



How can Organisations Manage their Reputations in Response to Threats?

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In the face of danger, every individual is designed to react almost subconsciously and when it counts, defend themselves. This stays true in the case of threatened organisations. In this article, the authors name three kinds of responses and their corresponding solutions.

Existing organisations will already have a reputation among different groups such as their customers and employees. But how can they manage their reputations when confronted with a major threat such as political or economic change, or competitors tarnishing the image of their industry? We conducted two waves of interviews with partners of executive search firms to find out how they coped with common threats.

Common threats are not exclusively reputation threats nor particular to a single individual or organisation. They are either common to a single or multiple sectors. Such threats are everywhere as we are witnessing the UK's future relationship with the European Union and how this breeds uncertainty among the business community.

In our study, we found that executive search firms faced three threats: first, the global financial crisis which froze up hiring opportunities and therefore their relationship with clients and candidates. Second, problems with the sector's status because of new entrants participating in poor hiring practices which tarnished the image of the sector. Third, the proliferation of social media websites which took away work from their core candidate search business.

We asked partners of executive search firms to explain how they were responding to the above threats. We found there were three interrelated types of responses. First, *functional* responses which included diversifying their services. Many executive search firms started offering other services related to but beyond their core business of search, for instance in leadership development, succession planning and consulting, to overcome the shortfall in other areas of work. Surprisingly, firms found that their clients were supportive because of their deeply embedded relationships in other areas of business.

Second, because of the intangible nature of much executive search work, many firms further highlighted their *symbolic* status. For example, the location and furnishings of their offices, their use of imagery through photographs and paintings, as well as their proximity to clients were all deliberate

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approaches to portray their high status. This served the purpose of trying to move upstream in the business and to emphasise how they were distinct from their lower status competitors.

Third, *individual* responses which included partners working closely with informal contacts and managing their personal reputations to establish long-term connections and winning new and retaining existing work. While the business of client and candidate relationships is important for all professional service firms, we found that during these ongoing threats, actively managing the rolodex became a way for partners of these executive search firms to reforge these relationships. Because partners were carefully managing their relationships, we found there was a close relationship between their individual reputation and their organisation's reputation. The partner played a key role in starting or rekindling a relationship, but the wider team was important for winning and managing the work, both of which impacted on how the organisation was perceived.


What can other types of organisations learn about how to manage their reputations based on the threats and responses of executive search firms? We use the idiom of 'keep up with the Joneses' to explain what we found was effective or not. We did not find support for 'keeping up with the Joneses' – organisations trying to improve their activities to the same standard to keep pace with their competitors because they did not want to remain in the same pack as their competitors. We also did not find evidence of 'teaming up with the Joneses' – working with competitors to protect the sector's reputation.

However, we did find support for organisations trying to 'move away from the Joneses' to show they were doing very different activities to what they were doing previously, meaning that they were no longer comparable to their former competitors. This involved a set of elite firms doing similar activities to each other (moving closer), but a distinct set of activities from their mid-tier counterparts (moving away).

Finally, we found evidence of 'networking more than the Joneses' where firms rely on informal communication channels to convince clients about the value of their work. We also found support, which has been argued elsewhere in the literature of 'fencing out the Joneses', which is demonstrating

how organisations are distinct from the poor behaviours of competing firms.

In summary, we argue that there are many threats that organisations can face. With constant change on the business horizon, this can create new opportunities for new entrants, but also uncertainty for clients. In such contexts, it is important for organisations to evidence reputation to reassure and send positive signals to clients that they are trustworthy and credible in relation to their competitors.

We suggest that moving away from the Joneses, fencing out the Joneses and networking more than the Joneses are three practical steps that organisations can take to increase engagement, trust and legitimacy, and to manage their reputations. 

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