

Manager as a Creator of the Corporate Reputation

Danuta Szwajca, Małgorzata Gąsiorek

Abstract. This article aims to identify the role of the manager in the process of creating desired corporate reputation. Based on the analysis of the concept of management roles by H. Mintzberg and the theory of stakeholders the roles of the greatest importance from the point of view of relations among various groups of stakeholders have been identified. In the second part of the paper, based on the results of empirical studies conducted in the centers in Poland and abroad, the influence of the executive's reputation on the reputation and financial performance of the company as well as the relationship among the executive's reputation and keeping his position as well as the level of his salary have been evaluated.

Keywords: corporate reputation, management roles, stakeholders

JEL classification: M 12, M 14

1. Introduction

In the current era of information, dominated by the very dynamic technological progress and technological and intensifying globalizational processes, sources of the success and the competitive edge of enterprises are moving of financial resources on immaterial, associated with the knowledge and IT modern technologies. The company reputation is regarded as the immaterial valuable resource about strategic character [Fombrun, van Riel, 2004]. A transition from the venture capital to capital of the goodwill is coming. Building and keeping the positive reputation - managing the reputation - is happening one from most important and all at the same time of the most difficult challenges for contemporary organizations [D. Szwajca, 2011, pp. 8-12].

All members are building the reputation of the organization, so every employee is bearing the sure individual responsibility for the goodwill, in which he is working. However the responsibility of members of the management board is much greater. The chairman, vice-chairmen and managers have a personal and corporate responsibility for the reputation [Krawiec, 2009, pp. 104-105]. Of course, a manager of the highest level is playing the dominant role - the boss which is a "king" of reputation. It is important person in the company - it is a leader, from whom careers of subordinates and a position of the organization depend on the market [Szobaska, Brodzka-Kostrzewska, 2007, pp. 91-92]. Construction of the good standing requires possessing special predispositions, a skill and competence from him, especially in the range of activities in the sphere public relations. L. Gaines-Ross states that the reputation cannot effectively be managed, if the chairman can't see oneself as the those responsible for public relations [Gaines-Ross, 2002, pp. 17].

An identification of the role of the manager in building the desirable reputation of the enterprise from a point of view is a purpose of the article of theoretical concepts and empirical findings. In theoretical layer a concept was considered of managerial roles H. Mintzberga and theory of stakeholders, of which analysis served for showing of roles, having most material meaning immediately seeing creating the reputation of the contemporary enterprise. In part empirical findings were quoted led at national centres (TNS-OBOP and consulting PLEON company) and foreign (University of South California) about the influence of the person of the boss on the reputation and the relation between the reputation of the manager and keeping a workstation and the level of his remuneration.

2. The reputation as the result of the relation with stakeholders.

A reputation of the enterprise is an opinion existing on the market on his subject, expressed by different interest groups (of stakeholders) which had any contact with the enterprise or about it could hear; is it, as the thought about it all sorts entities acting in surrounding him [Szwajca, 2012, pp. 102]. They are these interest groups: customers, business partners (suppliers, intermediaries, contracting parties), employees, investors and shareholders, the civil service, mass media, the local communities. According to the theory of stakeholders¹ these groups can in the meaning way influence the achievement of the goals of business entities and contribute to their successes or defeats on the market. Therefore enterprises will melt in the face of the need to include business of all sorts social groups in conducting its activity. In fact surviving them and the success depend from meeting expectations of these groups. So, in the light of the theory of stakeholders the need of creating positive reputation, based on friendly, long-lasting relations with stakeholders of the company is of special importance [Freeman, Harrison, Wicks, 2007, p. 7].

