

INFORMATION NEEDS OF SELECTED GROUPS OF EXTERNAL STAKEHOLDERS FOR ASSESSING THE REPUTATION OF A CHEMICAL COMPANY

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Abstract

The paper highlights the importance of targeted corporate communication to different stakeholder groups in creating a positive corporate reputation. The results of primary quantitative research are presented, the main objective of which was to find out what information is important for the public in the role of different groups of external stakeholders of a chemical company to assess the reputation of this company and what information channels are preferred by respondents to obtain this information. The research was prepared on the basis of a literature search mapping the expected sources or tools for building corporate reputation and also identifying the most used corporate communication channels for communicating with the public. The investigation confirmed the assumption that information needs differ between the different groups of external stakeholders studied. The results of the research provide chemical companies with effective guidance for specifically targeting their communications to different stakeholder groups using appropriate information disseminated by their preferred information sources.

Introduction

Chemical companies operating in an environment prone to environmental and safety challenges are particularly sensitive to the perception of their activities by external stakeholders. It is extremely important for these companies to monitor the overall awareness of their key stakeholders and to seek ways to best develop their communication and thus their own corporate reputation. Unfortunately, so far, chemical companies seem to be struggling to understand the information needs of their stakeholders. Therefore, this paper focuses on this issue and aims to identify and analyse the information needs of selected groups of external stakeholders in the context of assessing the reputation of chemical enterprises.

The paper summarizes the results of a primary quantitative research, the aim of which was to find out what types of information and what sources of information are preferred by respondents in the role of the general public, consumers, potential customers and the surrounding society to evaluate the reputation of chemical companies. The intention was to provide managers of chemical enterprises with the basis for making the right decisions about targeted communication towards different groups of external stakeholders in order to effectively build their relationships and promote a positive reputation of the enterprise by specific means of communication chosen directly tailored to the target audience and the chosen purpose. This leads to both maximising the target effect and saving resources.

Theoretical background

Corporate reputation is a very important phenomenon in today's markets, as it influences corporate success, which translates into firm value¹. Its influence on various stakeholders, including customers, employees, investors, journalists, the general public, suppliers, the surrounding society and many others, is undeniable. A positive reputation of a company is a prerequisite for the emergence of a positive attitude of stakeholders, which is reflected in their increased willingness to form a relationship and interact with the evaluated entity². In the case of a negative reputation, the opposite impact can be expected. Although the study of corporate reputation has received a great deal of attention and has been in the focus of the scientific community since the end of the last century, no consensus has yet been found and experts' opinions on the definition of corporate reputation still differ. One of the most cited definitions of corporate reputation is the one created by Fombrun back in 1996 when he argues that "corporate reputation is a perceptual representation of a firm's past actions and future prospects that describes the overall attractiveness of a firm to all of its key constituents relative to other leading competitors"³. Fombrun's ideas have subsequently been built upon by, for example, Gray and Balmer⁴ and Gotsi and Wilson⁵, who argue that corporate reputation typically develops over time as a result of consistent firm performance that is reinforced by effective communication. This idea is further developed by Barnett et al.⁶, who offer a modern and analytical view of corporate reputation as "the collective judgment of

observers about a corporation based on an assessment of the financial, social, and environmental impacts attributed to the corporation over time. "This definition is particularly important because it seeks to specify the areas that are considered in the context of reputation assessment. Despite the fact that the specification of these factors is crucial for reputation management, their specification is not straightforward and has been examined from different perspectives. For example, Tejeras⁷ in his research identified seven factors that most influence the formation of a company's reputation. These factors include: the quality of the products or services offered by the enterprise, the level of customer satisfaction with the products or services offered by the enterprise, the ethics and business practices of the enterprise, the way the enterprise communicates with its stakeholders, corporate social responsibility initiatives, financial stability and the performance of the enterprise⁷. It has been shown that a company's reputation is specific to different stakeholder groups⁸. Therefore, it is essential for a business to identify and understand what specific aspects play a role in establishing reputation with specific stakeholder groups and what their expectations are. This will enable the business to design strategies that will effectively shape and enhance its reputation. However, in order to differentiate communication and engagement with individual stakeholders⁹, it is necessary to understand not only their specific information needs, but also their preferred communication channels. There are a number of different channels, each with its own advantages and disadvantages. It is therefore always necessary to carefully select the most appropriate channel depending on the target group and the communication purpose. According to the literature, the following communication channels and sources of information are among the most commonly used when a company communicates with external stakeholders: emails, television, radio, press, magazines, company trade register, company annual report, company employees (current and former), product packaging, websites, regular newsletters or bulletin emails, discussion forums and online community platforms, online search engines (List, Google, Bing...) or social networks (Instagram, Facebook, Network X, TikTok...)^{10,11}. Communication with stakeholders is a key element of successful business management and reputation building. However, it is important to remember that each stakeholder is unique and has different preferences for the communication channels and types of information they prefer. Therefore, the information conveyed is tailored, and media are often combined for maximum effect.

