Using Advertising and Promotion to Build Brands*, McGraw-Hill Irwin, USA.

Edmund R. Gray and John M.T. Balmer (1998), *Managing Corporate Image and Corporate Reputation*, Vol. 31, No. 5, 695-702

Edvinsson, L. and Malone, M.S. (1997), *Intellectual capital*, HarperCollins, New York, NY.

Erdem, Tülin and Joffre Swait (1998), *Brand Equity as a Signaling Phenomenon*, *Journal of Consumer Psychology*, 7 (2), 131-157

Festinger, L., & Carlsmith, J.M. (1959), *Cognitive consequences of forced compliance*, *Journal of Abnormal and Social Psychology*, 58, 203-210

Figen Ebrin (2006), *'Impact of Integrated marketing Communications Programs in Enhancing Manager and Employee Performance'* International Conference on Human and Economic Resources, Izmir

Fombrun, C.J., Gardberg, N.A. & Sever, J.M. (2000), *The reputation quotient sm: a multi-stakeholder measure of corporate reputation*, *The journal of brand management*, 7(4), 241-255

Gad, T. (2001), *4-D Branding*, Financial Times Prentice Hall, London

Garbett, T. (1988). *How to build a corporation's identity and project its image*. Lexington, MA: Lexington Books.

Helio Fred Garcia (2012), *Leadership communications: planning for the desired reaction*, Strategy & Leadership, Vol. 40, No 6 p. 42-45

http://www.rsm.nl/fileadmin/PDF/CCC/Communicatie_no.5.pdf

J. M. T. Balmer (1995), Corporate branding and connoisseurship, Journal of General Management 21(1), Autumn, 24–47

Jan Renkema and Hans Hoeken (1998), *The influence of negative newspaper publicity on corporate image in the Netherlands*, Journal of Business communication, 35, p 521-535

Joseph Eric Massey (2001), *Managing Organizational Legitimacy: Communication Strategies for Organizations in Crisis*, Journal of Business Communication, 38, 153-182

Kunde, J. (2000), *Corporate Religion*, Financial times Prentice Hall, London.

Littlejohn, S.W., & Foss, K.A. (2005), *Theories of human communication (8th ed.)*, Belmont, CA: Thomson/Wadsworth

Maathuis, O.J.M. (1993), *CIPaC: Corporate Image, Performance and Communications*, Delft: Ubron 109, pages

Mary Jo Hatch, Majken Schultz (2008), *Taking Brand Initiative*, San Fransisco; Josey-Bass

Mats Urde (2001), *Core value-based corporate brand building*, European Journal of Marketing, vol. 37, No. 7/8

McCracken, G. (1993), 'The value of the brand: an anthropological perspective',

Michael C. Jensen (2001), *Value Maximization, Stakeholder Theory, and the Corporate Objective Function*, European Financial management, Vol. 7, No. 3, 2001, 297-317

Milton Rokeach (1973), *The Nature of Human Values*, John Wiley, New York, 438 pages

O'Keefe, D.J. (2002), *Persuasion: Theory and research (2nd edition)*. Thousand Oaks, CA: Sage, p. 85

Rob Veenman (2009), *Grondslagen van de professionele communicatie*, Kluwer Noordhoff Uitgevers, 285 pages

Suchman, M.C. (1995). *Managing legitimacy: Strategic and institutional approaches*, Academy

of Management Review, 20, 571-610

Upshaw, L.B. (1995), *Building Brand Identity*, John Wiley & Sons, New York, NY

Vijverberg, A.M.M. (1998), *Inleiding in de strategie*, Amsterdam; Addison Wesley, 520 pages

Attachment A – surveys

In the following pages, I have placed five examples of the surveys I used. From every incident one survey with a certain intervention. The first survey is complete attached, the other four only the questions, since the first two pages are the same in every survey.

Survey Albert Heijn – Intervention 1

Beste Deelnemer,

In de nu volgende vragenlijst wordt u allereerst gevraagd het imago van een bekende organisatie te beoordelen. Vervolgens wordt kort een issue beschreven, wat zich recent heeft voorgedaan. Daarna wordt u gevraagd om te bepalen welke invloed de organisatie had om het issue te voorkomen én in welke mate dit issue in strijd is met de kernwaarden van de organisatie. (De kernwaarden van de desbetreffende organisatie worden genoemd).

