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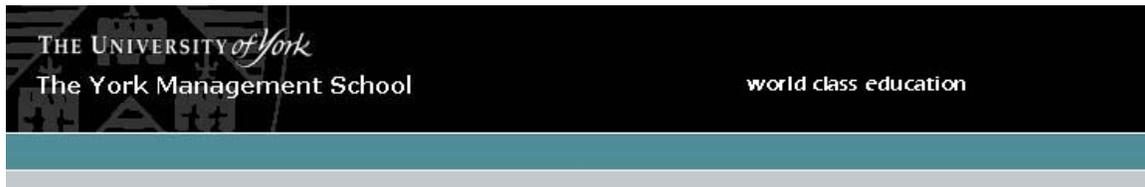
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**Reputation in Organizational Settings:
A Research Agenda**

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This paper is circulated for discussion purposes only and its contents should be considered preliminary.

Reputation in Organizational Settings: A Research Agenda

Abstract

Within organization theory, reputation is something we have come to associate with embeddedness research. This short paper seeks to develop a research agenda for new reputational research that draws inspiration from, but also seeks to move beyond, the embeddedness thematic.

Descriptors: institutions; organization theory; reputation; epistemology.

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Reputation in Organizational Settings: A Research Agenda

Introduction

What are we without reputation? This oft-cited question, with its origins in Shakespeare's *Othello*, a play which is arguably about repute and its manipulation, seems to portend an obvious existential answer – namely that we are nothing. What then are organizations without reputation? More to the point, what are they when they possess this elusive commodity? Does reputation *construct* organizations, and if so, how? Can it help to frame the rules, logics and institutions that underpin processes of organizing?

These questions raise issues of great significance for both organization theorists and practitioners. Yet they have rarely been posited within the literature, perhaps with the exception of Bromley's (1993) encyclopaedic review of the subject. Within organization studies, we have tended to view reputation as a phenomenon of networking and social embeddedness (see most recently in *Organization Studies*: Gluckler and Armbruster 2003). While providing important empirical and theoretical insights into the relationships between repute, organizing, networking, and embeddedness, this body of work, which is both quantitatively and qualitatively cast, addresses some, but not all, of the questions raised by the outplay of reputational dynamics.

Embeddedness research houses a particular set of ontological focal points – such as trust and institution formation, as exemplified by, for instance, Granovetter (1985); Raub and Weesie (1990); Flynn et al. (1996); Lam (1997); Lane and Bachmann (1996); and Hanlon (2004). This short paper argues that reputation can be explored as an organizational phenomenon using a far greater diversity approaches than are currently in use. Specifically, the paper argues for the expansion of reputational research within organization theory to include, ostensibly, new possibilities for *critical qualitative* inquiry. In this context, the paper explores some potential avenues for future reputational research which draw on, but also seek to move beyond the embeddedness thesis.

Reputational Research: A Lost Thematic?

As a body of research and writing, organization theory has long explored themes and issues which are either directly associated with, or tangential to, reputation. These themes include organizational trust, networking; and embeddedness (cf. Hanlon 2004; and Gluckler and Armbruster 2003). More tangentially, there are important links between reputation and issues of performativity, quality, excellence, leadership, change, and risk management. The development of a ‘reputational perspective’ on these aspects of theory and practice remains underdeveloped at the present time.

Moreover, while the organizational and economic literatures host a wealth of material to account for the dynamics of ‘repute, network, and market’, there is a noticeable dearth of contemporary literature that directly addresses questions of ‘repute and organizational construction’; ‘repute and discourse’; ‘repute and sensemaking’ and ‘repute and the hyperreal’ – all areas that should be of burgeoning interest. Reputation is thus often the silent, hidden, or at least under-stated partner in research within such areas as decision-making; sensemaking; gender; leadership; the constituting of organizational discourses; and organizational power struggles and rhetoric.

Reputation is arguably at the core of organizational life and the ‘lived experience’ organizing creates. It represents an institution of immense significance within processes of constituting, constructing, organizing and decision-making (Phillips et al. 2004). As an institution of organizing therefore, reputation possesses enormous versatility; and is perhaps utilized most vividly by managerial actors as a ‘resource’, in struggles for the control of agenda-setting and collective sensemaking. There is, therefore, good reason for examining the way reputation functions as a political instrument within organizational contexts. Other potential avenues are also highly plausible. For instance, the development of a ‘reputational perspective’ on the interweaving of power, control, discourse and institutions within organized settings; or reputation and leadership; or reputation and sensemaking.

