Institution: University of Reading
Unit of Assessment: 19 Business and Management
Title of case study: Improving organisational attainment through increasing trust in stakeholder relationships

1. Summary of the impact

University of Reading research produced a tool to measure the key drivers of stakeholder behaviour. This has been applied in a wide range of situations – notably when organisations have set out to improve relationships with stakeholders in complex and potentially high risk situations.

Four examples are given here.

- **Shell,** which has used the tool as the foundation of its global stakeholder engagement policy. Some of the company's senior leaders from around the world have been trained in how to use the tool, which guides interaction with stakeholders on issues such as gas exploration, the use of unconventional gas and employee engagement.

- **Unilever**, where the tool is used to inform communications strategy in relation to sustainability among key stakeholders, particularly employees, key opinion formers and across the global supply chain.

- **HM Revenue & Customs (HMRC),** where the tool is used to guide and improve relationships with individual, SME and large corporate taxpayers, thus leading to more efficient tax collection.

- **Oxfam** where the tool is used to train the charity's lead officers around the world how to better respond to emergencies and humanitarian disasters.

2. Underpinning research

The research has its foundations in stakeholder theory. In particular, it is based upon the work of University of Reading professors Keith MacMillan, Kevin Money, Carola Hillenbrand and Steve Downing (appointed to Henley Management College [HMC] in 2000, 2004, 2002 and 2006 respectively), which applied advances from the field of social psychology to that of business – with the focus on understanding the foundations of mutually beneficial stakeholder relationships. During the 1970's-2000's, psychology made significant advances in the prediction of behaviour and these insights were applied to understand socially relevant behaviours such as voting, compliance with health programmes, as well as non-engagement in socially harmful behaviours such as drink-driving.

This research programme has successfully explored stakeholder relationships with a similar focus on behaviour. In particular, it has investigated the factors that would bring about co-operative, open and trusting relationships between business and its stakeholders. The initial work was extended and led to subsequent publications, which provide models that are both widely applied in business and commonly cited by academics.

MacMillan, Money, Hillenbrand and Downing all held academic posts at HMC - now part of Henley Business School, University of Reading. These individuals continue to have academic appointments at Henley Business School, with the exception of MacMillan who passed away in 2003. Their work led to the creation of the Centre for Organisation Reputation and Relationships' (CORR) in 2000 which became the John Madejski Centre for Reputation (JMCR) in 2004 under the direction of Money.

From 1997 to 2004, the researchers developed an initial model and gathered empirical evidence to identify the factors that lead to trust and mutually beneficial relationships for stakeholders and

organisations. Organisations involved in the initial empirical phase included Canon, NICRO (South Africa), Allied Dunbar, Brunel University, the Esmée Fairbairn Foundation, the Probation Service and the Chelsea Building Society. The model was tested in a number of for-profit and not-for-profit contexts and with a variety of stakeholder groups, including, employees, communities and customers. The research was funded through donations made to the JMCR.

The key outcome of this research programme in terms of this case study is the model that identifies the relational drivers and behavioural consequences of reputation. The initial version of this model (2004 to 2007) was called the Stakeholder Performance Indicator Relationship Improvement Tool – SPIRIT. This was revised by Money and Hillenbrand at the end of 2006 and renamed the *Reputational Framework*. Both versions of the model have been applied by a number of multinational for-profit (including Shell and Unilever) and non-profit organisations (such as HMRC and Oxfam) within their stakeholder relations and reputation-management functions. It has provided them with ways of measuring the strength of their relationships with stakeholders and thus with a tool to improve these relationships for mutual benefit. The tool can also be used by stakeholders to assess their relationships with organisations. The fact that the Reputation Framework has empirical foundations increases its validity and confidence in its use.

3. References to the research

- MacMillan, K., Money, K., Downing, S. (2000) Successful business relationships. Journal of General Management, 17, p35-52. (ABS 2*) URL: http://links.emeraldinsight.com/ref/30AC186

- MacMillan, K., Money, K., Downing, S. and Hillenbrand, C. (2004) Giving your organisation SPIRIT: an overview and call to action for directors on issues of corporate governance, corporate reputation and corporate responsibility. Journal of General Management, 30 (2). pp. 15-42. ISSN 0306-3070 (ABS 2*) URL: http://www.braybrooke.co.uk/tabid/99/Default.aspx?articleId=73

- MacMillan, K., Money, K., Money, A.H. and Downing, S. (2005) Relationship marketing in the not- for-profit sector: an extension and application of the commitment–trust theory. Journal of Business Research, 58 (6). pp. 806-818. ISSN 0148-2963;(ABS 3*) DOI: 10.1016/j.jbusres.2003.08.008

- Money, K. and Hillenbrand, C. (2006). Using reputation measurement to create value: an analysis and integration of existing measures. Journal of General Management, 32(1), 1-12. (ABS 2*)

- Money, K., Hillenbrand, C. and Da Camara, N. (2009) Putting positive psychology to work in organisations. Journal of General Management, 34 (3). pp. 21-36. ISSN 0306-3070 (ABS 2*); URL: http://centaur.reading.ac.uk/20106/