The reputation is a peculiar store immaterial, leaned largely against emotional elements. A. Szobka and A. Brodzka-Kostrzewska state, that reputation (which is to say - positive) he is indicating warm feeling of surrounding towards the enterprise, the kind is holding prisoner psychological, for the formation which something is more than only needed for best quality of offered products and - usually superficial - good impression [Szobka, Brodzka-Kostrzewska, 2007, p. 91]. Building the reputation this way understood is a long-lasting process, in which the enterprise is establishing and is strengthening relations with different stakeholders, trying to win their approval and the recognition. With sentence J. Krawulski four groups of stakeholders, that is: employees, investors, customers and the community, in which the company operates are decisive [Krawulski, 2000, p. 59]. He shows in addition that in the initial phase of this process employees are the most important group on which it is necessary to have an influence, - a quality and a permanence of the relation with all sorts entities of surroundings depend on keeping them and attitudes. Therefore in this phase they are main objectives of the senior staff:

- creating the atmosphere of trusting in the team - of managers towards employees and employees towards oneself - the confidence is a base of the reputation;

- the delegation of authority, i.e. handing over for subordinates of the part of the power and duties, in order to make them aware joint responsibilities behind effects of the work;

- waking pride in the employment in the company up through the right system of motivating and appreciating values of the work on every position - then employees are feeling needed, appreciated, willingly they are identifying with the company and positively are speaking about her in outside contacts.

Investors which are providing the company with powering are a next important group financial, conditioning the potential and possibilities of her development. Winning their favour requires the professional management which results in attractive financial results, accomplishment of established plans, prospects of making long-term profits.

The third essential group is customers which are also conditioning the being and the development of the enterprise, through decisions of purchase of offered goods and services. In

¹ The theory of stakeholders was formulated through R. E. Freeman in 1984 in the book Fri. "Strategic Management. And Stakeholder Approach ". V. [Paliwoda-Matiolańska, 2009].

order to get their confidence and the loyalty the company must above all offer products, of which the quality is appropriate to the price and to ensure the satisfying service level.

The local community, that is entities being functional in the most immediate company environment constitute the fourth group. It is here about social, cultural, sports various organisations, local government, media, an educational institutions, associations and the like, commitments expecting the enterprise to solving local problems, environmental protection, development of infrastructure, supporting various initiatives.

A. Kwiecień is emphasizing that relationships of the company with every section of the community should be personal so far, how it is possible in specific conditions [A. Kwiecień, 2010, p. 50]. Therefore it is important so that on all rungs of the management, peculiarly whereas good relations join managers to subordinates with these employees which have a direct contact with representatives of individual groups of stakeholders. Apart from that he is suggesting that the responsibility for contents and the form for building the reputation should be assigned to activity for competent member of the highest management.

3. Managerial roles from the prospect of the forming of the relation with stakeholders.

Building the reputation of the enterprise consists above all in the ability of establishing and keeping internal reports (between employees in the base and vertical system of organizational structure) and outside (with all sorts entities of market surroundings). In every organization a senior staff is incurring the responsibility for creating and the quality of the interpersonal relationship - starting from the director-general, all the way to managers of the bottom rungs. It results from a wide range of roles an executive should fulfil which. In tbl. 1 managerial roles were described according to the presentation H. Mintzberga in the context of the forming of the relation with stakeholders of the organization.

Tbl. 1. Managerial roles in the context of the forming of the relation with stakeholders.

Kategoria	Rola	Model groups of stakeholders
<i>Interpersonalna</i>	Reprezentant	mass media, customers, business partners, the civil service, the local communities
	Leader	employees, investors
	Link	employees, business partners
<i>Informacyjna</i>	Observer	employees, investors
	dividing information	employees, investors, mass media, the civil service, the local communities
	Spokesman	mass media, the local communities
<i>Decyzyjna</i>	Entrepreneur	investors, shareholders, employees
	managing disruptions	employees, mass media, the civil service
	disposer of stores	employees
	Negotiator	employees, customers, business partners

Source: own study on the base.: [Koźmiński, Piotrowski, 2002, p. 68; Griffin, 2000, p. 53].

