SOCIAL EVALUATIONS

RESEARCH PRIORITIES

2021-24

(www.socialevaluations.org)

CONTENTS

1. Executive Summary

Welcome to the first triennial "Social Evaluations Research Priorities" report. This report gathers insights and views from senior executives and leading scholars to identify priority themes for social evaluation research over the next three years. The report aims to address key issues across five important social evaluations - legitimacy, image, status, reputation and trust.

We draw inspiration from the Marketing Science Institute (MSI) which has for several years produced a biennial research priorities report listing what it states are *"questions of enduring interest to marketers and researchers."*[1] Our intent, as with the MSI initiative, is to provide support and direction to scholars interested in undertaking relevant and high impact social evaluation research. We also hope that this will serve as a resource to connect researchers, who are the guardians of fresh insight into these themes, with organisations who can support this work through practical examples, sources of data and funding.

This report is organised, collated, and published by the Oxford University Centre for Corporate Reputation ("the Centre"). It draws on the expertise of three groups of people, to whom the Centre is extremely grateful, capturing their views on the most productive areas for social evaluation research over the next three years. The three groups include the Centre's Visiting Fellows, all leaders in their respective fields who guide the Centre on its research priorities; the community of Corporate Affairs leaders who are members of the Oxford-Globescan Corporate Affairs Global Council; and the leading scholars who have been appointed as International Research Fellows of the Centre. Links to the full list of executives and scholars consulted for this report can be found in the methodology outlined in section five of this report. Copies of this and future reports will be posted on the newly formed social evaluations website created by the Oxford University Centre for Corporate Reputation (www.socialevaluations.org) as well as the Oxford University Centre for Corporate Reputation website.[2]

We hope that www.socialevaluations.org will become an internationally recognised and vibrant discussion forum for the issues and questions identified in this report. Www.socialevaluations.com will host this triennial report while also featuring more regular blog posts and discussion boards on these and other research themes of note. We hope that both

---

[1] https://www.msi.org/wp-content/uploads/2020/09/MSI-2020-22-Research-Priorities-final.pdf

[2] https://www.sbs.ox.ac.uk/research/centres-and-initiatives/oxford-university-centre-corporate-reputation

research scholars and practitioners will welcome this new initiative and engage with these blogs as they appear.

Ten themes emerge from the report, which we organise under two groups: alignment challenges, and practice challenges. Research questions emerging from these ten themes capture issues from the perspective of an organisation, perspectives from stakeholders, and perspectives emanating from the interaction between them.

The Five Alignment Challenges

Alignment challenges address themes relating to the way that business orients itself to meet new and emerging societal issues. The key themes in this section are:

1. **Organisational purpose**, particularly the role of purpose as a guide (a north star which stakeholders can aspire to be a part of) or as a guardrail (shaping choices and investment decisions made by organisational leaders);

2. **Governance including ESG**, focusing particularly on how organisations act in environmental, societal and governance terms and how they choose to report, engage and communicate these actions;

3. **Formal/Informal law and regulation**, especially the boundaries where social approval assets should play a dominant (soft) regulatory role and the interaction of social approval and legal strategies;

4. **Performance outcomes**, with a particular focus on the way in which different reputations and trust contribute to organisational success/failure, expose/mitigate business risk, inform key performance indicators ("KPIs") and enhance returns on investment ("ROI");

5. **Stigma and crisis**, focused on how organisations can differentiate themselves within stigmatised sectors and how they manage crises in increasingly fast-paced, hyper-connected VUCA ("Volatile, Uncertain, Complex, Ambiguous") societies.

The Five Practice Challenges

Practice challenges address themes relating to the adoption and deployment of business activities that pose both opportunities and threats for organisations and how they are perceived by key stakeholders.

1. **AI and the adoption/use of new technologies**, the success of which relies on perceptions of both the capability of the technology and the ethical frames that underpin its governance;

2. **Activists and activism**, with organisations keen to understand how to respond effectively to activist attacks as well as some more proactive guidance on how to advocate for change as activist actors in their own right;

3. **Media systems and fake news**, both strategies to handle fake news attacks and also how organisations can communicate effectively in polarised and distributed media systems;

4. **Building aligned and motivated cultures**, especially productive and supportive internal stakeholder engagement strategies;

5. **Political engagement**, with a focus on corporate policy engagement, corporate access and lobbying strategies, and corporate donations and wider political funding.

2. Social Evaluations

Social evaluations are critical to organisational success. Perceptions have long played a critical part in facilitating commercial exchange relationships between trading partners. Today, perceptions also mediate the relationship between employers and the talent they seek to attract and retain, shape regulatory oversight, influence supply chain dynamics, and drive investor valuations.

We aim to focus on research questions as they relate to five principal social evaluations – legitimacy, image, status, reputation, and trust. Organisations and their leaders spend a significant amount of their time – around a quarter of their time, according to a recent study by McKinsey – managing these assets through their stakeholder engagement strategies.[3] And they matter. A January 2020 study concluded that intangible assets today account for 70% of the global enterprise value of the 10,000 most valuable publicly traded companies in the world.[4]

There is considerable value in connecting academic research with business practice in these areas. There exists a wide body of management scholarship devoted to the study of these and other related concepts. Much of this insight has been informed and supported by businesses, which have provided valuable financial and data support.