Aansluitend wordt een (fictieve) reactie van de organisatie beschreven, waarna u opnieuw het imago zal beoordelen. Ik wil u vragen om u goed in te leven in de situatie. Lees ook de reactie van het bedrijf zeer zorgvuldig en ga na wat deze reactie met u doet!

Het invullen van de vragenlijst zal ongeveer 5 minuten in beslag nemen. De gegevens zullen uiteraard anoniem worden verwerkt.

Hartelijk dank voor uw deelname aan dit onderzoek!

Algemene gegevens

- Geslacht: man / vrouw

- Leeftijd: _____ jaar

- Hoogst genoten opleidingsniveau:

basisonderwijs vmbo havo vwo mbo hbo wo anders,

namelijk:

Allereerst volgen nu een drietal vragen over uw huidige beeld van Albert Heijn.

1. Albert Heijn is zeer **aantrekkelijk**.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

2. Albert Heijn heeft **veel expertise** in huis.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

3. Albert Heijn is zeer te **vertrouwen**.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

De plofkip

De 'plofkip' is ontstaan door ziekelijk doorfokken op steeds goedkoper vlees. In 6 weken tijd wordt een kuikentje van 50 gram opgepompt tot vleeshomp van meer dan 2 kilo. Van alle dieren in de vee-industrie heeft het vleeskuiken het slechtste leven. De veel te snelle groei zorgt voor vreselijke problemen. Hart en longen kunnen het niet bijbenen. Gewrichten doen zeer en lopen is moeilijk. Haar veren zitten vaak onder de uitwerpselen. Door het leven in de eigen poep krijgt het kuiken pijnlijke zweren op de pootjes en de borst. Daar komt nog bij dat het diertje met 20 anderen op een vierkante meter wordt gepropt in een stinkende stal zonder daglicht. Na een afschuwelijk transport eindigt het kuiken in de slachterij, nog geen 45 dagen oud.

Albert Heijn: grootste plofkipverkoper van Nederland

Albert Heijn is verreweg de grootste plofkipverkoper van Nederland. Ze is niet alleen de grootste supermarkt maar verkoopt ook verhoudingsgewijs nog eens veel kip door haar vele gestunt en lage kipprijzen. Terwijl de plofkip-aanbiedingen afgelopen jaar bij vrijwel alle supermarkten daalden, stuntte AH juist meer met plofkip in haar reclamefolders. Meer dan een derde van alle kip bij supermarkten gaat via de toonbanken van de Albert Heijn. Het gaat om tientallen miljoenen kippen per jaar. Het overgrote deel hiervan is plofkip. Albert Heijn koopt onder meer voor een prikkie de ergst geplofte kippen uit stallen op om als 'grote kipfilet' tegen bodemprijzen te verkopen.

Albert Heijn zegt op haar website zelf de volgende kernwaarden te hanteren:

- Klanten staan voorop
- We houden van ons werk
- We doen wat juist is
- We realiseren onze ideeën en we verbeteren

4. In hoeverre denkt u een plofkop in het schap van Albert Heijn in strijd is met de kernwaarden van het bedrijf?

In strijd 1 2 3 4 5 6 7 Niet in strijd

5. In hoeverre denkt u dat Albert Heijn invloed heeft op het feit dat de plofkip in het schap ligt?

Invloed 1 2 3 4 5 6 7 Geen invloed

Reactie Albert Heijn

Albert Heijn heeft niet gereageerd op het incident.

Geef nu opnieuw aan wat uw beeld is van het bedrijf.

6. Albert Heijn is zeer **aantrekkelijk**.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

7. Albert Heijn heeft **veel expertise** in huis.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

8. Albert Heijn is zeer te **vertrouwen**.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

9. Indien u klant bent bij Albert Heijn, overweegt u uw boodschappen bij een andere supermarkt te doen door dit incident?

- Ja,
want _____
- Nee,
want _____

Survey Apple – Intervention 2

Allereerst volgen nu een drietal vragen over uw huidige beeld van Apple.

