UNIVERSITIES'
REPUTATION

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BUILDING UNIVERSITIES' REPUTATION
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Juan Manuel Mora

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III. CORPORATE REPUTATION: CONSIDERING THE REPUTATION OF THE WORLD'S LEADING UNIVERSITIES

Rupert Younger
Director of the Oxford University Centre for Corporate Reputation
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1. INTRODUCTION

What do we think we know about reputation? The position paper attached to the conference set out some important fundamentals. I would like to highlight and comment on four.

The first is that reputation **confers value** as Universities compete nationally and internationally in a time of resource scarcity. A strong reputation for academic excellence helps secure funding from Governments, businesses and individual donors, while also acting as a magnet for the attraction of high quality scholars. Equally, Universities that gain a reputation for high quality teaching find it easier to attract the right calibre of students. It is clear that strong reputations across different elements for capability –what the University is perceived as being able to deliver– and character –how the University is perceived to act or behave– confers value.

Second, **rankings** are becoming more **visible**, and these are becoming **proxies** for quality across multiple audiences. It is of course true that rankings can be criticised for oversimplification, data manipulation and inaccuracy, but there can be no doubt that the Times Educational Supplement, the FT and other such rankings have become an important source of information for students, faculty and funders alike.

Third, I was pleased to see that the authors of the document made it clear that Universities, as with companies and individuals, have **multiple reputations** for something with someone. This is a central finding from the research that we work with at Oxford, and is a core concept that we have become known for within the academic community. We believe that this is a critical dimension underpinning any proper analysis of reputation.

2. The different publics of university reputation

And when it comes to reputations with someone, the authors of the paper set out 6 'publics' ("Appendix" 102-3). Let me take each of them in turn, pausing for a moment on each to consider their role in the reputation of the world's community of Universities.

The first are students – past and present. To this I would also add future students. Vibrant and questioning students are a critical component of University life, and Universities that capture the best students achieve several further reputational benefits – better result which then deliver better rankings which then deliver better funding which then helps secure better or more faculty which in turn secures better students. The circle is a virtuous one.

The second is academics. Again, we would separate these into academics currently working *within* the institution, academics who are thinking of working for the institution, and academics who have worked in the past at the institution. Academics are the intellectual lifeblood of any University. Theirs is a weighty responsibility – the shaping of minds, the provision of knowledge, the gift of analysis and insight. The reputations of faculty deliver value on multiple levels. A reputation for strong teaching will help attract high quality students while a different reputation –for collegiality and research excellence– will help attract the right faculty and unlock funding.

The third is management. Universities are large businesses, and like any large business require strong and disciplined management. Good management is even more important when dealing with large numbers of students, working to complex cross-matrices of timetables in the academic and non-academic space. And good management is also essential when it is thinking about the responsibilities that Universities have for the safety and security of the young people within their charge. You only have to consider some of the scandals –in the US and elsewhere– which have arisen because of slack or ineffective management practices to see how important this stakeholder group is when it comes to reputation.

Fourth are the public bodies & funders without which Universities would not exist. Universities have relied on private benefaction for centuries, and in more recent years have also relied on public funding through Government support. These stakeholders are sensitive to different reputational factors, and are of course a focus of much of the management activity within each campus around the world. And the stakes here are high – benefaction generates further benefaction and it seems clear that a good reputation (for many different things) within the donor community delivers great benefits.

When it comes to public bodies, the reputation dynamics are similar but also different. A reputation for good governance, systems and controls matters to public bodies, as well as private donors. But also reputations for fairness and accessibility will be something that perhaps sits higher on public bodies and Governments when it comes to state funding decisions.

Fifth come employer groups. This stakeholder group is of course a very important group. Not only are they the focus of student ambition in terms of the start of their careers, but they are also an important contributor to the rankings and also to funding. They therefore often sit in multiple different stakeholder camps.

And sixth are the general public. We agree that the general public are a stakeholder but perhaps take a slightly more nuanced view than the authors of the document as to the importance of the general public in the formation and destruction of reputations ("Appendix" 103). The general public do provide generalised opinions and views that shape perceptions, and therefore reputations, of Universities. We would agree that the general public can provide a general backdrop of favourability, and familiarity (or visibility) which in turn impacts reputation. However, we prefer to break out the general public into different stakeholders – investors, consumers, employees and so on – to achieve any real reputation insight. Only once you separate their motivations and perspectives into more specific stakeholder groups do you draw out how they interact with the reputations of Universities.