2.1 Legitimacy

Legitimacy refers to perceptions or assumptions that the actions of an organisation are proper or appropriate, according to socially constructed norms. It is important because it underpins an organisation's licence to operate. Modern research in the field started to grow in the latter half of the twentieth century, reflecting its importance but also its conceptual ambiguity.[5] A more recent review of research in the subject has identified three main streams of legitimacy

---

[3] https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/the-pivotal-factors-for-effective-external-engagement?cid=soc-web

[4] https://www.linkedin.com/pulse/intangible-value-70-global-economy-jonathan-knowles/?trk=related_artice_Intangible%20Value%20is%2070%25%20of%20the%20global%20economy_article-card_title

[5] See also 'The SAGE Handbook or organisational Institutionalism', edited by Royston Greenwood, Christine Oliver, Roy Suddaby, and Kerstin Sahlin-Andersson (2008); chapter 1 'Legitimacy in organisational Institutionalism' by David Deephouse and Marc Suchman

research – legitimacy as property (an asset or resource), legitimation as process (how it is constructed and maintained), and legitimacy as perception (as an assessment or judgement)[6].

Core References:

Oxford Bibliographies (www.oxfordbibliographies.com) – see here

The Oxford Handbook of Corporate Reputation, Oxford University Press (www.oxfordhandbooks.com) – see here.

2.2 Image

Image refers to the positioning of an organisation. There are at three principal ways to approach the study of image: intended image, perceived image, and construed image. Intended image refers to the organisational attributes and characteristics selected by the organisation as a representation of what they want stakeholders to focus on. Perceived image, by contrast, refers to how stakeholders actually view the organisation. And construed image refers to how the organisation *believes* stakeholders view the organisation. It is important to note that these three dimensions are interdependent.[7] Research in this area has focused on how image both derives from and influences organisational identity, and ways in which different stakeholders connect and interact with organisations.

Core References:

- Oxford Bibliographies (www.oxfordbibliographies.com) – see here
- The Oxford Handbook of Corporate Reputation, Oxford University Press (www.oxfordhandbooks.com) – see here.

2.3 Status

Status refers to a position in a social hierarchy. It is important because it functions as a signal of quality and circumscribes organisational behaviour. On the positive side, high status has been found to confer enhanced pricing power, facilitate the formation of productive business partnerships, and provide preferential access to policy makers and decision-making forums.[8] On the downside, high status has been found to attract a greater volume of activist attacks

---

[6]

https://www.researchgate.net/profile/Patrick_Haack/publication/305488799_Legitimacy/links/5e839db392851c2f5270d419/Legitimacy.pdf

[7] https://link.springer.com/content/pdf/10.1177/0092070305284969.pdf

[8] https://journals.sagepub.com/doi/10.2307/2666962

and to contribute to accelerated or over-heightened expectations.[9] Status research focuses historically on the antecedents and consequences of status, whereas recent status research focuses on status mobility, status inconsistency, and status loss.

Core References:
- Oxford Bibliographies (www.oxfordbibliographies.com) – see here
- The Oxford Handbook of Corporate Reputation, Oxford University Press (www.oxfordhandbooks.com) – see here

2.4 Reputation

Reputation refers to what others believe about an organisation, as expressed through perceptions. Reputations are important because they inform stakeholder perceptions about the capability and character of organisations.[10] [11] Reputations are multidimensional - organisations have different reputations *for* something *with* someone. Research in this area has evolved from a focus on generalised perceptions to specific dimensions of reputation and their impacts on specific stakeholder decisions including customers, employees, suppliers, investors and regulators[12]. A deep and rich strand of research continues to emerge on reputations within crises and scandals.

Core References:
Oxford Bibliographies (www.oxfordbibliographies.com) – see here
The Oxford Handbook of Corporate Reputation, Oxford University Press
(www.oxfordhandbooks.com) – see here

2.5 Trust

Trust, according to the Oxford English Dictionary, is defined as a "firm belief in the reliability, truth, or ability of someone or something." Scholars have focused on trust as a fundamental ingredient within, or lubricant of, business activity, focusing on three dimensions that, when

---

[9] http://tupress.temple.edu/book/20000000009801

[10] https://onlinelibrary.wiley.com/doi/full/10.1002/smj.958?casa_token=u6emnjAfWHsAAAAA%3AeAwnM7bIB-7lFrLzQGsdKxQz39y2nc9ZU4YVnx8sflK24Yu9d8WEUrwyuo1Dc19lAE5d7yqaC1bCCQ

[11] https://oneworld-publications.com/the-reputation-game.html

[12] https://journals.sagepub.com/doi/abs/10.1177/0149206310390963?casa_token=k6ehTeVG3YsAAAAA:Mtrqu7-ANp6lEAGtb2WO2dPC8BAbeqQMH4X7QRGuJmzM9VPtsJ4wbWnLKzjJ-E31vakVmBcLZmA

seen together, produce trust – ability, benevolence, and integrity[13]. There has been much focus recently on rebuilding trust in business. One of the most interesting recent strands of academic and public debate concerns the question of whether there is in fact too much trust in business, as opposed to too little trust.[14]

Core References:

- Oxford Bibliographies (www.oxfordbibliographies.com) – see here
- The Oxford Handbook of Social and Political Trust, Oxford University Press (www.oxfordhandbooks.com) – see here

---

[13] https://journals.aom.org/doi/abs/10.5465/AMR.1995.9508080335

[14] https://www.bbc.co.uk/programmes/p00gpzfq

3. The Five Alignment Challenges

Alignment challenges address themes relating to the way that organisations orient themselves to meet new and emerging societal issues. To do this effectively, organisations need stakeholder engagement and approval, but there is a recognition that it is the responsibility of the organisation to take the first step, defining long-term principles and then applying them in everyday practice.

3.1 Organisational purpose

Organisational purpose has become a critical area of debate and discussion within business and between business and its different stakeholders. Purpose articulates *why* an organisation exists. In this respect, it differs from mission (*what* an organisation chooses to do) and values (*how* an organisation acts). Properly constructed, purpose discussions at the board should be anchored on long term strategies and planning horizons, acting as a directional 'north star' for as well as a 'guide rail' to help board directors make choices on where to invest corporate resources. Correctly devised and executed, organisations with a clear purpose can use this to better allocate scarce resources, unite different publics, and drive efficiencies and performance over the longer term.