1. Apple is zeer **aantrekkelijk**.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

2. Apple heeft **veel expertise** in huis.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

3. Apple is zeer te **vertrouwen**.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

iPhones worden door kinderen gemaakt

In een Chinese fabriek waar iPhones van Apple worden gemaakt, hebben kinderen van 14 jaar gewerkt. Dat heeft de eigenaar van de fabriek, het Taiwanese bedrijf Foxconn, dinsdag toegegeven. De minderjarigen werden ontdekt tijdens een controle door het bedrijf in de fabriek in de stad Yantai. Volgens Foxconn zijn het scholen die de kinderen naar de fabriek stuurden, om er te gaan werken als stagiairs. Ze waren tussen de 14 en 16 jaar oud. Foxconn heeft de minderjarigen teruggestuurd. Kinderen onder de 16 jaar mogen in China niet werken.

Foxconn liet dinsdag weten in overleg te zijn met scholen over hoe het kan dat de kinderen in de fabriek werkten. In augustus kreeg het bedrijf al een klacht dat beroepsopleidingen leerlingen zouden dwingen om in de fabrieken te werken.

De fabrikant van iPhones kwam al meerdere malen negatief in beeld. Zo was er een hoog percentage zelfdodingen onder de werknemers en braken er al rellen en stakingen uit. Vooral

de hoge werkdruk zou leiden tot overtreding van regels. Topman Terry Gou heeft daarop de lonen verhoogd en inspecties door externe instanties toegestaan. In totaal werken in China 1 miljoen mensen voor de fabrikant van Apple.

Apple zegt de volgende kernwaarden te hanteren:

- Eenvoud
- Meesterschap & Excellentie
- Design
- Innovatie & Focus

4. In hoeverre denkt u dat de kinderarbeid in de fabrieken waar de iPhones worden gemaakt in strijd is met de kernwaarden van Apple?

In strijd 1 2 3 4 5 6 7 Niet in strijd

5. In hoeverre denkt u dat Apple de kinderarbeid had kunnen voorkomen?

Invloed 1 2 3 4 5 6 7 Geen invloed

De reactie van Apple

Apple heeft middels de (sociale) media gereageerd ophef rondom de kinderarbeid. Ze leggen de situatie uit en geven aan dat ze zich 'bedonderd' voelen door de toeleverancier (Foxconn). Apple geeft aan dat ze blijven focussen op datgene waar ze goed in zijn: namelijk fantastische producten maken met een goed design en eenvoudig in gebruik! De consument mag onder geen enkel beding gedupeerd worden door de wantoestanden die zijn veroorzaakt door Foxconn, aldus de woordvoerder van Apple.

Geef nu opnieuw aan wat uw beeld is van Apple:

6. Apple is zeer **aantrekkelijk**.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

7. Apple heeft **veel expertise** in huis.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

8. Apple is zeer te **vertrouwen**.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

9. Indien producten heeft van Apple, overweegt u door dit incident over te stappen naar een concurrent?

Ja, want _____

Nee, want _____

Survey ING – Intervention 3

Allereerst volgen nu een drietal vragen over het uw huidige beeld van **ING**.

1. ING is zeer **aantrekkelijk**.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

2. ING heeft **veel expertise** in huis.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

3. ING is zeer te **vertrouwen**.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

De DDoS aanvallen

ING is aan het einde van de ochtend opnieuw getroffen door een DDoS-aanval. Het is de derde keer deze week dat de bank is getroffen. ING kampt sinds vorige week met storingen en DDoS-aanvallen. Vorige week woensdag hadden klanten een verkeerd banksaldo, waardoor sommige klanten niet meer konden pinnen. De servers van de bank raakten overbelast, waardoor geen betalingsverkeer mogelijk was. Gistermiddag waren er ook problemen, die veroorzaakt werden door het doorvoeren van de extra veiligheidsmaatregelen. De Tweede Kamer debatteert binnenkort, op initiatief van het CDA, over de technische problemen waar de banken mee kampen. Het is onduidelijk wie er achter de DDoS-aanval zit. De aanval lijkt specifiek gericht op betalingsverkeer, aangezien naast ING ook de dienst iDeal plat ging. Door de DDoS-aanval was het urenlang niet mogelijk om internetbankieren, mobiel bankieren en de site van ING te gebruiken.