The remainder of the paper considers how new strategies for reputational research might be put together. In the past, organizational research has tended to see reputation mostly as a ‘network dynamic’, using the embeddedness thesis as its ontological

centrepiece. This has yielded rich data on reputation and its role in constituting boundary spanning organizational and interpersonal networks. However, in doing so, organization theory has overlooked valuable opportunities for exploring the part reputation plays in constructing the ‘internal vistas’ cultures and dynamics that we find within organizations.

What explains this lack of attention to intra organizational relations and reputation? There are three possible answers to this question. The first is that impression management research, with which the intra and ‘non-network’ organizational study of reputation is most popularly associated, has gone out of fashion. The second answer is epistemologically broader, suggesting that reputation has become a ‘friendly fire’ causality of sorts, on the journey that has been made within the organizational field away from modernist orthodoxies and methodologies; and towards a phase of philosophical growth that is often labelled as being late, high, linguistic, or ‘post modern’ depending upon the dispositions of the writers concerned (Deetz 1996). Reputation has thus become lost somewhere in this dialectical move from one epistemological language-game to another (Deetz 1996; see also Astley and Zammuto 1992; and Mauws and Phillips 1995, both citing Wittgenstein 1953). This process may have led to the re-appraisal of some modernist themes (Clegg 1990) – for example social constructivism; bureaucracy; institutions; discourse; hegemony; and gender. Alternatively, it may also have lead to the unintentional jettisoning of others, such as reputation.

A third possibility is that we falsely think that reputation has already been ‘done-to-death’ in an analytical sense; with the ground being covered, by in particular, embeddedness theorists. The next two sections of the paper examine why the assumption that reputation has been ‘overdone’ may be particularly misplaced, and in doing so, offers two suggestions future reputational research.

From Embeddedness Theory to Other Possibilities?

Reputation is, to all intents and purposes, a theme of modernism, as encapsulated by Clegg (1990). ‘Reputational research’ has traditionally followed *rational action* laden epistemologies as exemplified by Granovetter’s work on the social perturbations of

trust, institutions, reputation, and micro-actor networks (see: Granovetter 1985; Raub and Weesie 1990).

Within embeddedness research attention is mostly paid to the behaviour of actors in networks, be they organizations or people, that intersect and circumvent organizational boundaries and hierarchies (Granovetter 1985; Raub and Weesie 1990; Flynn et al. (1996); Lam (1997); and Lane and Bachmann (1996). Alternatively, network behaviours can be contextualized within markets, see for instance, Gluckler and Armbruster (2003). The foci for both approaches includes the nature and intensity of bonding between actors, levels of trust and mistrust, the assessment of risks and opportunities, the role knowledge of reputation plays in informing decisions and strategies, and the effects of communication and diffusion upon network relations and their functioning and development as communities of inter-linked actors, operating, primarily, within rule-bound institutionalized fields (Phillips et al. 2004).

Methodologically, these approaches can be investigated through surveys of network relations and mathematical models of resultant diffusion patterns (in the manner of Raub and Weesie 1990). Network / embeddedness research of this ilk is also likely to involve qualitative case interviewing (see for example: Flynn et al. 1996; also Kewell et al. 2002) or the use of a cultural lens through which to analyse the emergence of norms, values and bonds between network participants. Reputation can be seen in this context as firstly an 'active ingredient' in the cementing of network bonds; or secondly, as a maker of 'behavioural rules', particularly those governing transactions (Granovetter 1985).

The above describes what might be dubbed the 'traditional approach' to examining reputation. It is seen firstly and foremostly as a network phenomenon, which has knock-on effects for human relations and organizing. However, embeddedness approaches are limited to a degree, and cannot therefore account for all of the permutations and machinations of reputation that are possible within intra-organizational worlds and cultures. An expanded approach or perhaps one that seeks to move beyond embeddedness is therefore needed.