- Money, K., Hillenbrand, C., Henseler, J. and da Camara, N. (2013) Exploring unanticipated consequences of strategy amongst stakeholder segments: the case of a European Revenue Service. Long Range Planning. ISSN 0024-6301 doi:10.1016/j.lrp.2012.09.003 (ABS 3*); URL: http://centaur.reading.ac.uk/29534/

4. Details of the impact

Shell In 2007, Shell International was seeking evidence-based tools to improve its stakeholder relationships. It was introduced to Money by Tesserra Consulting, which was using a SPIRIT-type approach in its consulting work. First SPIRIT, and then the Reputation Framework, made an impact in a number of ways. In the first instance, Tesserra was able to apply the tool to a number of practical situations in Shell and provide stakeholder engagement advice. Second, the Head of UK Media Relations at Shell worked collaboratively with Henley Business School and co-developed a global training programme - The Henley/Shell Senior Communications Programme -

for its stakeholder engagement and communications functions.

Since the start of these programmes in 2008, Shell has trained more than 150 senior staff in Shell from their global functions in Europe, Asia, Africa, the Middle East and the Americas. The company has applied the SPIRIT/ Reputation Framework model as the foundation of its world-wide stakeholder relationship management, including teams working on projects such as Arctic exploration, operations in Nigeria, the oil sands of North America, unconventional gas, and with energy-concerned consumers. The models are currently applied across the world in Shell's day-to-day interaction with stakeholders, as those who have gone through the training programme embed the model's concepts in projects throughout the company. SPIRIT/ Reputation Framework also guide on-going work in relation to global stakeholder relationships (including employee engagement and NGO relations).

The fact that SPIRIT and the Reputation Framework have been used so extensively by such an important company as Shell is strong evidence of their impact. Shell was ranked as the seventh biggest company in the world by market capitalisation in 2012, operating in over 90 countries, and its operations impact the material existence of people across the globe on a daily basis.

Unilever In 2009 Unilever announced its ambition to double the size of the business while reducing its environmental footprint and increasing positive social impact. In 2010 Unilever's Vice-President Reputation Strategy, Planning and Research approached Money to explore how the Reputation Framework could be utilised within the company to 'inspire advocacy among key stakeholders by championing and demonstrating our belief in the need for sustainable growth.' The Reputation Framework was subsequently used in the development and implementation of a Unilever communication and stakeholder engagement strategy. This was further adapted to incorporate refinements to the model from Money and Hillenbrand 'Putting Positive Psychology to Work' (2009), providing Unilever with a tool that could not only help to drive positive stakeholder behaviour, but also shed light on stakeholder well-being.

Since 2011, the Reputation Framework has been applied within Unilever to explore how communications can be used to help the company in achieving its ambition. The tool has provided data-driven insights that guide Unilever's communications in such a way as to encourage responsible consumption, employee engagement with sustainability and the support of key opinion formers such as international governments, NGOs and academics.

As with Shell, the fact that the Reputation Framework has been applied to the development of communications strategy by such a major company as Unilever demonstrates its impact. Unilever products are used by more than 2 billion people (around one third of the world's population) every day.

HMRC Since 2009, the HMRC has been using the Reputation Framework to guide the gathering of performance data and drive its stakeholder engagement strategy with individual, SME and large business taxpayers. The application of the tool led the identification of an important driver of both tax compliance and non-compliance and evidence that a one-size fits all strategy would not improve the former. This has led to key policy changes by the HMRC, notably the implementation of more service-orientated behaviours towards community members with low financial knowledge rather than simply using enforcement-based strategies (since positive service experience is associated with higher levels of compliance and lower rates of non-compliance for such groups). In 2013 - the success of the application of the Reputation Framework in the HMRC was commended as best-in class in a National Audit Office report as well as in the findings from an on-going Capability Review looking into the role of communication functions across Government departments. A key output from the Capability Review is the establishment of the new Government Communication Service's mandatory evaluation initiative (called Aspire). Aspire aims to roll out the Reputation Framework approach across all Whitehall departments (24) and their arms-length-bodies (330).

Oxfam Since 2008 Oxfam has been using the Reputation Framework to train over 100 senior managers and its leading officers from the UK and over 30 of the countries it operates in around the world. Through a series of development workshops, Oxfam's country leaders have been trained to develop responses to emergencies and humanitarian disasters which better incorporate the responses of stakeholders.

Summary of beneficiaries The beneficiaries in all these cases are the organisations that have applied the SPIRIT/ Reputation Framework model. The tool has allowed the organisations to understand their stakeholders better – and form stronger relationships with important groups. In the examples of Shell and Unilever, these groups include communities, employees, governments and NGO's, while in the case of the HMRC stakeholders include employees, but also individual, SME and large corporate tax payers, as well as citizens of the UK who use services dependent upon tax revenue. In the case of Oxfam the stakeholders are the leaders who have been trained in the use of the tool and the communities they serve.

5. Sources to corroborate the impact

The individuals below have provided corroborative letters of the use and impact of this tool. These letters are available upon request.

1. Head of UK Media Relations, Shell International Ltd.

2. Aspire Evaluation Lead, Government Communication Policy & Capability
Prime Minister's Office and Cabinet Office Communications.

3. Head of Learning and Organisational Development, Oxfam GB.