ING zegt op haar site de volgende **kernwaarden** te hanteren:

- Wij hechten aan onze integriteit (rechtvaardig, eerlijk en we respecteren de wet)
- Wij zijn open en helder
- Wij respecteren elkaar
- Wij ondernemen maatschappelijk verantwoord en milieubewust

4. In hoeverre denkt u dat de problemen met de DDoS-aanvallen in strijd zijn met de kernwaarden van ING?

In strijd 1 2 3 4 5 6 7 Niet in strijd

5. In hoeverre denkt u dat ING de DDoS-aanvallen had kunnen voorkomen?

Invloed 1 2 3 4 5 6 7 Geen invloed

De reactie van ING

ING heeft middels de media uitgebreid gereageerd op de DDoS-aanvallen. Ze geven aan dat ze zelf niet voldoende hebben gedaan om de aanvallen van de hackers te pareren. Met andere woorden: de veiligheid van ING moet beter. ING laat weten in gesprek te willen gaan met alle betrokkenen.

Geef nu opnieuw aan wat uw beeld is van ING:

6. ING is zeer **aantrekkelijk**.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

7. ING heeft **veel expertise** in huis.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

8. ING is zeer te **vertrouwen**.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

9. Indien u klant bent bij ING, overweegt u over te stappen naar een andere bank door de DDoS – aanvallen?

Ja,
want _____

Nee,
want _____

Survey Ikea – Intervention 4

Allereerst volgen nu een drietal vragen over uw huidige beeld van de **Ikea**.

1. Ikea is zeer **aantrekkelijk**.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

2. Ikea heeft **veel expertise** in huis.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

3. Ikea is zeer te **vertrouwen**.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

Paardenvlees in de Ikea-gehaktballetjes

IKEA Nederland heeft een deel van de gehaktballen uit het schap van de winkels gehaald. Het gaat om een partij waarbij in Tsjechië paardenvlees is gevonden. Tsjechische inspecteurs melden vandaag paardenvlees te hebben gevonden in vleesballetjes die in Zweden voor meubelbedrijf Ikea zijn gemaakt. De balletjes werden verkocht in Ikea-winkels in Tsjechië, zegt de Tsjechische veterinaire dienst vandaag volgens persbureau AP. Het gaat om de balletjes die in de schappen liggen, niet om die in de restaurants.

De verpakking en het artikelnummer van de gehaktballen die in Tsjechië worden verkocht zijn hetzelfde als in Nederland. Ook in elf andere landen in Europa is deze partij verspreid. Een woordvoerder van de Nederlandse Voedsel- en Warenautoriteit kon niet direct zeggen of een onderzoek naar de balletjes wordt ingesteld. Het Tsjechische instituut voor veeartsen heeft de

vondst gemeld aan de Europese Unie. De köttbullar werden in Ikea's Tsjechische winkels verkocht als rund- en varkensvlees. Een levering van 760 kilozakken is onderschept voordat die in de winkels kwam. Ook vonden de Tsjechische inspecteurs paardenvlees in Poolse 'runderburgers'.

Ikea zegt op haar site de volgende **kernwaarden** te hanteren:

- Simpel
- Betekenisvol
- Kosteneffectief
- Respect

4. In hoeverre denkt u dat paardenvlees in de Ikea-gehaktballetjes in strijd zijn met de kernwaarden van Ikea?

In strijd 1 2 3 4 5 6 7 Niet in strijd

5. In hoeverre denkt u dat Ikea zelf invloed heeft gehad op het paardenvlees in de gehaktballetjes?

Invloed 1 2 3 4 5 6 7 Geen invloed

De reactie van Ikea

Ikea heeft uitgebreid gereageerd op het incident. Ze geven aan samen met andere belanghebbenden, zoals overheid en consumenten samen de strijd te willen aangaan tegen de leveranciers van paardenvlees (wat als rundvlees verkocht wordt). Immers dit had nooit mogen gebeuren.

Geef nu opnieuw aan wat uw beeld is van Ikea:

6. Ikea is zeer **aantrekkelijk**.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

7. Ikea heeft **veel expertise** in huis.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

8. Ikea is zeer te **vertrouwen**.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

9. Indien u klant bent bij Ikea, overweegt u nu eerder na de concurrent te gaan voor uw volgende aankoop?

Ja,
want _____

Nee,
want _____

Survey NS – Intervention 4

Allereerst volgen nu een drietal vragen over uw huidige beeld van NS.