So the authors do a great job of identifying the 'with who' component of reputation. But they are less forthcoming when it comes to the reputation 'for' something aspect. Each of these stakeholder groups will engage with different reputations for different reasons. For example, public bodies and funders will no doubt give a high degree of salience to research excellence and overall governance, while students, by contrast, may give more salience to status and employability, or the quality of the teaching environment.

3. THE DIFFERENT DIMENSIONS OF UNIVERSITY REPUTATION

This is one of the key areas of our research at Oxford –identifying the different dimensions of reputation that exist for organisations, and having identified what they are working with our scholarly network, to understand better how these reputations are created, sustained, destroyed and rebuilt.

While the authors largely omit any analysis of the different reputations that exist within Universities, they do pick up on another factor – the idea that there are reputation differentiators within parts of each institution. This is an important observation, and a very intriguing one.

Consider my own institution – Oxford University. Within the collegiate structure that defines us, we have multiple different parts of the University each with different reputational dynamics and characteristics. Different colleges within Oxford are known for different things, including sporting prowess. Different academic divisions are known for certain teaching or research strengths and weaknesses. And different research centres, such as our own Centre for Corporate Reputation, carry with them different reputations within the wider ambit of the Saïd Business School's reputation for modern management insight, which itself draws on the strength of the wider University when it comes to analysing the global challenges facing societies today.

Each of these constituents draws on, and benefits from, the reputation of the University as a whole while generating and working with particular reputations of their own.

So I welcome and applaud the authors positioning paper, which goes a long way to setting out the principal factors that underpin the reputations of Universities. And in reading that paper, I thought it would be interesting in the first instance to draw out what intrigues me, and the key questions that emerge in my mind from their work.

The first of these is to question how possible it is to *aggregate* rankings, when one considers the existence of multiple different reputations for different things? This is a subject that we have been thinking about for many years now, and we believe that aggregated rankings are perhaps one of the principal reasons why reputation scholarship has proven to be a tricky research subject area.

If you look at the scholarship that has existed – since the 1970's of course but also mainly from the mid 1990's when reputation became a 'hot' academic subject in its own right – it is clear that the field suffers from what we would term *'definitional soup'*. Concepts such as image, identity and brand get confused or interchanged with reputation. Understanding and defining the basic concepts is the foundation stone of any scholarship and the work being done to understand reputation has focused in considerable detail on these definitions over the last twenty years (and more). In addition to the definitional problem, scholars have struggled with the aggregation of rankings (principally the *Fortune* 'Most Admired Companies' Index), which in our view has hampered real insight and progress in the field. Aggregation loses all the distinctiveness that comes from an analysis of multiple reputations for something with someone. And on a more tactical level, aggregation of different reputation scores in different areas into one number runs into methodological problems, principally around weightings. Which weighting is appropriate, and why? These are big questions, and in our view pose big problems when it comes to the authority of the rankings that exist.

Second, I am interested in how to separate out the status effect when it comes to assessing the reputations of historic academic institutions. It is tempting of course to think of the highest status institutions as having the most stellar reputations – but are all high status organisations high reputation? In looking at the rankings, the answer would, on first glance, seem to be yes. The rankings show a consistently static picture when it comes to the top ten over the last ten years –all are the same US or UK institutions and all are leading high status brands. While this is what the rankings tell us, it does beg the question of how this can be right when student quality changes each year, and academics move?

It seems perhaps to be the case that status in fact protects reputations over time, buffering short term drops in the quality of the student body or the faculty. However, it also seems clear that over a longer time frame status does not in fact protect reputation – just look at the current rankings of two of the world's most famed and ancient Universities, Salamanca & Bologna, whose ranking today falls outside of the top 50 globally.

Third, I would ask how helpful can rankings in fact be, especially those that aggregate into a single ranking measure? There is no doubt that when you achieve a good ranking it serves as a valuable proxy that can deliver significant short-term advantage. But equally these rankings are fickle, and create expectation frames against which it becomes hard to perform. Any analysis of the responses of different Universities to the rankings will show you multiple different reasons for the results, all of these drawing on methodological or specific situational factors and most of them offering contradictory and self serving answers.

So I am going to concentrate my comments on a simple reputation engagement model showing how Universities, and other major institutions and organisations, can engage to help create the reputations that they deserve. I will call this the 3-2-1 model for reasons that will become clear.

4. Reputation engagement: the 3-2-1 model

Before I start, however, I would like to define what we mean by the word reputation.

The authors of the position paper tackle this important question. They focus on Gary Alan Fine, a highly respected sociologist who highlights three different sociological approaches ("Appendix" 99). Outside of sociology exist many other definitions - economists, psychologists, institutional theorists and others all have their own nuances and definitions that they work with.