A Contemporary Take on Reputation

Reputation is an allusive asset within the corporate world. Managers search continually for new methods for improving esteem and standing. Functionalist management research and purveyors of popular management rhetoric and technology innovations prosper as they do partly because they promise ‘reputational enhancement’. Such ‘external stimuli’ feed deep-seated desires for standing, esteem and, with this, the power to control sensemaking, agendas, ‘zeitgeists’ and resources. Nonetheless, this continual search for better repute is a hyper-reality in itself, which sometimes leads organizations to set themselves unachievable goals.

In the ‘real world’ reputation, as well as being a rule of decision-making, is therefore an important source of control - playing a part in the creation and obfuscation of hegemonies. It makes uncomfortable and unpalatable changes easier to introduce and mask (Oakes et al. 1998), and it is both a product and a producer of the discourse and stories that enable collective sensemaking (Grant and Hardy 2004; Boje et al. 2004). Reputation also has a powerful aesthetic imagery attached to it. This phenomenon is, *inter alia*, an essential cornerstone for the social construction of organizational relations *per se* (Berger and Luckmann 1967) and the forging of managerial mindsets, although it is rarely seen as such.

This section of the paper sets out two ideas for future research that would use Granovetter’s ideas as a starting point, but where the aim would be to broaden and perhaps move beyond the traditional foci of embeddedness research so as to better encapsulate some of these ‘heuristics’. In doing so, the paper identifies some of the methodological options researchers’ may wish to consider when exploring, for example, the role reputation plays in constructing intra-organizational dynamics, ‘decision discourses’ and sensemaking.

The first idea develops an *intersubjective* take on intra-organizational reputational dynamics (see in *Organization Studies*: Butler 1997). The second idea is concerned more centrally with ‘late’ or ‘post-modern’ thematics. Is it possible to think of late, high, post, or linguistic strategies for reputational research? If so, then what would be

the likely ontological focus; and what methodologies might be employed in this form of analysis?

Intersubjective Possibilities. The term intersubjective refers to a form of modernist thinking that attempts to bridge the study of institutions, agency and structure with the study of culture, heuristics, language and phenomenology (Weick 1993; Butler 1997). Possibilities for intersubjective reputation research might include studies that look at the way actors talk about reputation, then pass on this sensemaking to others; and the role this sensemaking comes to play within collective decision-making processes, and the creation of corporate strategies and narratives (in the manner of Weick 1993; 1995).

There are distinct possibilities for politically attuned reputational research, which considers the part it plays in the language games promoted by, for example, general managers (Astley and Zammuto 1992; Mauws and Phillips 1995). Reputation forms part of the arsenal of weaponry managers and other political actors draw upon when engaging in struggles for the control of agendas and resources (Oakes et al. 1998). Its influence is brought to bear most effectively in situations where organizational actors, particularly but not exclusively managers, seek to ‘create legitimation’ for foregoing plans and proposals and /or reinforce their controls over decision-making (Oakes et al. 1998). Arguably, it is through such control mechanisms that ‘empowered’ actors gain mastery of organizational sensemaking (Weick 1995).

This process of arresting, and sometime re-arresting control (Oakes et al. 1998) often takes place through rhetorical means, within which managers present to their respective stakeholders, perceived threats to reputation, or alternatively, possibilities for reputational enhancement. Such images and narratives can be very powerful forms of propaganda (Phillips et al. 2004) that aim, and often succeed in creating sustained and persuasive support for the managerial prerogative (Oakes et al. 1998). Potentially painful, and drawn-out, change agendas such as the introduction of performance measures can thus be introduced and ‘naturalized’ with less resistance, on the back of reputational maximums, imagery, narratives and mythologies.

Reputation is pivotal within both externally and internally facing managerial power and language games (Astley and Zammuto 1992; Mauws and Phillips 1995). It is, in the Bourdieusian sense, often the main 'prize at stake' in situations of organizational conflict (Oakes et al. 1998 cf. Bourdieu 1998; 1990). Pejoratively therefore, reputation's greatest 'effect' is that which it has upon the mindsets and sensemaking of decision-makers, and those who support and oppose them within the wider organization, and institutionalized organizational fields (Phillips et al. 2004). There is, therefore, an intrinsic relationship between reputation and action (as with all forms of institutions and rules). Reputational rules and institutions have special significance for action in organizational settings, for reasons described thus far. They act, in addition to the issues already considered, as a fate determining powers that can steer actors along riskier pathways and towards destinies that might not otherwise have been considered. This makes reputation both virtuous and treacherous as an institution; and sadly, a factor in corporate disasters (Kewell 2005). My suggestion here is that intersubjective reputation research could examine these processes, and the manner of their institutionalization more closely (Phillips et al. 2004).