1. NS is zeer **aantrekkelijk**.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

2. NS heeft **veel expertise** in huis.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

3. NS is zeer te **vertrouwen**.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

Het Fyra-debacle

Op 15 januari 2013 viel de helft van de Fyra-treinen uit wegens defect materieel, terwijl de andere helft reed met vertragingen van gemiddeld een uur. Tussen Antwerpen en Breda of Roosendaal werden bussen ingezet. Als gevolg van de winterse omstandigheden vielen twee dagen later, op 17 januari, zeventien van de twintig treinen uit, ofwel 85%. Vervolgens werd de treindienst van Fyra met ingang van 18 januari 2013 voor onbepaalde tijd opgeschort. Reizigers dienden voortaan op het traject Roosendaal – Essen de stoptrein te nemen, waardoor de reis Amsterdam – Brussel per saldo ongeveer een uur langer duurde dan voorheen met de Beneluxtrein en twee keer moest worden overgestapt. Op 19 januari werd bekendgemaakt dat

het nog maanden kon duren voordat de V250-treinen weer ingezet konden worden. Een vervangende treindienst tussen Amsterdam en Brussel kon niet op korte termijn geregeld worden.

Voormalige NS-medewerkers schetsen een beeld van het staatsbedrijf waar managers met geringe inhoudelijke spoorkennis zich niet laten corrigeren door hun eigen vakmensen. Ook de innige betrekkingen tussen de NS en het ministerie van Infrastructuur zijn onderwerp van kritiek. Juist omdat het ministerie de NS vrijwel altijd te hulp schiet zodra het spoorbedrijf door eigen falen in de knel komt, wordt falend beleid bij de spoorwegen niet vroegtijdig gecorrigeerd, aldus de oud-NS'ers. Technici die de directie al voor de aankoop van de trein waarschuwden voor de reputatie van AnsaldoBreda, zijn stelselmatig genegeerd.

NS zegt in het jaarverslag van 2012 de volgende vier kernwaarden te hanteren:

- Gastvrij
- Verbinden
- Vakkundig
- Proactief

4. In hoeverre denkt u dat de problemen met de Fyra in strijd zijn met de kernwaarden van NS?

In strijd 1 2 3 4 5 6 7 Niet in strijd

5. In hoeverre denkt u dat NS de problemen met de Fyra had kunnen voorkomen?

Invloed 1 2 3 4 5 6 7 Geen invloed

De reactie van NS

NS heeft middels de media uitgebreid gereageerd op de problematiek rondom de Fyra. NS geeft aan dat ze graag in gesprek gaan met overheden en reizigersverenigingen om tezamen de Italiaanse fabrikant te bestrijden. Immers samen (met elkaar) kunnen we AnsaldoBreda effectief bestrijden!

Geef nu opnieuw aan wat uw beeld is van NS:

6. NS is zeer **aantrekkelijk**.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

7. NS heeft **veel expertise** in huis.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

8. NS is zeer te **vertrouwen**.

Mee eens 1 2 3 4 5 6 7 Niet mee eens

9. Indien u reist bij NS, overweegt u te over te stappen op ander vervoer door de problematiek rondom de Fyra?

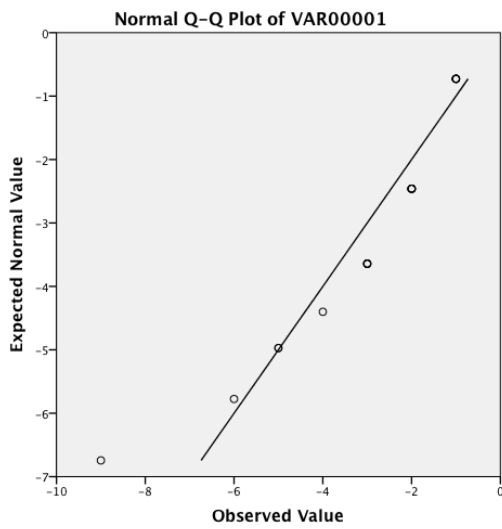
Ja, want _____

Nee,
want _____

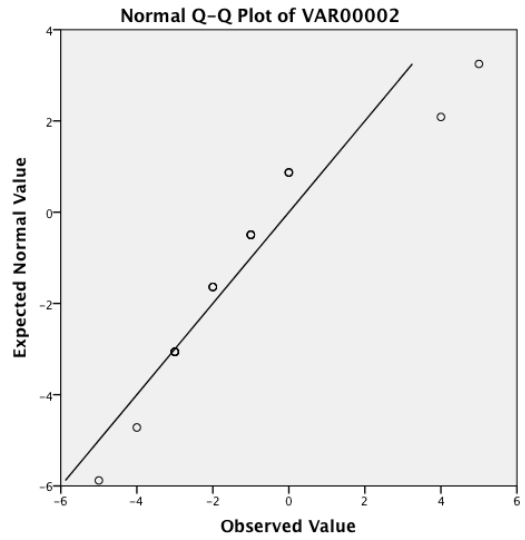
Attachment B – Normality check ANOVA

Group I (In conflict-influence)