Interpersonal lines consist in the forming inside the appropriate atmosphere and outside the organization, by establishing adequate contacts with people. In frames it is possible to tell this category about three roles: of the representative, the leader and the link. The manager as the representative should fulfil certain ceremonial and symbolic functions, through the participation in important celebrations and meetings with outside entities (with customers, suppliers, contracting parties, authorities and the local communities and the like), as well as attendance in meetings with employees, organised from various occasions, formal (e.g. annual report on the activities of the company) and unofficial (e.g. meeting on the occasion of holidays or the name day). The role for the leader consists on pointing and determining ambitious, but real purposes, mobilizing the team for achieving them and ensuring financial and organizational activity conditions. A manager which is able to employ and to motivate subordinates for achieving adequate results which interested mainly investors are is acting as the leader. Next the role of the link is bringing itself about for facilitating and initiating of interpersonal contacts or intergroup, of organizations significant for correct functioning. This role is significant in the forming of appropriate relations between employees and for establishing contact with business partners (sometimes a personal phone of the director will be enough to impel the important contracting party to the business meeting).

Information roles concern proper information management, i.e. the accumulation, picking up and the transmission of information, in frames of internal communications and outside. Here three types of soils were distinguished: of observer, separating information and the spokesman. The manager as the observer should monitor the inside and surrounding the organization in order to obtain the relevant information from a correct point of view of functioning and the business progress. Not only formal reports and reports, but also inspections of the specialist press are used for it, tracking apt findings, of opinion of specialists, official and unofficial talks with people. This role does good the effective management which interested employees and investors are. The manager, as the best informed person, is also responsible for passing important information on to everyone for potential users inside and outside the enterprise. It is he is deciding, which information, for whom, when and how to deliver in order to provide the credibility and the transparency for the organization. Through such stakeholders, as investors, the civil service, the local communities a transparent-ness is a peculiarly valued value. In certain situations the manager must also serve as the spokesman of the organization, in spite of the existence of this formal position in the organizational structure. He walks here for explaining and commenting on particularly significant events and moves of the company (e.g. accidents, technical errors, valid for awards and distinctions). He has this material meaning for the forming of positive relations with representatives of the media (publicity) and of the local communities. In spite of resemblance of roles of the representative and the spokesman, however a certain fundamental difference is dividing them: when the manager is appearing in the representative role, is kind of a symbol of the organization, however in the role of the spokesman is a medium formally which is handing over other [Griffin, 2000, p. 54].

Decision-making lines are connected with information lines and rely on the ability of using information for the decision making about technical, economic and social character. Here four following roles were indicated: entrepreneurs, combatting interferences, of disposer of stores and the negotiator. The manager as the entrepreneur is responsible for results and a development of the enterprise, taking a calculated risk of all action, in it of innovative actions. These lines influence the forming of the opinion of investors and shareholders which are assessing the company through the prism of her financial results and the developmental potential. These aspects are also essential for employees which are interested in the rise in the remuneration and promotion prospects professional. The manager is also responsible for

keeping the peace and order in team/teams, therefore must solve or relieve different conflicts, problems, appearing interferences. Performing the role combatting interferences requires often communicating and the transmission of information of administration departments explaining to media or appropriate authorities public (e.g. in case of the suspicion or real violating employee laws). As the disposer of stores, the manager is deciding about the distribution of financial and financial funds to various tasks and teams, as well as about the division of the function and positions. This role is regarding the forming of inside organizational relations above all among teams and individual employees. And the manager is finally performing also a role of the negotiator, participating in negotiations with business partners or other organizations as the representative of the enterprise, as well as in internal negotiations e.g. with other department or the individual. The manager can also appear in the intermediary role in conflict among subordinate employees or employee groups.

The accomplishment of all mentioned lines requires having appropriate personality features and constant improving purchased abilities. The professional manager should because can carry put roles out and try to prevent to conflict among them. Therefore the manager should: [Wachowiak, 2001, p. 28].