Another related intersubjective agenda involves research into the linguistic foundations of 'reputational knowledge-nuggets' as exemplified by Granovetter's micro-actors. These exchanges can be theorized as a 'language game' of sorts (in the manner of Astley and Zammuto 1992). A further avenue would be to re-appraise the ethnomethodology of reputation and the use it has as an everyday rule of organizing routine thinking and behaviour; versus its utilization in non-routine situations, extraordinary decision-making scenarios, or even in the context of corporate disasters. In a similar vein, there may be a place for a re-appraisal of reputation's impact on mindsets, using Barley and Tolbert's (1997) reinterpretation of Giddens's structuration theory, and associated methodologies. In sum, an intersubjective take on reputation would aim to explore a range of intra-organizational dynamics, such as sensemaking, discourse, language and rhetoric, using the modernist frame of reference and embeddedness research as starting points.

Late or post-modern possibilities. In the intersubjective frame, the ontological focus of reputation research would retain the modernist view of reality and build on existing embeddedness research. A late or post-modern approach would, by contrast, reject the

assumption of subjective-objective dualism that underscores both normative and intersubjective takes on modernism (Deetz 1996); and perhaps make more radical departures away from embeddedness research and the norms it has created.

Following Deetz's (1996) classification, a late or post-modern approach would focus on the hyper-reality of reputation and consider the nature of its existence within organizational spaces that are both imagined and real. Late or post-modern approaches could also utilize the idea of the language game, applying it in an analogous or metaphorical sense. Such post-modern possibilities, might involve traditional methodological preserves, such as 'Discourse Analysis' but use them, for example, in a Foucauldian context or within the context of Bakhtin's work (Deetz 1996) to explore, for example, reputation and textscapes (Keenoy and Osrick 2004). In sum, the advantages of a late or post modern approach to the study of reputation might be that it grants the genre epistemological independence from the embeddedness thesis; and may encourage new departures such as the exploration of the role reputation plays in conjuring the 'hyper-real' and manufacturing sometimes dangerous organizational myths and fantasies.

Discussion and Conclusion: Altering the Language Game of Reputational Research

Far from being outmoded, reputation as a theme is central to contemporary areas of interest, and in particular, evolving intersubjective and late, high, or post-modern stances on some of the traditional themes of the organizational literature. This is exemplified, *inter alia*, by current twists in debates on discourse, enactment, institutions, social constructivism, and power.

More extensive *qualitative* reputation research is needed to complement, and counterbalance, an influential and evolving quantitative body of work on the subject which has sought to mathematically model the effects of reputation, within for, example, market and network contexts (Raub and Weesie 1990). This 'quantitative science of reputation' has enumerable strengths. It represents something of a mighty giant within social economics, where reputation, and its 'outcomes', known as 'Reputation Effects' (or REs), have assumed reified ontological positions.

By comparison, organization theorists have shown far less interest in this beguiling social institution, even though 'embeddedness' ranks as one of our major themes. This may be because reputation is something that has become firmly associated with the outmoded genre of 'impression management' (Bromley 1993). But there are deeper causes too which include the possibility of wounding by 'friendly fire' and of seeing reputation as a 'done issue'. Arguably, reputation can be conceived of as polymorphous institution which plays an 'invisible hand' in numerous organization situations, operating as (1) a control on external behaviours and environmental interactions; (2) a control on image; (3) a trust institution; (4) an institution of decision-making; (5) an institution of sensemaking and (6) an ethnomethodological institution that is intrinsic to the 'lived experience', social construction, and constitution of the everyday 'rules' of organizing. In these guises, reputation represents as the cliché states, a 'rich seam' for us to mine as organizational researchers. The problem is that such research is not part of our current research agenda, but arguably should be.

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