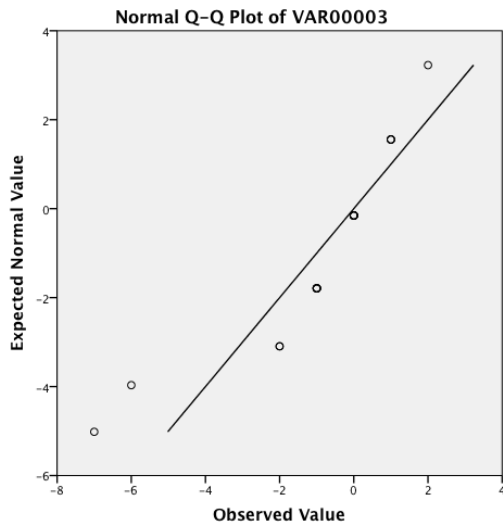
Intervention 1



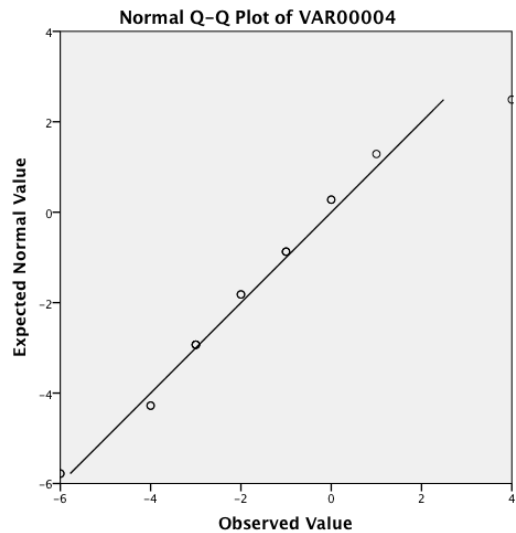
Intervention 2



Intervention 3

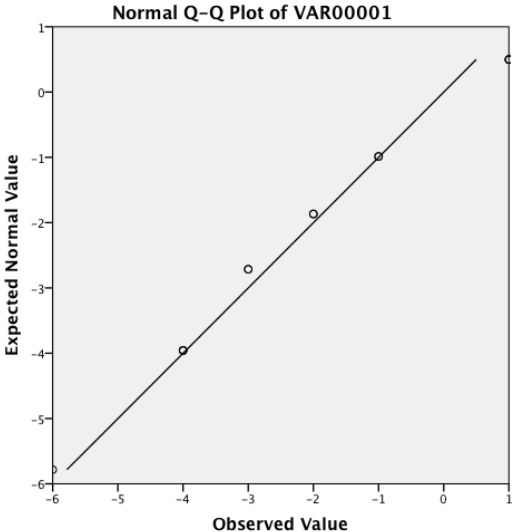


Intervention 4

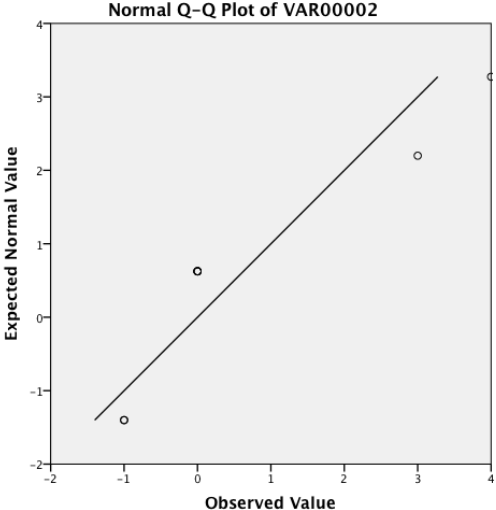


Group II (In conflict-No influence)