Research methodology

The aim of the research was to find out what types of information and what sources of information are preferred by selected stakeholder groups for assessing the reputation of chemical companies. On the basis of a literature search and primary qualitative pre-research, which was conducted using 8 individual guided interviews based on a developed interview scenario, the aspects that appeared to be important for assessing the reputation of a chemical company in terms of the general public, potential employees, consumers and the surrounding society were identified. At the same time, the most desirable information sources where external stakeholders would probably look for or wish to find the necessary information were also identified. Following the qualitative pre-research, primary quantitative research was conducted using an electronic survey method. A total of 351 fully completed questionnaires were obtained. Although the aim was to obtain as wide a range of responses as possible from respondents of different genders and age groups, it was not possible to follow a quota sampling structure due to the involvement of students in the data collection and the selection can be rather characterised as random. In the statistical processing, the uneven selection of respondents had to be compensated for by weighting to simulate the structure of the Czech population resulting from the data on the age composition of the population by sex as of 31 December 2022 from the Czech Statistical Office with bound quotas by sex and age (CSO, 2023). The data were statistically processed using IBM SPSS Statistics software. Friedman's test and post-hoc were used for data validation and analysis. Based on the conducted investigation, it was possible to determine the importance of each proposed aspect for assessing the reputation of a chemical enterprise from the perspective of different selected groups of external stakeholders, as well as to identify the preferences of information sources enabling stakeholders to assess the reputation of a chemical enterprise.

Result analysis

The questionnaire was divided into four main parts, where respondents had to put themselves in the role of the selected external stakeholder (general public, potential employee, consumer and surrounding society). A four-point scale of 1 to 4 was used to rate the importance of each of the aspects of reputation assessed, where 1 = not at all important, 2 = rather not important, 3 = rather important and 4 = very important. Respondents then selected their preferred information sources from the defined response options, with no limit to the number of responses. Statistical data processing was always carried out separately from the perspective of the respondents in the role of a specific stakeholder group. When checking the differences in perceived importance of each proposed aspect of the chemical company's reputation assessment, in all cases, i.e. when examining the

perspective of each stakeholder group, the significance of Friedman's test was less than 0.001. Thus, it can be said that respondents in the role of any stakeholder do not perceive all aspects as equally important and that there is a difference in perceived importance for at least one pair. After conducting post-hoc tests, the aspects from the perspective of each stakeholder group were separately compared from most to least important according to their weighted average ranking. In the same way, preferences for information sources were statistically evaluated separately for each group of external stakeholders. Table I summarises the results in terms of the presentation of the most important aspects of reputation and information sources for each group of external stakeholders. For each stakeholder group, the aspects of reputation and information resources are always ranked in descending order of perceived importance in the table.

Table I
Overview of the most important aspects of reputation assessment and the most important information sources for different types of stakeholders

Stakeholder type	The most important aspect of reputation assessment	The most important information sources
General public	Level of product quality, service and customer care	Television, radio
	Hazardous waste generation and disposal rates	City/municipality website
	Compliance with standards (certification)	Company website
	The company's relationship to the environment	Information from local residents
	Frequency of accidents	Internet search engine (Google, etc.)
Potential employees	Health risks	Labour Office Internet portals with job offers A person who has worked or is still working in the company
	Amount of wage/salary	Company website
Consumers	Overall quality of the company's products and services - level of customer satisfaction	E-commerce websites with user ratings Product packaging Company website
	Corporate interest in product composition and its impact on consumer health	Personal experience or experience of friends Internet search engine (Google, etc.)
	Health risks during normal operation (e.g. levels of exhalations, dust...)	City/municipality website
	Situation in terms of odour	Company website
Surrounding society	Level of pollution of water sources in the vicinity of the enterprise	Information from local residents
	Safety risks - danger of accident, explosion...	Internet search engine (Google, etc.)
	Noise status	Television, radio