As purpose has become elevated within organisational discourse, so too have questions about how organisations can align all its assets and resources behind its stated purpose, how it confers organisational value, whether pursuit of purpose comes at the expense of financial performance, and how it can be measured. In addition to this lie foundational questions on how organisational purpose should engage with the most important intersectional challenges that affect us all - racial injustice, deepening economic inequality, migration and poverty, and the destruction of the natural environment. This broader frame opens up questions about the role of business in society, capturing what stakeholders now expect organisations to contribute towards or solve.

Definitional Issues
- *What is corporate purpose, and how can it guide corporate action?*
- *How is organizational purpose different from organizational mission, strategy, and vision?*
- *What is the relationship between corporate purpose, ESG and CSR?*
- *What is the relationship between organisational identity and organisational purpose?*

- *What is the relationship between corporate purpose and corporate strategy?*

Alignment Issues

- *What happens when there is a misalignment between organisational identity (who we are) and organisational purpose (why we exist)?*
- *How can organisations align their purpose with their actions?*
- *What happens when an organisation's purpose and reputation diverge?*
- *What happens when an organisation's purpose is not action guiding (e.g., in a crisis)?*

Organizational Values

- *How do organisational "values" relate to organisational purpose? Which "values" resonate with stakeholders?*
- *Which values are "evergreen" in their appeal to stakeholders (e.g., not faddish, but long-lasting and widely appealing)?*
- *Now that making as much money for shareholders is no longer legitimate to most stakeholders, what purposes are legitimate?*
- *To what extent do corporate purposes align with UN SDGs? Do firms more aligned with SDGs have better reputations? If so, which specific reputational benefits do they gain?*
- *Which corporate purposes are more legitimate in which countries?*
- *What is the purpose of business firms in view of the various global challenges our societies are facing (transition to a carbon-free economy, tackling human rights violations, the alleviation of precarious working conditions that are emerging as a result of digitalization and artificial intelligence, etc.)?*

Stakeholder Issues

- *Which stakeholders care most about organisational purpose?*
- *How do you define the list of an organisation's stakeholders and should they be assigned different levels of importance and influence?*
- *How does organisational purpose relate to questions about managing for shareholders vs all stakeholders?*
- *What are the boundaries of moral responsibility for the firm when it comes to its stakeholders?*
- *When, where and why does a gap between stated purpose and visible actions become more or less perceptible to stakeholders?*
- *How do organisations communicate their purpose to different groups of stakeholders with different needs and perspectives?*

- *When reorienting the business firm to corporate purpose, what are the implications for corporate governance and stakeholder management?*
- *How can purpose best be measured by different stakeholder groups?*

Trusting the Organization

- *Ultimately, how important is it to an organisation's social evaluations that, when it "talks the talk" with respect to organisational purpose, it also "walks the walk?"*
- *How much does the substance behind a purpose matter? Or is it really all just symbolic in its importance? Does the answer differ (or how does it differ) by stakeholder group?*
- *How much do stakeholders, especially consumers, analysts, and activists, trust the newfound purposes of business?*
- *How to ensure that a reorientation towards corporate purpose is perceived as authentic and credible?*

3.2. Governance, including ESG

How organisations manage themselves – their governance systems and approaches – forms a central component within social evaluations. The first element relates to which stakeholders should be prioritised by organisations and their leaders. This very public debate has outsized implications for the way in which organisations are socially evaluated. Today, there is also growing interest in the ESG (Environmental, Social, and Governance) commitments now being adopted by organisations as part of their responsible business policies and in pursuit of their stated purpose. For organisations, how they govern these environmental, societal and governance activities, how they prioritise different stakeholders, how they choose to report and communicate their actions, and the appropriate timeframes for action have become critical factors in social evaluations. These evaluations are made more complex because of the different national, regulatory, and cultural contexts and expectations in which they operate. There is also mounting evidence that ESG activities are unlocking new sources of innovation and growth.

Investors have, for many years, also been growing their ESG investing strategies and funds under management. More recently, investors now embed ESG questions into most, if not all, of the due diligence and oversight conversations with the organisations they choose to invest in. Finally, regulators around the world are starting to mandate certain types of ESG reporting, led by the International Accounting Standards Board (IASB), the Sustainable Accounting Standards Board (SASB) and others.

Choosing ESG Activities
- *What does the "S" in "ESG" mean?*
- *How should ESG activities be prioritized?*
- *How does ESG relate to philanthropy?*
- *Do certain E, S, or G practices have a larger impact on reputation than others?*
- *What is the relationship between corporate purpose, ESG and long-term climate goals for the company?*
- *What does good "social compliance" and emerging best practice "beyond compliance" look like?*
- *Do corporations have human rights obligations beyond "doing no harm?"*

Stakeholders
- *How do we govern for multiple stakeholders?*
- *How do we balance stakeholder interests?*

- *What structures, policies, and procedures can we adopt to ensure that critical stakeholders have a voice in governance?*

- *How are firms advertising their ESG efforts to stakeholders? How does their approach to distributing the message influence the perceptions of different stakeholders?*

- *How can stakeholders judge whether ESG statements are authentic and credible?*

- *How should communication with stakeholders unfold?*

Effectiveness of ESG

- *Under which circumstances are ESG and CSR commitment effective in improving social and environmental performances?*

- *How can stakeholders distinguish organisations that engage in thorough and effective ESG from greenwashing or social-washing practices?*