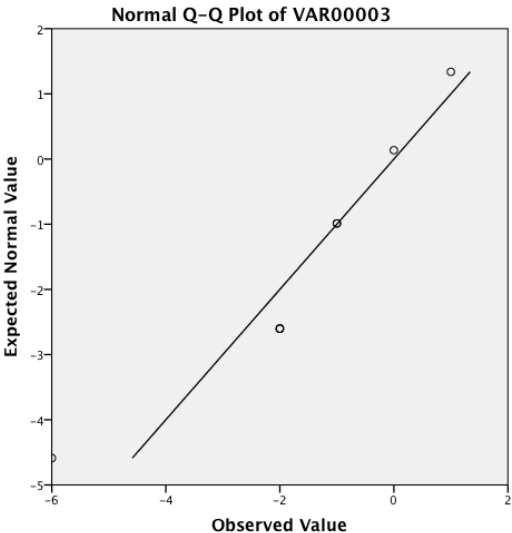
Intervention A



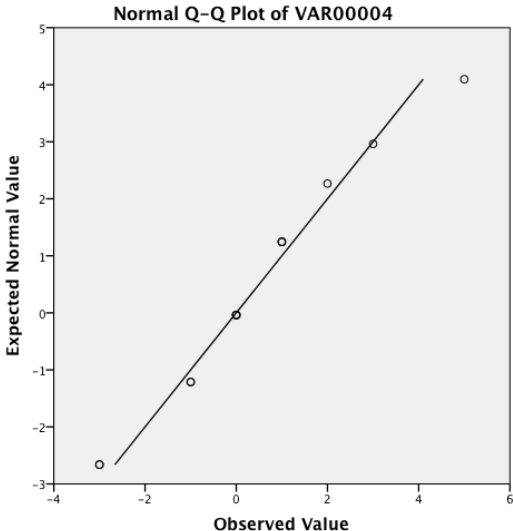
Intervention B



Intervention C

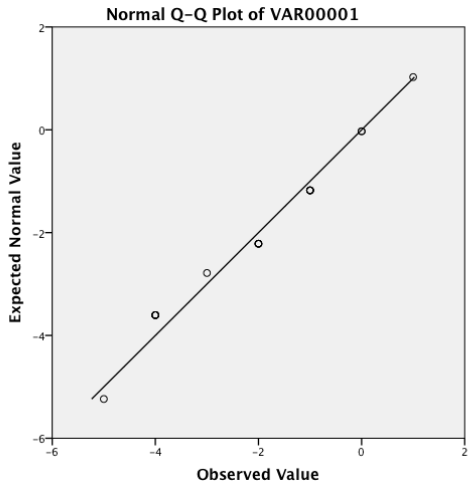


Intervention D

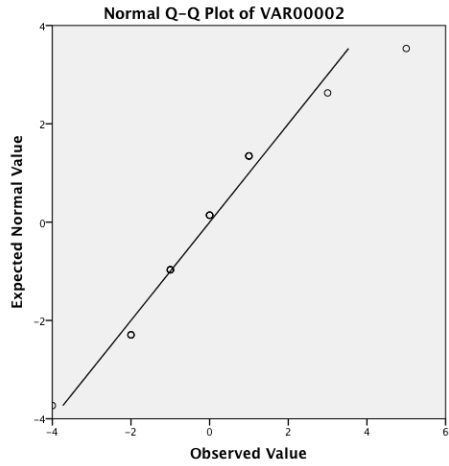


Group III (Not in conflict- Influence)