As can be seen from Table I, each stakeholder group perceives the importance of different aspects of reputation assessment differently. Similarly, preferences for information sources vary according to the stakeholder group. These differences are due to the different stakeholder involvement, where the interests of each stakeholder differ in terms of the functioning, impact of the activities and existence of the firm.

The research also showed which of the selected information and which information sources are the least important or the most popular in terms of preferences of the monitored stakeholder groups for the assessment of the reputation of a chemical company. The results are summarized in Table II, where a descending order in terms of importance is observed, i.e. the information or resource ranked lowest is the least important for a given stakeholder group compared to other aspects.

Table II

Overview of the least important aspects of reputation assessment and the least important information sources for different types of stakeholders

Stakeholder type	The least important aspect of reputation assessment	Least important information sources
General public	Support for charitable or voluntary events Company size Activities of company employees	Instagram social network Company magazine or newsletter Social Network X (Twitter) TikTok social network
Potential employees	Company's position on the market The company's attitude towards ecology Production processes, technology used	Trade register of companies Social network LinkedIn Instagram social network Social Network X (Twitter)
Consumers	Problems of the company and ways of solving them Business result (level of profit or loss)	Instagram social network CTIA (Czech Trade Inspection) Social Network X (Twitter) TikTok social network Social network Facebook
Surrounding society	Precise information on production and products manufactured Benefit of the enterprise for the surrounding communities Appearance and neatness of the premises, including the exterior of the buildings Addressing the traffic situation in connection with the company's operations	Association of the Chemical Industry of the Czech Republic Instagram social network Register of companies Social Network X (Twitter) TikTok social network

Table II shows that even for the least important aspects of assessing a company's reputation or even for the least popular information sources, each stakeholder group has a different perspective. However, all stakeholder groups surveyed agreed that, from their perspective, the least preferred information channels were TikTok, X (Twitter) and Instagram.

Conclusion

The primary quantitative research was carried out in the Czech Republic and was open to people aged 18 years or older. The aim of the research was to find out the perceived importance of each proposed aspect for the assessment of the reputation of a chemical company and to identify the most preferred information sources from the perspective of different stakeholder groups. The research involved 351 respondents who answered from the perspective of the general public, potential employees, consumers and the surrounding society.

Research has shown that the specific information requirements of different stakeholder groups differ according to their different relationships with the company, but in principle it can be concluded that the most important parameters for assessing the reputation of a chemical company always include information on safety, health and socially responsible production aspects. The information is then mostly sought by stakeholders using the Internet, where the company's website is important for all stakeholders. Therefore, chemical companies should pay more attention to the content and updating of their websites. On the other hand, the least important attributes that respondents evaluate in terms of the reputation of chemical companies include in particular the area of information telling more about the internal affairs of the company (e.g. technology used, size, profitability, problems, etc.). The information requested is not usually sought by respondents using social networks.

The research provided evidence to help chemical companies communicate more effectively with selected stakeholder groups in their efforts to build positive reputations. The results of the research clearly indicate which specific types of information and which communication channels are most important to the public, potential employees, consumers and the surrounding community and which are not in high demand by these stakeholder groups in terms of assessing the reputation of chemical companies.

The random selection of respondents can be considered as a limitation of the research, which was compensated for by the above described recalculation in the analysis of the results, however, it would be advisable to verify the obtained results in the future by conducting a larger research using quota sampling. It would also be interesting to compare the results obtained for chemical industries with the views of stakeholders from other sectors. In terms of the analysis of the results, the findings could be complemented by a comparative analysis of the differences in the views of different groups of respondents according to their characteristics – e.g. age or education. This comparison has not been included in this paper due to its large scope.

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