- *Do organisations with strong ESG missions get more rewards in the marketplace from consumers? In other words, is there a strong economic argument for organisations that commit themselves (at least publicly) to environmental, societal and governance actions?*

- *When would engaging in ESG activities hurt the organisation?*

- *What characteristics would allow organisations to ignore ESG challenges without suffering harm?*

Competitiveness Implications

- *Is there a competitiveness-sustainability trade-off? Goods produced in line with ESG commitments are often associated with a price premium. How does this affect firm performance?*

- *How can organisations engage in costly CSR commitment and retain competitiveness in price-sensitive markets?*

- *Are middle-status firms most subject to ESG pressures? And by contrast, can elite firms or privately held firm partnerships (like the Magic Circle law firms or Goldman Sachs), or low status firms continue to do as they please?*

- *Are publicly listed firms under more pressure on ESG than privately held firms?*

- *Are certain sectors relatively immune from ESG concerns?*

Metrics and Reporting

- *Should ESG reporting be mandatory?*

- *What metrics should be used – clarity and comparability approaches?*

- *Which standards are emerging as leaders?*

- *How can the UN SDG's be used to measure, benchmark or track ESG commitments?*

- *How are the leading ESG metrics correlated with each other, and with financial/accounting metrics?*

- *How might objective ESG criteria—which naturally focus on highly visible organisational attributes and behaviours—result in organisational attention being directed away from less visible organisational attributes and behaviours that also are critical to environmental, social, and governance outcomes?*

3.3. Formal/Informal law and regulation

Organisations have always been governed within the context of the nation state through a mix of formal law and regulation, together with informal 'encouragement' to adhere to emerging social norms. Policy debates are often anchored around the extent to which society can rely on these informal mechanisms, which, in turn, require effective self-regulation. This section covers the interaction between organisations, government and global institutions, setting out some of the questions that will help organisations design internal incentives and governance systems to enable self-regulation to be effective, and to identify where formal laws and/or regulatory interventions are required.

One of the consistent themes emerging from practitioners relates to the speed of change in formal-informal regulations and the growing requests from governments and institutions for organisations to help design and implement important reforms. Which stakeholder views should receive priority, and what responsibility do organisations have to secure alignment? There is also a desire for insight into how informal regulation and legal norms inform the development of more formal regulation and the law. Finally, are standardised concepts and definitions (e.g., the EU taxonomy) the right way to go, facilitating comparison and transparency, and if so, what role do organisations have in creating consensus? Issues addressed in this section therefore also include the role of public-private and civil society-NGO collaborations.

Informal Regulation
- *How effective is social approval/disapproval as a soft regulatory tool?*
- *Are there good examples where social norms have proved to be a very effective regulatory mechanism as opposed to actual rules and laws?*
- *How can organisations work better to understand the informal norms that surround them?*
- *How can informal norms be leveraged to build positive reputations?*
- *What role should firms play in the development of soft law initiatives?*
- *Under what conditions or in what industries is self-regulation most -and least - effective?*

Proactive Engagement
- *How do we move beyond "compliance" and into an age of "engagement"?*
- *Can multi-stakeholder initiatives be an alternative to formal law, ensuring higher level of flexibility as well as closer scrutiny?*

- *Can partnerships between international organisations and governmental agencies improve the governance of human rights in developing economies, increasing resources, building know-how, and reducing corruption?*

- *How might an industry self-regulation initiative disincentivize non-participation by differentiating participants from non-participants in a way that minimizes the degree to which non-participants can share in the industry's reputational benefits?*

- *How are private organisations and regulators using third-party ratings and rankings?*

- *How do organisations respond to the threat of regulatory engagement?*

- *Should organisations actively intervene (to foster or hamper) the "hardening" of soft law?*

Role of Formal Law

- *Would formal law be more effective in addressing sustainability goals?*

- *Should organisations be legally responsible for unsustainable practices in their supply chain?*

- *What are the organisational consequences when there is a conflict between the guidance given by formal and informal law and regulation?*

- *Can (formal) rules and laws be more intentionally designed to shape social norms, such that formal and informal governance mechanisms reinforce (complement) one another?*

3.4. Performance outcomes

The question areas in this section focus on the way in which social evaluations influence consumer purchasing decisions, facilitate more effective stakeholder engagement, contribute to organisational success or failure, and expose or mitigate business risk. Organisations and their leaders instinctively understand that social evaluations are important drivers of stakeholder confidence. How this works, which social evaluations matter most to different stakeholders, and how organisations can shape these social evaluations to achieve performance outcomes are all significant questions for organisations and their leadership teams. The area that requires particular research is how social evaluations can be linked to performance KPIs, and also how they can be measured and linked to some measure of financial performance outcome.

Corporate Assets

- *Does corporate purpose improve asset resilience e.g., recruitment/retention of employees/corporate investment?*
- *What data can be used to value social approval assets?*
- *What kinds of philanthropic efforts, directed at what targets, and at what cost, can managers engage in to optimise character reputations?*
- *How can managers avoid the perception that the corporation's philanthropic activities are cynical attempts at ingratiation of stakeholders—thereby eroding rather than building character reputations—rather than sincere expression of the corporation's mission and purpose?*

Trade-offs

- *How does the focus on managing the perceptions of various areas of social evaluations distract the firm (and its leadership) from focusing on financial performance?*
- *How does active firm engagement in ESG activities or political activities hamper (or enhance) firm performance? (e.g., Nike and Kaepernick ads/products)*
- *Under what conditions is it easiest to produce both positive social and positive financial outcomes?*

Trust

- *How does trust improve organisational performance?*
- *What particular performance outcomes influence trust perceptions, and does this differ depending on the stakeholder?*