- to care about the development of one's personality,
- to be an assertive person which can find the compromise between the submissiveness and the firmness,
- to be characterized by a creativity and an entrepreneurship,
- to have internal motivation for driving people in the organization,
- can adapt the style of control to the specific situation,
- to be communicative and opened in contacts with people.

All discussed roles are determining the way of managing which next is deciding on results and the competitive position of the enterprise, as well as about his reputation. However it seems that from a point of view of building and keeping the positive goodwill one should assign the special significance to the following roles:

- of the representative and the link (interpersonal lines),
- of spokesman (information roles),
- combatting interferences and of negotiator (decision-making roles).

These roles are most strongly associated with the process of establishing, holding and strengthening the relation of the enterprise with all sorts groups of stakeholders and of creating the desirable corporate image in surroundings.

4. The influence of the person of the boss on the reputation and the goodwill in the light of findings.

To the order of the PLEON consultancy firm centre of examining the public opinion TNS-OBOP in October 2006 conducted research about the influence of the person of the boss on the reputation and the goodwill. A method of face-to-face interviews was applied. 1005 respondents participated in examinations - randomly selected above inhabitants of Poland 15 of year of age.

Above all respondents were asked for the influence of the person of the boss on company reputation, i.e. it, how she was like perceived in surroundings. They applied five - gradual scale of the reply. Achieved results were presented in tbl. 2.

Tbl. 2. Influence of the person of the boss on the reputation of the company.

Whether of You for you turning over person of the boss (chairman, director-general) is affecting the reputation of the company, i.e., how she is like perceived?		
Definitely yes	58%	92%
Rather yes	34%	
Rather not	3%	4%
Definitely not	1%	
It's difficult to tell	4%	

Source: [Leader of Reputation -PLEON.pdf, 10.06,
www.proto.pl/reputacja/PR/Pdf/reputacja/Badanie_reputacji.pdf]

As can be seen, examined Poles almost universally will recognize the influence of the person of the boss on the reputation of the company. It emphasized the positive reply as far as 92% of respondents, in addition in the determined way a 58% of respondents was said.

In table 3 the conclusions of the answer to a question concerning the influence of the person of the boss on the financial goodwill were presented. Straight majority (86%) she admitted that reflecting in the financial goodwill was finding the professionalism, competence and employing the boss, in addition in this issue expressed the determined opinion 41% examined.

Tbl. 3. Influence of the person of the boss on the financial goodwill.

Whether of You view person of the head of the company (who is it) e.g. by personal contacts, the professionalism, competence or employing does influence the financial goodwill?		
Definitely yes	41%	86%
Rather yes	45%	
Rather not	4%	9%
Definitely not	5%	
It's difficult to tell	5%	

Source: [Leader of Reputation -PLEON.pdf, 10.06,
www.proto.pl/reputacja/PR/Pdf/reputacja/Badanie_reputacji.pdf]

They also asked examined, what part of the goodwill (assuming that the value of the entire company constitutes the 100%) a person constitutes the boss for her. Persons indicated the maximum value of the boss determination confirming his influence on the goodwill (indicated the 60% of such persons for the response of the 40% of the goodwill or more). Amongst respondents, of which with sentence person of the boss than doesn't most often influence the financial goodwill a share was being assigned to him under the 20% of the goodwill (32% of respondents or on the level of the 20% of the -29% (29% of respondents). The mean of the head of the company was estimated on the level of the 39%. Amongst persons recognizing the determined influence of the person of the boss on the goodwill the average evaluation of the value amounted to the 48%. For comparison - amongst persons not granting the boss the influence on the goodwill the average result amounted to the 21%.