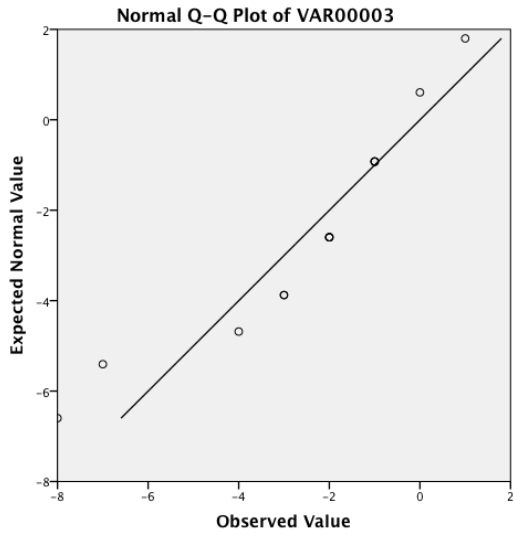
Intervention A



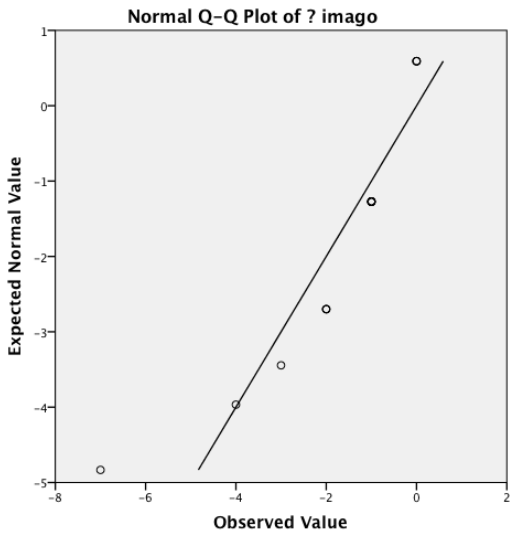
Intervention B



Intervention C

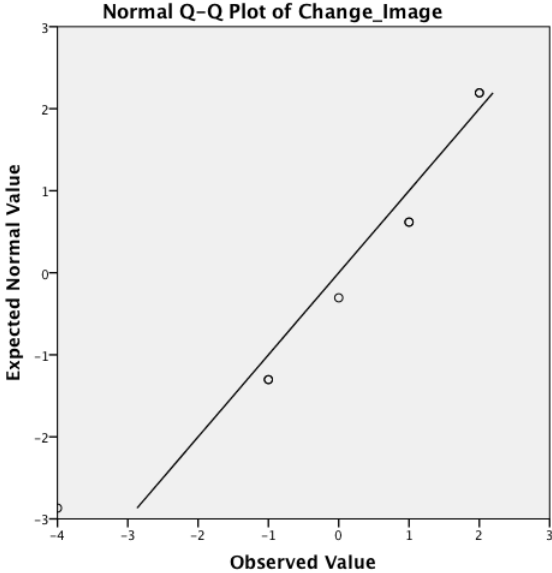


Intervention D

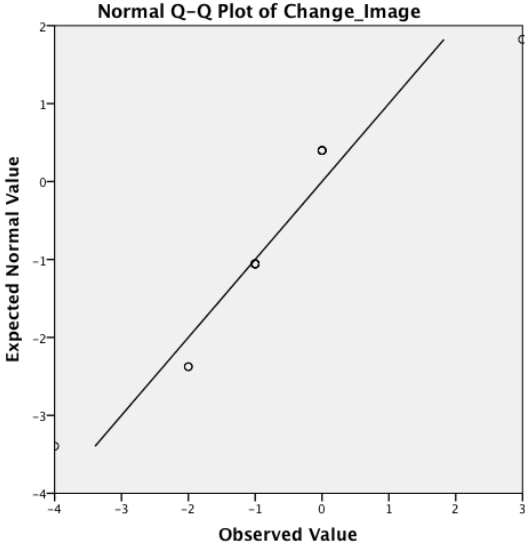


Group IV (Not in conflict – no influence)

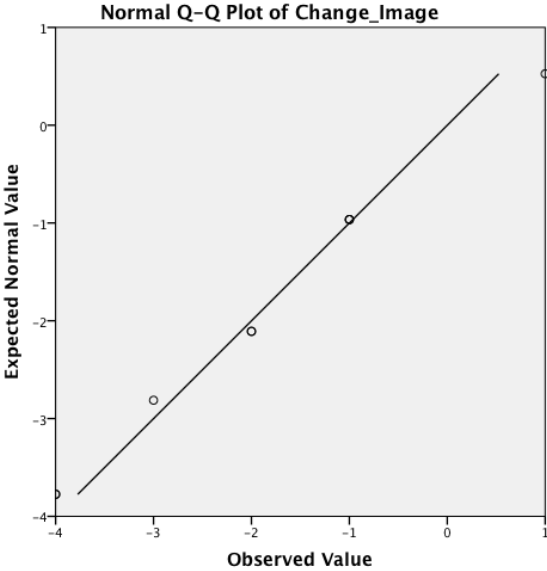
Intervention A



Intervention B



Intervention C



Intervention D