Reputation Sources and Networks

- *How can leaders create valuable and productive reputation networks – internal and external?*
- *Why and how do different social evaluation organisations have more impact in shaping organisational fields than others (e.g. Michelin stars versus Yelp reviews)?*

Metrics

- *How do we formally account for social performance?*
- *How do we incentivise a focus on long-term and holistic performance?*
- *How do we measure in real time the differing reputations of an organisation?*
- *How is ESG captured in managerial performance measurement and remuneration?*
- *How can actors use social evaluations strategically to shape performance?*
- *Which different conceptualizations of reputation (e.g. generalised favourability vs stakeholder-specific reputations) should be associated with which different performance indicators (e.g ROA vs employee churn)?*
- *How do different dimensions of brand reputation drive financial impact?*
- *How does inconsistency in social evaluations affect organisational performance?*
- *How does inconsistency in social evaluations affect employee well being?*
- *How can leaders manage inconsistency in social evaluations?*

Competition

- *How do performance outcomes affect competitive dynamics? Do positive performance outcomes spill over to competing organisations, or do firm specialise in targeting different end markets?*

New Ventures

- *How does reputation influence new venture performance?*
- *How does status influence new venture performance?*
- *How do new ventures acquire legitimacy to obtain resources?*
- *How does stigma influence new venture performance?*

3.5. Stigma, crisis, and scandal

Stigma, crisis, and scandal are all areas where organisations have asked for more research-led insight.   Certain sectors of the economy either live with existing stigma (tobacco and armaments manufacturing being two obvious examples), and others are under increasing risk of stigma (the global oil and gas sector, currently). There is a need for research insights into how stakeholders start to stigmatise specific organisations or sectors, and how these organisations or sectors engage to protect or differentiate themselves in these circumstances. Separately, crises affect firms in different ways. The nature of a crisis – how fast it spreads, the breadth and connectivity of different actors, and expectations on how organisations can best respond - are all areas on which practitioners would like more and deeper research insight.   Finally, how crises become scandals, and how organisations can best manage scandals are critical areas for research insight - in particular, guidance on emerging best practice strategies in today's hyper connected VUCA ("Volatile, Uncertain, Complex, Ambiguous") world.

Overcoming Stigma

- *Can companies break free of stigma? How?*
- *When can stigma be a good thing, and how can it be leveraged for opportunity?*
- *In what situations would it make strategic sense for a stigmatised organisation or industry to adopt a defiant stance that reinforces appeal to stakeholders who value the stigmatized activities, rather than an accommodative stance that attempts to diversify away or disassociate from those stigmatized activities?*
- *Can stigma be used strategically as a competitive tool?*
- *How can firms benefit from leaning into stigma (and is it ever only a detriment)?*
- *How does leaning into stigma harm or create problems for the firm (e.g., attract attention from regulators)?*
- *How can involvement in ESG, CSR, and/or political activities stigmatise a firm?*
- *How does a firm's prioritisation of stakeholder groups impact the process of stigmatisation?*
- *When does a crisis stigmatise a firm or a sector?*
- *Do different types of stigma result in different penalties for organisations and why (e.g. tax evasion versus selling a product to minors)?*
- *When does stigma in one sector spill over to another?*
- *How do corporations attempt to de-stigmatise their industry, with which intended and unintended consequences?*

- *When and how does the stigmatisation of an industry lead to beneficial outcomes and for whom?*

Crisis Management

- *How can companies best respond to crises?*
- *How does an organisation's identity and purpose help or hinder in times of crisis?*
- *Are certain stakeholders more attuned to organisational responses to crises than others (i.e., pay more attention, respond positively or negatively)?*
- *How do stakeholders' reactions (or predicted reactions) to an organisation's response to a crisis influence subsequent actions?*
- *When, why, and how can crises be leveraged as opportunities for positive growth and change?*
- *Crises can be moments of defeat or revolution; how do we encourage the latter and diminish the former?*
- *Nike used a crisis (accusations of sweatshop labour) to reform their culture and values; how can that be recreated for other firms in crisis?*
- *How are framings of crises selected by media and activists to transfer challenges into morally fraught scandals?*
- *How can targets respond to scandal in ways that address the specific issue(s) without getting dragged into wider questions about the organisation?*
- *What role do short sellers play in corporate responses to stigma and crisis?*
- *How can employees play a role as ambassadors of the organisation to support an organisation in crisis?*
- *To what extent are insights on best practices in crisis management in one sector or geography applicable to other sectors and geographies?*

Governmental Role

- *What can companies learn from governmental communication in the response to natural disasters or political struggles?*
- *Does crisis communication require a different model for private enterprise than it does for governmental or institutional response?*

Crises and the Emergence of Stigma

- *How does a particular sector as a specific empirical context shape the relationship between crisis management and stigma?*
- *Which boundary conditions for theorising the relationship between crisis management and stigma emerge from their context-specificity?*

- *How to minimise the risk of stigma transfer in the aftermath of a scandal?*

- *How does stigma transfer affect partnerships with other organisations and stakeholders?*

- *When do social evaluations attenuate crisis?*

- *How can corporations distinguish between long-term (existential) crises and short-term (transient) ones?*

4. The Five Practice Challenges

This section on practice challenges addresses themes relating to the adoption and deployment of practices that pose both opportunities and threats for organisations and how they are perceived by key stakeholders.

4.1. AI and new technologies

The growth of Artificial intelligence (AI) is associated with a variety of technological changes, such conversational AI-driven voice, ubiquitous sensors, hyper-connectivity of things, virtual reality, and possibly chips embedded in humans. The increasing use of AI and of new technologies is becoming a priority focus for most organisations. This type of activity is prompting hypervigilance, with stakeholders making assessments of both the capability and the character of the organisation when it undertakes this activity. It also seems likely that the more automated we all become, the more human we need to be (and, for organisations, to also be *seen* to be).