Results of described examinations are confirming the very great significance of the leadership and personalities of the manager in building and for keeping the reputation of the company. Such features, as determination, self-confidence, restrained tendency to the risk, determinism in the aspiration to attaining objectives, are playing the ability of creating the vision of the development particular role, especially in conditions of rapid changes in surroundings and in contingencies. With sentence G. Abramczyka (Consultant PLEON Senior Poland) the leadership is coming from competent announcing to the purpose of the building confidence amongst investors, employees and crucial stakeholders. The leadership contains a lot of ability in itself, but the communication is the underlying reason for improving the reputation and the goodwill.

Curious about studying the name about the relation between the reputation of the manager and results, from one side, and with the reputation of the manager but keeping a workstation and the level of his remuneration - on the other hand, S. Lee carried from the University of South California [Lee, 2006]. The examinations concerning the relation between the reputation of the boss and the performance of the company showed that managers about the good, established reputation were able to keep best results of the company, but it doesn't concern the opposite situation, in which the financial performance of the enterprise is weak. It is marking, that if the company has financial troubles for her stakeholders (e.g. investors, shareholders, employees) can consider dismissing the boss - irrespective of it, like good had a reputation - and replacing it other which is able to solve these problems. The examinations concerning the security of employment are showing that the reputation of the manager negatively affects the possibility of keeping a workstation, if the team managed by him is achieving poor results. Results of these examinations are suggesting, that if managers want to preserve the work, should put more effort into the improvement in the work output than into promoting the own image in the media. In the end, the research on the relation between the reputation of the boss and his remuneration showed that the improvement in the reputation of managers was more discernible in pay systems for results. Based on presented findings it is possible to propose a thesis that the reputation of the manager is perceived above all through the prism of results of his work (and more specifically of his team or the entire company), rather than appearance, statement in the media, of promises, that is generally speaking - of outside image.

L.Gaines-Ross is paying attention to the growing importance of the reputation of managers at the evaluation of the development potential of the company by shareholders and potential investors [Gaines-Ross, 2000, for 366-370 Sr]. He notices that the manager, through his attitude, is determining his decisions and the behaviour opinions of internal and outside stakeholders and after all is responsible for a reputation of the entire company. Meeting challenges all the more difficult requires having not only suitable qualifications from

contemporary managers, with the knowledge and abilities of the technical nature, but also having personality idiosyncrasies. Specialists in managing are indicating the following features and predispositions a manager of the new era should be characterized by which: [Kuc, Żemigała, 2010, p. 77-80]

- passion - she is ensuring power and the concentration, concentration on tasks, treating the work as the mission,
- emotional power - necessary for facing up to own anxieties and the need of the constant learning,
- positive attitude to other - noticing other, ability of deriving satisfaction from been successes through other, learning than other - of both one's superiors, and subordinates,
- willingness and the ability of the power sharing with surrounding in the organization.

Because the organization will be resisting the future on employing the entire person of the manager, of all dimensions of his personality, also of the ones so far omitted, so as his intuition, the emotionalism, mentality, the social adaptation, or also other predispositions of the psychological and social nature. From two managers having a knowledge comparable or moved close and experience, in the contemporary business and more and more intensively of changing economic reality, will just be achieving good results the one which has emotional competence apart from purely professional competence, also discussed (emotional intelligence) what in practice is manifesting itself in the ability of creating interpersonal bonds.

5. Conclusions.

In the context of the theory of stakeholders managing the reputation of the contemporary enterprise requires the forming of friendly, long-standing relations with all sorts groups of stakeholders. In this process a management with which the responsibility for all aspects lies for her is playing the particular role activities. From a perspective of managerial roles, according to the concept H. Mintzberga, in building the relation with stakeholders the following roles have a dominating significance: of the representative and the link (interpersonal lines), of spokesman (information roles), combatting interferences and of negotiator (decision-making roles).

