

Preface

Reputation is a very important topic in business studies. However, it has recently become even more important, especially in the banking industry. In addition to frequent financial scandals and reputational crises, the dynamics of recent economic and financial crisis have also brought the behaviour of banks and others financial intermediaries under closer observation. Indeed, the sub-prime crisis has profoundly damaged the confidence of economic agents and their relationships with financial intermediaries. Consequently, scholars, regulators, and operators have started to devote more attention to reputational risks, especially those affecting banks.

Moreover, in the banking industry, despite the relevance of trust and relationships with stakeholders, the reputation and reputational risk research areas have until recently remained under-explored. This research field appears, therefore, extremely interesting and promising, given that some issues—such as the management of the reputational crisis and banks' reputations and the relationships between social responsibility and corporate reputation—deserve more detailed analysis.

Therefore, we find it constructive—on both the theoretical and the empirical plane—to propose a manuscript dedicated to bank reputation that develops theoretical arguments and proposes case studies regarding both the dynamic process of reputation management and certain important reputational banking crises.

The book offers an original approach to bank reputation management. Specifically, it provides a careful analysis of key aspects related to the corporate reputation, reputational risk, and reputational crises of banks. It is useful to identify the relationships among causes, mechanisms, and effects that contribute to building reputation and provide indications that will help scholars, professionals, and regulators to better manage corporate reputation and prevent reputational crises.

Indeed, bank reputation management is very important compared with other industrial sectors. It affects the stability of financial systems, the macroeconomic balances, and the propensity of financial operators to invest. As is well known, if a bank (especially a larger bank or systematic important institution) loses its reputation, it damages not only itself but the entire financial system. Public confidence is lost, financial investments collapse, and financial panic begins.

The book is organized into three parts and eight chapters. Part One offers an overview of the concepts of reputation, reputational risk, and reputational crisis in management and banking studies and proposes a model for understanding the bank reputational crisis, as well as to explore the case studies subsequently analysed.

The second part examines in detail the dynamics of both reputation management and reputational crisis, including the factors and phases of reputation management, thanks to an in-depth exploration of five interesting case studies.

Specifically, three cases are dedicated to reputational crises of important international banks. We analyse the reputational crises of Barclays, Goldman Sachs, and Lehman Brothers. We present the results of empirical analysis carried out through the observation of key variables, antecedents, and consequences of these banks' reputational crises.

By contrast, two cases are dedicated to the reputation management process implemented by the following two international banks: Intesa Sanpaolo and Unicredit Group. In these cases, interesting evidence useful for both academics and practitioners emerges.

Finally, the main findings, some concluding remarks, and guidelines for managing reputation are presented in Part Three of the book.

This work uses a qualitative research method.

The literature review uses scientific articles, books, and regulatory and supervisor reports.

Regarding the case study analyses, we draw on the multiple-case approach to posit a series of propositions that link reputation to strategic actions.

The case studies analysed were not selected randomly.

The final sample involves the following: (1) large banks with international relevance, (2) banks that suffered reputational damage in recent years or banks involved in a serious process of reputation management, and (3) banks that are developing a comprehensive approach to reputation.

These case studies cover a broad spectrum of the banking industry. More specifically, they include banks that have suffered a reputational crisis and banks that are improving their measures to prevent a reputational crisis. The wide diversity in the selected sample increases the possibility of generalizing the results and exploring patterns within the banking industry.

The book also serves a teaching function. Indeed, the reputational cases have been presented so that they can be studied in university courses.

We hope that this book not only serves the needs of practitioners engaged in the field of bank reputation but also inspires more discussion and more literature to develop the stream of inquiry regarding reputational crisis management in the banking industry.

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Theory and Practice

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