Within this context, the deployment of AI and the adoption of new technologies are becoming important indicators driving social evaluations. Two dimensions emerge as important from discussions with practitioners. First, perceptions on the ability of the organisation to deliver what it intends to deliver when it comes to this type of innovation (capability); and second, perceptions around the intent of the organisation (character). Further research insight into these two dimensions of reputation (in particular, how resilient each dimension is and how organisations can best address concerns in both) would be valuable contributions from scholarship.

Finally, there should be a focus on cyber threats and how these link to social evaluations of organisations who are on the receiving end of such threats. We have seen a dramatic rise in professional cyberattacks – ranging from data phishing to ransomware – in recent years. Organisational preparedness insights and best practice thinking on response strategies would be invaluable.

AI Capabilities
- *To what extent can we trust AI systems? Is AI as competent as we believe it to be?*
- *How should we define "competency" in an AI?*
- *How can organisations use AI to decrease the biases in human behaviour?*

AI and Corporate Responsibility

- *How should we govern/organise questions related to the ethics of AI?*

- *How do we encourage companies not to think only about what they can do with new tech, but also about what they should do?*

- *How can AI support and enhance corporate responsibility?*

- *How can companies govern the use of AI competences and their collaborative use with human stakeholders to ensure transparent, fair, and trustworthy AI-HI (human intelligences) relationships?*

- *What obligations do firms have to their stakeholders to communicate their dependence on and use of these new technologies? (e.g., Facebook/Google/Amazon and AI)*

- *To the extent that is it infeasible to recover the path of reasoning in an AI technology, how are we to hold the system and its creators accountable for undesirable outcomes?*

- *Would AI-enabled corporate compliance systems pose a distinct challenge for striking a balance between corporate concerns and employee privacy concerns?*

The Downside of AI

- *How do public controversies over AI technology unfold and what are the consequences for organisations?*

- *How can organisations manage reputation risks in relation to AI failure?*

- *In what ways can companies incorporate diverse stakeholder feedback into their research and development programs?*

AI and the Society

- *How to deal with public concerns that AI will replace human labour and lead to a massive increase in unemployment and precarious working conditions?*

- *How does the advance of AI impact the nature of the workforce? That is, which groups benefit, and which groups suffer?*

- *How to manage the legitimacy and social acceptability of AI technologies?*

AI and the Customer

- *What are the emotional outcomes (e.g., engagement, distrust) of using multiple AI intelligences?*

- *What duty do organisations owe to their customers and clients with respect to AI-enabled marketing and service provision?*

Teaming with AI

- *How to collaborate with AI's varying competences? For example, how can the benefits of AI competencies be leveraged alongside stakeholders' human strengths?*

- *How to coordinate and manage the use of multiple AI intelligences by multiple stakeholders (company, consumer, employee, investor) to achieve collaborative intelligence, especially considering that the multiple stakeholders tend to have varying degrees of capability to use the multiple AI intelligences and their motivations may conflict?*

- *How to use the multiple AI tools for augmenting human value?*

Technological Reputation

- *What does it mean to be technologically innovative, and how is that captured in reputation?*

- *Will companies face backlash when stakeholders realise that their assumptions about the technology they are using are not true?*

- *How do, or should, firm strategies differ for the implementation of new technologies when it comes to managing the perceptions of internal vs external stakeholders?*

- *How can AI methods be used to measure and understand corporate reputation?*

4.2. Activists and activism

Activism is on the rise, globally. Organisations are now faced with growing activism around many different aspects of their activities – from supply chain oversight, employee rights, and the natural environment - and from a growing number of interconnected actors. Practitioners would like to see more research-led insight into how organisations can operate effectively and responsibly in hyperconnected multi-stakeholder environments. This connects to a deeper question relating to new systems thinking. Practitioners are keen to receive new insights on how the Western capitalist model needs to adjust to reflect global cultures and norms, and the ways in which it has embedded inequalities. In this respect, building on thinking around creative destruction (Joseph Schumpeter) and creative maladjustment (Martin Luther King), practitioners would welcome new thinking and scholarship insights on how best to encourage and embed new systems thinking on the types of capitalism that best fit societal needs today.

In addition, a newer strand of organisations *as* activists is emerging. Practitioners would like to understand the extent to which their organisations can become activists in their own right, how they can do this authentically without charges of self-interest, and how to build agile activist coalitions and partnerships to address shared interest areas.

Responding to Activism

- *Do positive reputations protect a firm from activist attacks?*
- *How should companies respond to social movements like "Me Too" and "Black Lives Matter"?*
- *How do organisations protect their reputations from activist targets?*
- *How are shareholder activists utilising ESG metrics and ideas in their campaigns and strategies?*
- *What are the differences between long and short shareholder activism?*
- *How will/are/should stakeholders act effectively to influence firm efforts on this front? (e.g., Blackrock's ability to borrow money at certain rates is tied to diversity efforts)*
- *How should firms manage these efforts in the face of divided stakeholder groups?*
- *How can organisations come be perceived as both genuinely interested in an activist cause AND benefiting from it (cause-related marketing)?*
- *How should a business firm respond to a public attack by activists? When to choose a defensive approach, when an accommodative approach?*

Corporate Activism

- *Should corporations take an activist stance with regard to social issues?*

- *What strategies exist for organisations to become campaigners in their own right?*

- *What foundational (issue-driven) parameters need to be in place for an organisation to be authentic in becoming a corporate activist on that specific issue?*

- *Should organisations lobby political decision makers? And if yes, how transparent should this be?*

