



**Governance : Reputation
Risk Workshop**



**VTA State
Conference 2014**
Friday 18 July 2014



Tim Janes
Director – Fulcrum Risk Services

Workshop Overview

- What is reputation risk?
- How does this risk impact on the TAFE sector?
- What can TAFEs do to manage reputation risk?

- Interactive workshop
- Case studies to illustrate key points
- Share your own experiences

VTA State Conference 2014. Friday 18 July 2014. 12.00 to 1.00 pm.



What is Reputation Risk?

- Reputation is:

“The beliefs or opinions that are generally held about someone or something”

Oxford Dictionary

- Organisations naturally seek to protect and enhance their reputation
- Reputation risk, can be described as the risk of something occurring that cause the organisation to fail to meet this objective

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Reputation Risk & the TAFE sector

- *Research has shown that an Academic Institution's reputation is the top priority (over location or even salary) for academics moving jobs, and it is the number one consideration for internationally mobile students, above tuition fees and course content*
- *It can also be key to attracting collaborative partnerships and funding from alumni, philanthropists and industry*

Times Higher Education 2013. www.timeshighereducation.co.uk

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The “Reputation Equation”

$$\text{Reputation} = \text{Experience} - \text{Expectations}$$

Source. Harpur, Oonagh Mary, *Corporate Social Responsibility Monitor* (2002).

- An organisation enjoys a good reputation when it consistently meets or exceeds the expectations of its stakeholders
- A bad reputation results when the organisation’s words or deeds fall short of stakeholder expectations

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The “Reputation Equation”

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Source. Harpur, Oonagh Mary, *Corporate Social Responsibility Monitor* (2002).



“ Classmates express fury over Tony Abbott’s daughter being awarded \$60,000 scholarship to Whitehouse Institute of Design “

News.com. May 22, 2014



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Reputation Management Capability

1. Understand the Organisation's Reputation Drivers
2. Reputation Management Strategy
3. Reputation Management Response Planning
4. Reputation Exercise, Monitor and Review



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Understand the Reputation Drivers

- Reputation Drivers are 'non-negotiable' criteria that represent the core values, a promise by the organisation to its stakeholders;
"this is what we do, believe in, deliver, how we behave"
- Quality of product
- Equity (fairness) & Integrity
- Access (open to all)
- Safety & Security
- Value – cost / employability

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Understand the Reputation Drivers

'Non-negotiable' Reputation Drivers will have :

- greatest influence over how stakeholders perceive the words and actions of the organisation
- greatest impact on the organisation if they are breached; if the "promise" is broken
- Evaluate the management controls to prevent break-downs in meeting the 'non-negotiable' criteria
- Consider the alignment between these controls, organisation performance and reputation

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Reputation Management Strategy

- Who are your key stakeholders?
- What are their core interests or concerns?
- Who is best placed to communicate with them?
- How?



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Reputation Management Response Planning

Incident Management / Communications Plans should help to:

- **Assess** the reputational impact of a disruptive incident on the organisation when it occurs
- **Gauge** how the incident and the response is likely to affect stakeholder perceptions of the organisation
- **Refine** the response strategy taking into account key stakeholder's interests and expectations
- **Confirm** the content and best delivery method for stakeholder communications

Reputation Management Exercise

- Plans - give structure and process, order in the chaos
- Exercises - build awareness, confidence and TRUST

“ Exercises put things under pressure, and cause people to think strategically about the implications of what’s going to happen. They force people together. There’s nothing like adversity or a potential catastrophe to force people together

Exercises where no one’s under pressure – so what? “

Source – CEO Perspectives On Organisational Resilience. 2012

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Reputation Monitoring and Review

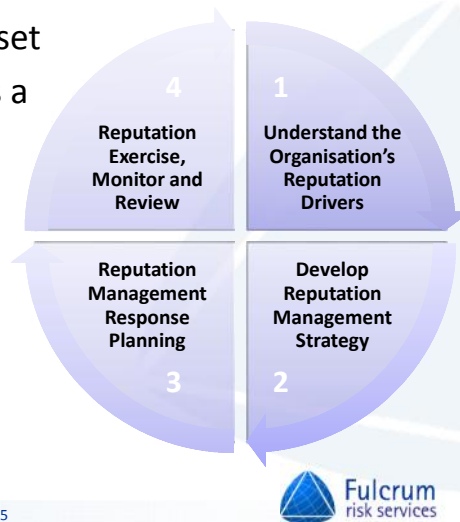
- Ongoing monitoring of stakeholder responses to verify if the planned communication objectives are being achieved
- Real-time feedback can enhance management decision-making and rapid responses to emerging risks
- Use review of exercises & incidents outcomes to support enhancement of reputation drivers, strategy & response planning

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The Value Proposition

- Significant organisation asset
- High reputational equity is a signal of stakeholder trust and confidence
- Can provide a useful 'shock absorber' at times of crisis
- Provides a point of differentiation



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Thank you



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Tim Janes
tim.janes@fulcrumrisk.com
0402 993 123