Significance of the manager in creating the reputation and the goodwill is noticed in practice what conclusions of surveys are attesting to. Out of 1005 polled Poles above 15 of year of age as far as the 92% claims that the person of the boss is affecting the reputation of the company, and the 86% thinks that he is having an influence also on her financial value. Next conducted examinations through S. Lee from the University of South California they showed that managers about the good, established reputation were able to keep good results of the company, and the reputation of the manager is perceived above all through the prism of results of his work.

Finally it is worth noting that building the positive reputation on the basis of the forming of appropriate relations with stakeholders and meeting their expectations is very difficult on account of appearing of the conflict of interest among some groups. Therefore the enterprise should make crucial identifications from a point of view of the realization of its purposes of groups, that is increase the role of stakeholders.

Literature:

- CEO Reputation Management. www.reputation.com/reputationwatch/ceo-reputation-management
- FOMBRUN, CH., VAN RIEL, C., 2004. Managing Your Company's Most Valuable Asset: Its Reputation. Critical EYE Publications Ltd., September-October.
- FREEMAN, R. E., HARRISON J., WICKS A., 2007. Managing for Stakeholders: Survival, Reputation, and Success, Yale University Press, Yale.
- GAINES-ROSS, L., 2002. CEO Capital: A Guide to Building Leveraging CEO Reputation, John Wiley&Sons, New York.
- GAINES-ROSS, L., 2000. CEO Reputation: A Key Factor in Shareholder Value, "Corporate Reputation Review", Vol.3, No.4.
- GRIFFIN R., 2000. Podstawy zarządzania organizacjami, PWN, Warszawa.
- KOŹMIŃSKI, A., K., PIOTROWSKI, W., (red.), 2002. Zarządzanie. Teoria i praktyka, PWN, Warszawa.
- KRAWIEC, F., 2009. Kreowanie i zarządzanie reputacją firmy, Difin, Warszawa.
- KRAWULSKI, J., 2000. Public relations – wybrane zagadnienia, Wyd. AE w Poznaniu, Poznań.
- KWIECIEŃ, A., 2010. Zarządzanie reputacją przedsiębiorstwa, Wyd. AE w Katowicach, Katowice.
- KUC, B., ŹEMIGAŁA, M., 2010. Menedżer nowych czasów. Najlepsze metody i narzędzia zarządzania, Wyd. Helion, Gliwice.
- LEE, S., 2006. CEO Reputation: Who Benefits – the Firm or the CEO? December 2006. www.acctwkshop.cox.smu.edu/acctwkshop/W20062007/samlee.pdf
- PALIWODA-MATIOLAŃSKA, A., 2009. Odpowiedzialność społeczna w procesie zarządzania przedsiębiorstwem, Wyd. C.H. Beck, Warszawa.
- Szef a reputacja-PLEON.pdf, październik 2006,
www.proto.pl/reputacja/PR/Pdf/reputacja/Badanie_reputacji.pdf
- SZOBSKA, A., BRODZKA-KOSTRZEWSKA, A., 2007. Szef – król reputacji. „Marketing w praktyce” 2007, kwiecień.
- SZWAJCA, D., 2011. Czy można skutecznie zarządzać reputacją firmy? „Marketing i Rynek” 2011, nr 7.
- SZWAJCA, D., 2012. Zasoby marketingowe przedsiębiorstwa jako źródło przewagi konkurencyjnej, Wyd. Politechniki Śląskiej, Gliwice 2012.
- WACHOWIAK, P., 2001. Profesjonalny menedżer. Umiejętność pełnienia ról kierowniczych, Difin, Warszawa 2001.

Information about the Authors:

Danuta Sz wajca, Dr
Wydział Organizacji i Zarządzania, Politechnika Śląska
Ul. Roosevelta 26-28, 41-800 Zabrze, Poland,
email address: szwajdan@poczta.fm

Małgorzata Gašiorek, M.A
Jesuit University of Philosophy and Education Ignatianum in Cracow
Śleszowice 160, 34-210 Zembrzyce, Poland,
email address: sirkko@interia.pl