- *How can organisations launch "corporate activism" by mobilising different stakeholders, including consumers, employees, and shareholders?*

- *How can organisations leverage their reputations for activism?*

- *How can organisations leverage activism for opportunity?*

- *When is it beneficial for a firm to take a stand on contentious issues?*

- *What are the factors that lead to corporations taking public stances rather than remaining silent or seemingly neutral on social matters?*

- *When is staying silent perceived by stakeholders as taking an implicit, controversial stance? And when does staying silent amount to a moral wrong?*

- *Which stakeholders recognise that it is legitimate for organisations to have an activist purpose AND gain benefits from social evaluations?*

Causes of Activism

- *What triggers activist campaigns (organisation size, reputation, social performance, etc.)? and how can organisations anticipate activists' targeting?*

- *When might a positive reputation "invite" challenges from activists?*

- *When do social evaluations encourage activist attacks?*

Organisational Impact

- *How does activism affect organisational behaviour? Does it have an impact on companies' social and environmental outcome?*

- *How do organisations embed activism into their purpose?*

- *How does activism within an organisation shape organisational goals? (e.g., Google employees protesting Google)*

Climate Change

- *What is the role of activists and activism to corporations with respect to climate change?*

- *How are activist stakeholders involved?*

- *What are risks and benefits of corporations taking an activist stance regarding climate change?*

- *Do corporations have a moral obligation to take an activist stance regarding climate change?*

4.3. Media systems and fake news

The web and smartphones have permanently disrupted traditional media and communications structures over the past ten years. But while long-standing business models have been destroyed, it is less clear what will replace them. The current technologies and social media companies are struggling to deal with distrust and disinformation, which seems to be driven by low barriers to entry for social 'news' feeds, the availability of micro-targeting technologies, and human behaviour itself. Voice hacking and deep fakes are also complicating and deepening the problem. How will social approval be affected by the next generation of technologies such as virtual and augmented reality, ubiquitous sensors and hyper connectivity.

Organisations are faced with the challenge of engaging with this fast-changing news and media landscape. The problem of information veracity and the diminishing levels of trust that we place in official (institutional and organisational) information presents a particular challenge for organisations on two levels. First, they need to devise strategies to handle fake news attacks; second, they need to address how to communicate effectively in an increasingly polarised and fragmented media landscape. Both of these issues have significant impacts on the way in which individuals and organisations make their social evaluations. Practitioners would value more active research insight into the way the media landscape is changing, what can be achieved when it comes to appropriate policy responses and governance systems, and some best practice guidance on how to communicate effectively in such environments.

Organisational Use of Social Media
- *How should organisations use social media?*
- *How should employees use social media at work?*
- *Who is using social media (what firms/firm leadership)?*
- *Can recruitment of third parties, and engagement with stakeholders on social media, contribute to building reputation and trust in the organisation?*
- *How is the use of "paid" influencers to drive a corporate message via social media platforms perceived, and when can it backfire?*

Fake News
- *What responsibility do organisations have to correct fake news?*
- *How does control of fake news relate to freedom of speech, and what moral obligations do corporations have in this regard?*
- *How do organisations ensure that their coverage is free from "fake news"?*

- *How do organisations manage false stories about them?*

- *How can organisations avoid becoming the victim/target of "fake news"?*

- *Is fake news changing the way securities prices respond to information?*

- *What is the reputational impact of fake news?*

Role of "Owned Media" and Organisational Communications

- *What is the role and effectiveness of owned media in managing corporate reputation (e.g., videos and other materials generated by the company itself)?*

- *How are organisations changing their approach to disclosing information in response to changes in the way news is delivered?*

- *How and when should leaders use personal social media accounts for corporate messaging?*

Regulation and Self-Regulation

- *Should social media companies be regulated as content providers or tech platforms?*

- *How might a company monitor and set limits on the use of its technology with an eye toward building its reputation and its trust with stakeholders?*

The Changing Media Environment

- *How is the role of traditional media changing (e.g., impact going up or down), now that firms can more directly engage with stakeholder groups through social media platforms?*

- *How does the political polarisation of media outlets influence the impact of media on firm social evaluations among stakeholder groups?*

4.4. Aligned and motivated organisational cultures

Organisations have several reasons to care deeply about their culture. On the one hand, poor cultures expose organisations to significant amounts of reputational risk. Ensuring that organisational cultures are supportive of the employees and stakeholders involved is a core responsibility of leaders. On the other hand, evidence is emerging that positive cultures have positive outcomes on organisational performance.[15] In this area, organisational listening, and how organisations create agile and responsive customer facing cultures, are both of critical importance. Practitioners are keen for new insights into a number of related issues, including:

- how to achieve strong alignment between leadership intent and organisational culture;
- how to embed values systems throughout the organisation;
- ways in which organisational values can become drivers of change within extended supply chains;
- how to build effective feedback loops;
- and how organisational character traits, such as compassion and humanity, can become productive organising principles inside business.

Alongside this is an emerging set of questions on the workplace of the future. The Covid-19 pandemic has unlocked a new set of ideas on the types of workplaces, workplace systems/technologies, and workplace cultures that will be fit-for-purpose as we emerge from the lockdowns. Research insight into how organisations and their leaders should engage with workforces, decide between differing generational and cultural preferences, and reshape their organisations accordingly would be valuable.