For us at Oxford, the best working definition that we have found is *expectations about an organisations future behaviour or performance based on perceptions of past behaviour or performance.*

We believe that this helps to distinguish reputation from some of the other concepts that have been used interchangeably – and in my view wrongly – by the authors of the position paper.

I would cite their use of the word image, which we regard as different from reputation in that it captures a temporal snapshot of an organisation at a particular time. Consider also their use of the word *status*, which we regard as a ranking measure – one can be high status, or low status along a linear scale, whereas reputation works as we can see on multiple different levels. And finally they also use the word *brand*, which we think is often one of the most misused proxy for reputation. Brand is, put very simply, what you want to be. Reputation is what others see you as.

A critical concept lies behind this – which is that reputation cannot be managed. Management implies some form of ownership, which we would argue you do not have. We do accept that you have full ownership of your reputation *engagement* strategy, and all the actions that underpin that. You can therefore decide how you want to be perceived, but that of course is where your element of control finishes. How others *actually* perceive you is outside of your direct control. Our premise is that you can influence your reputation, but you cannot control it – bringing with it the idea that reputation management is both a misleading and unhelpful term. So when the authors here talk about reputation management, let me instead offer up a route for reputation engagement.

This brings me to the specifics of this 3-2-1 model.

4.1. Engagement factors

The '3' refers to the three reputation engagement factors that underpin reputation formation and destruction.

The first of these is your behaviour. You can choose how you behave as an institution, aware of the signals that are being sent. Consider the responses of the Universities in the UK to the British Government's decision to allow each to charge up to £9,000 of student fees per annum. All of the Russell Group of Universities, the leading universities in the UK, took a decision to increase fees to the full £9,000 per student per annum. This was driven of course by economics, but also served to deliver a strong reputation signal. Had an institution within the Russell Group decided to charge less, questions would have been asked about the quality of the teaching or research, or the student experience at that institution. In short, there would probably have been a sense that the offer was in some way fundamentally 'cheaper' and therefore of lower quality.

This brings us to an important further aspect when it comes to behaviour. Expectation frames matter. If you are expected to behave well, then behaving well does not do anything other than confirm your existing reputation for good behaviour. Consider this in terms of the £9,000 student fees decision – the expectation frame, given the signalling, was that all the Russell Group Universities would charge the full amount. Given that expectation, any decision not to do so would have created a differentiated reputational signal.

The second reputation engagement factor is your choice of networks. Reputation, being a dynamic construct, is created through networks. Therefore, your choice of network affiliation has a significant impact on the way in which your reputation is created or destroyed.

Sociologists consider the different properties of networks, distinguishing between 'open' and 'closed' networks. Closed networks are ones where all the players know each other well, and open networks are ones where there are multiple different players who do not necessarily know each other. Academics tend to work in closed networks when it comes to the choice of which scholars to work with, for example, which brings with it different reputation engagement considerations and dynamics. In short, as the players in these closed networks all know each other well, information tends to move more quickly than in open networks, and with greater certainty given the high levels of trust that exist within closed networks.

And technology is making networks more closed – consider social media and the way in which students now interact and discuss their views of the institutions they attend or are thinking of attending. There are student experience websites, rankings of professors, and so on which connect up the different audiences much more quickly than it was possible to do just twenty years ago.

Finally, within networks, you can borrow reputations by affiliating yourself with certain high status actors within the network. This may be something as simple as being the recipient of grants from highly regarded independent funding institutions, but it also may be the fact that some high status individuals have decided to attend or become associated with you. Stanford and MIT have done excellent jobs of leveraging their tech and social media networks to build a valuable reputation franchise in this space, just to take one example.

And the third reputation engagement factor is your choice of narrative. I agree with the authors of the positioning paper when say that communications is important. How organisations talk about themselves is of course central to the way in which the narrative around organisations is set. Consider a very small and simple example - how speakers are generally introduced to the audience that they are speaking to by the organisers of an event. The organiser will tend to highlight all the positive and relevant factors that set the speaker up as an expert in the subject, and this will set the tone for the audience ahead of a single word being uttered by that speaker. In other words, the reputation of the speaker has already been conditioned to an extent by the choice of narrative that is used to introduce them.

As humans, we use qualitative narrative all the time. And this use of narrative is of course culturally sensitive – the same comment can be interpreted very differently in Oxford than in Los Angeles. This is a subject we are working to understand more about within the work that we are undertaking at the Oxford University Centre for Corporate Reputation.

These three reputation engagement factors influence the eventual reputations that institutions have 'for' something, 'with' someone.

Which brings us onto the second element – the '2' of the 3-2-1 model.