Organisational Culture

- *How can leaders ensure that the intent behind corporate values is properly understood, both within and outside the organisation?*
- *What are the emerging technologies and systems that support cultural engagement?*
- *What are the most effective ways that a company can ensure that its own employees act as enthusiastic and informed ambassadors?*
- *How do organisational values relate to employees' sense of "meaning" in their work?*
- *How does firm activity to align ESG/CSR/political activities with their purpose and strategy influence the culture the firm?*

15

https://pubsonline.informs.org/doi/pdf/10.1287/orsc.2018.1230?casa_token=B_Q_pP_bLmkAAAAA:K8RIZBIMBAITM1evSXPE2Xb5xs6iP3aGKWNJGw2JkTY7CMiFPhOYEe_ejCfx1TXMF5wHjQ0U

Organisational Diversity and Tolerance

- *How can organisations build respectful cultures, especially in a global and often polarised business environment?*

- *How do organisations build a strong and cohesive culture, while also valuing diversity and different perspectives?*

- *How do we balance informed civility with being overly politically correct?*

- *How can organisations resist the pull toward compliance-oriented ethics training, and instead design and implement ethics training programs that cultivate ethical outcomes, and that are not perceived as a joke or an obstacle to the real work of the organisation?*

- *How can organisations help employees to express their "authentic selves" at work?*

4.5. Political engagement

Corporate political engagement has become a significant risk factor for organisations, especially for larger organisations. Social evaluation of this type of activity tends to be viewed negatively, based on the perception that the organisation is using its market power to exert undue influence. This issue has a long history; for example, in late nineteenth century America, fears that policymakers had become captive to large business led to the adoption of anti-monopoly laws and regulations.

Organisations and policymakers both agree that effective corporate law-making and regulation requires sharing of knowledge and information within and between government and business. Practitioners would like to see research work on how this interaction could best be governed, what sort of transparency is appropriate, and new insights into how corporate political funding and lobbying strategies should best be structured. Broadening this out somewhat, this section also addresses other "contributions," starting with the narrower question of the value or appropriateness of philanthropic gifts by organisations, through to the much wider question of how leaders' personal views and those of the organisation they represent can - or should - be aligned.

Finally, research insight that addresses the practices and outcomes of interaction between government and business – including commercial diplomacy, advocacy, media, activism, and social justice – with regard to commerce and sustainable economic development would be valuable to practitioners. In this respect, there is a need for insights into how different national governments seek to facilitate or frustrate alignment of global rules for business activity in critical areas such as tax, human rights, or environmental impact, and the emerging new dynamics around government-led organisational nationalism.

Engagement with Government Policy
- *How can companies engage responsibly in policy development?*
- *What checks and balances to policy engagement are appropriate?*
- *Can authentic engagement overpower ideological differences?*
- *How much corporate involvement is too much?*
- *Do an organisation's existing negative social evaluations (i.e., how controversial it is perceived to be) constrain its ability to contact and lobby policy makers openly?*
- *In what circumstances do organisations use other channels of influence, including surrogates and affiliates, or trade bodies, to attempt to exert political influence?*
- *How will the Green Transition influence the political engagement of corporations?*

- *How can and should firms manage or avoid being labelled as representing certain political affiliations?*

- *How do we define the activities that should be reported on, given the polarisation of certain issues (e.g., social movements)?*

- *How does political engagement vary between formal law, regulatory/administrative law, and informal law?*

- *How transparent should engagement be?*

- *How are business-government relations changed by the emergence of digital platforms, especially online petitions and social media?*

Global/International Issues

- *How do multinational companies adjust their political strategies in different countries?*

- *Should companies have to report the full range of their foreign and domestic involvement in political activities?*

Stakeholder Response to Corporate Political Engagement

- *What are the reputational or trust consequences of corporate political engagement?*

- *How do different stakeholders react to political statements from CEOs?*

- *Do reactions to political campaigning change based on the organisation's reputation?*

- *How important are actions versus words?*

- *What are the effects of perceived political behaviour on consumer preferences, activist targeting, and company performance?*

- *Which lobbying activities are appropriate from a societal point of view, and which activities are less appropriate?*

Views of Senior Leadership

- *How do organisations reconcile differing views on politics between what is good for the organisation and the personal convictions or beliefs of the senior leadership?*

- *What reputational consequences arise when the organisation corporately disagrees with its senior leaders personally on policy approaches?*

5. Methodology

We are extremely grateful to many senior people from business and academia for their help in compiling this list of research priorities.

We adopted a three-stage approach to this report.

First, we sought the views of senior leaders from institutions, businesses, and the professions. Within this group, we sought the views of two different organisational communities, to ensure that we gathered opinions both from the board and senior executives (who are responsible for strategic decision-making), as well as corporate affairs, communications, or community/sustainability leaders (who typically work to influence, engage, and shape social evaluations). The first group consisted of the 130+ senior corporate affairs professionals who are members of the Oxford-Globescan Corporate Affairs Global Council.[16]

Second, we took the initial insights from the Oxford-Globescan Corporate Affairs Global Council, sharing these with the group of 50+ Visiting Fellows at the Oxford University Centre for Corporate Reputation, a list of whom can be found on the Oxford University Centre for Corporate Reputation website.[17] These Visiting Fellows reviewed the initial list of themes, adding their comments and views, which then helped us decide how to prioritise and group the issues under the ten themes seen in this report.

Finally, we provided this group of ten key themes to the group of over 40 business scholars who are recognised leaders in their respective scholarly fields and who collectively make up International Research Fellows at the Oxford University Centre for Corporate Reputation.[18] These scholars took the set of ten identified priority areas and created the series of specific example research questions enclosed in this report.

We are deeply grateful to all three communities for their insights and guidance.

---

[16] https://oxfordglobescancaforum.com/members.php

[17] https://www.sbs.ox.ac.uk/research/centres-and-initiatives/oxford-university-centre-corporate-reputation/visiting-fellows

[18] https://www.sbs.ox.ac.uk/research/centres-and-initiatives/oxford-university-centre-corporate-reputation/international