4.2. Reputation for and with someone

We have discussed briefly this concept that that organisation's have multiple reputations 'for' something. And of course when you think about this, it is quite possible that Universities could have very many different reputations 'for' something – a reputation 'for' good quality food, a reputation 'for' poor quality accommodation, a reputation 'for' sporting prowess, or a reputation 'for' being connected to industry and the professions. And so on. But when it comes to reputations 'for' something, we believe that it is also possible (and of course helpful in analytical terms) to separate these multiple different reputations for something into two broad categories – *capability* reputations ('what' you are deemed capable of doing) and *character* reputations (perceptions of 'how' you are likely to behave in different circumstances).

By way of illustration, consider the international auction house market. Sotheby's and Christie's remain today two of the world's leading auction houses. However, in the year 2000 both companies were accused, and convicted, of price fixing.

Alfred Taubman, the Sotheby's Chairman at that time, went to jail in the US, and Sir Anthony Tennant, the Christie's Chairman, never returned to the US or he would have faced jail on arrival. Yet despite this – which effectively was an agreement to rip off customers – Sotheby's and Christie's continued to dominate the international auction market. How can this be explained? Surely a reputation for ripping off customers would be something that would have been a fundamental problem? It seems not. Customers continued to trade through these auction houses and retained their number one and two rankings in the industry. So in fact it seems that customers felt that price integrity was not a fundamental issue when it comes to the different reputations that matter.

By contrast, when Sotheby's was found to have been selling fake antiquities from Mesopotamia a couple of years earlier (the subject of a Channel 4 Dispatches programme), many customers of this part of the business did in fact not deal with Sotheby's again, leading to senior management departures and a winding down of Sotheby's London-based antiquities business. Being able to identify authentic versus fake antiquities, it seems, was a reputation that did matter in the auction house world.

The first of these examples – price fixing – seems to us to be an example of character reputations. These can be highly problematic, being very variable and subject to damage and repair in rapid succession. But the latter – authentication – was seen as a capability reputation and as such, when challenged, was seen to be a much more fundamental reputational problem.

So, capability hits, when big, can be hugely destructive; whereas character hits are more frequent, which organisations have the ability to shrug off in a shorter time frame.

Capability reputations are hard to create, but once created are difficult to lose. You have to work particularly hard to destroy a capability reputation and so examples of this are rare. A number of 'new' British Universities came close to this – with some in fact achieving it and as a result being closed down – when they were found to be issuing degrees that had not been earned or were of insufficient quality to have any real validity.

But character reputational hits are more regular occurrences within the sector, and elsewhere. Which character reputations matter within Universities?

Surely two of the worst reputations for a University to have with academics and funders would be timidity, or irrelevance. Universities, for these audiences, need to show that they are capable of bold and challenging opinions underpinned by solid research and analysis. Without that, Universities will not be able to attract the best academic talent nor the right type of funding.

Likewise, Universities need strong reputations for good governance in order to be able to protect its existing students and attract the right prospective students. Nowhere was this more evident than in Penn State University's response to its recent governance crisis affecting its high profile sports faculty. The inadequate response of the University has been the subject of multiple case studies and media scrutiny over the last two years.

Which brings me onto the final point I would make – the '1' in the 3-2-1 model. This is the issue of inauthenticity.

4.3. Authenticity

Universities can try to orient their behaviour, interact with their chosen networks, and build careful narratives in support of a reputation engagement programme. But if the behaviours adopted do not match the narratives they choose, they will suffer reputational harm due to inauthenticity.

Inauthenticity is a major problem in the reputation 'for' category. In short, being seen as inauthentic will signal character, and possibly also capability, deficiencies. Character issues always crop up when organisations are found out to be using narratives that are not supported by their behaviours. Observers will conclude that the organisation concerned is at best misleading or, at worst, mendacious in its approach. This can have major reputational consequences. Consider the global banks and their efforts to talk up their responses to how they have changed. Having spent the last two or three years claiming that they have cleaned up their act when it comes to bad behaviour in different aspects of the financial markets in which they operate, the global banks are again being found out – and fined – for abusive market behaviour and manipulation in certain trading areas, the latest being foreign exchange markets. The reputation damage has been severe, with charges that the banks characters are at fault and calls for wholesale reform of values and practices across the sector.

5. CONCLUSIONS

The simple lesson is that behaviours, networks and narratives have to be in line with each other to be effective.

Social responsibility is an area where inauthentic claims can be very damaging, and ultimately a waste of valuable resources. But done well –when the social action taken fits specifically into a stated mission or objective– such activity can enhance reputation and deliver significant benefit.