Aalto University
School of Economics

The Role of Responsible Investing in Reputation Management - A Case Study of an Asset Management Company

International Business Communication
Master's thesis
Oskari Rankila
2011

Department of Communication
Aalto University
School of Economics

AALTO SCHOOL OF ECONOMICS
International Business Communication Master's Thesis
Oskari Rankila

ABSTRACT
April 20, 2011

The Role of Responsible Investing in Reputation Management

A Case Study of an Asset Management Company

Objectives of the study

The objective of this study was to investigate the role of responsible investing (RI) in reputation management. The study aims to explore the perceptions of the case company's employees and its institutional clients about communicating RI. To find answers to the main research objective the study posed three research questions: (1) What are the institutional clients' perceptions of and requirements for responsible investing? (2) How do institutional clients see the case company as a responsible investor and how does the company's identity match its image among the clients? (3) How do the case company's communication practices support its reputation as a responsible investor?

Methodology

A qualitative case study was chosen as the research strategy. Empirical data was collected through thirteen semi-structured interviews with the case company's institutional clients and five semi-structured interviews with the case company's personnel interacting with institutional clients. Moreover, an examination of communication materials and communication channels was conducted to complement the findings from the interviews.

Findings and Conclusions

Many institutional clients had difficulties to define RI, but it still clearly affected the company's reputation. The case company was seen as reliable and responsible but its communication practices did not fully support its identity as a responsible investor and thus the company faced a communication challenge. The case company ought to communicate about its RI processes more explicitly and take an educational stand on its clients. It could be suggested that if the case company succeeded in its RI communication, it would strengthen its reputation.

Key Words

responsible investing, reputational communication, international business communication, corporate social responsibility, corporate communication, financial communication, reputation management

AALTO YLIOPISTON KAUPPAKORKEAKOULU
Kansainvälisen Yritysviestinnän pro gradu-tutkielma
Oskari Rankila

TIIVISTELMÄ
20.04.2011

Vastuullisen sijoittamisen merkitys maineenhallinnassa

Tapaustutkimus varainhoitoyhtiöstä

Tutkimuksen tavoitteet

Tutkimuksen tavoitteena oli selvittää vastuullisen sijoittamisen merkitystä maineenhallinnassa. Tapaustutkimus pyrki selvittämään case yrityksen työntekijöiden ja sen institutionaalisten asiakkaiden näkemyksiä vastuullisen sijoittamisen viestinnästä. Vastatakseen päätavoitteeseen tutkimus asetti kolme tutkimuskysymystä: (1) Mitkä ovat institutionaalisten asiakkaiden näkemykset ja vaatimukset vastuulliselle sijoittamiselle? (2) Kuinka institutionaaliset asiakkaat näkevät case-yrityksen vastuullisena sijoittajana ja kuinka yrityksen identiteetti vastaa sen imagoa? (3) Kuinka case-yrityksen viestintätoimet tukevat sen mainetta vastuullisena sijoittajana?

Tutkimusmenetelmät

Kvalitatiivinen yhden tapausyksikön tapaustutkimus valittiin tutkintastrategiaksi. Empiirinen aineisto sisälsi kolmetoista puolistrukturoitua haastattelua case-yrityksen institutionaalisten asiakkaiden kanssa sekä viisi puolistrukturoitua haastattelua asiakasrajapinnassa olevan henkilöstön kanssa. Lisäksi tutkimukseen kuului viestintämateriaalien ja kanavien tarkastelu täydentämään haastattelujen tuloksia.

Tutkimuksen tulokset ja johtopäätökset

Monilla institutionaalisilla asiakkailla oli ongelmia määritellä vastuullista sijoittamista, mutta se selvästi vaikutti yrityksen maineeseen. Case-yritys nähtiin luotettavana ja vastuullisena, mutta sen viestintätavat eivät täysin tukeneet sen identiteettiä vastuullisena sijoittajana ja siksi se kohtasi haasteita viestinnässään. Case-yrityksen täytyy viestiä vastuullisen sijoittamisen toimistaan selkeämmin ja toimia konsulttina aiheen tiimoilta asiakkaillensa. Tutkimuksen tulokset viittaavat siihen, että onnistuessaan vastuullisen sijoittamisen viestinnässä case-yritys tulee vahvistamaan mainettansa.

Avainsanat

vastuullinen sijoittaminen, maineviestintä, kansainvälinen yritysviestintä, yhteiskuntavastuu, yritysviestintä, talousviestintä, maineenhallinta

List of Tables

List of Figures

1. Introduction

Corporate Social Responsibility (CSR) has become a predominant trend in today's business environment. It has even been called one of the most striking developments of the past few decades in the global political economy (eg. MacLeod (2009); Levy & Kaplan (2008)). Carroll (2008) suggests that CSR usually refers to the organization's voluntary commitments and extra-legal obligations such as sustainable growth, human rights concerns and long-term social and environmental well-being. Activism of shareholders, usually called Socially Responsible Investing (SRI) is one particular segment in the emergence of corporate social responsibility. SRI, now more often called responsible investing (RI) has only recently evolved into an issue that financial institutions cannot ignore. Similarly financial institutions have faced the challenge of how to communicate it to their stakeholders and how to utilize it to build and maintain a favourable reputation.

There are various concepts concerning responsible investing. SRI will be elaborated in more depth in this thesis as previous academic research concentrates on this particular concept. After academic literature on SRI has been presented the thesis uses the concept of RI as it can be perceived as the most current concept under conscious investing. The concept of responsible investing (RI) will also be used throughout the thesis when addressing the Principles for Responsible Investment (PRI). The principles are the present global guidelines for responsible investment. The Centre for Financial Market Integrity (2008) has conducted research on the subject and presents that "nonfinancial factors – including environmental, social, and corporate governance (ESG) – have figured ever more prominently in the value of corporations." "These factors are nonfinancial or nonquantifiable in nature and have a medium to long-term time frame in their effect on a company" (The Centre for Financial Market Integrity, 2008, p. 22).

SRI is an increasingly well-known investment practice and strategy especially among institutional investors but also among individual investors. It is a method of investing that aims at being environmentally friendly and ethically and morally responsible, while at the same time generating wealth (Boutin-Dufresne & Savaria 2004; Bassi & Funari 2003). According to Robson and Wakefield (2007), there has been a great deal of controversy in the financial world around SRI since its introduction in the early 1990s. Controversies often relate to issues of political landscape, technical expertise, performance and fiduciary.

SRI and especially RI are relatively new terms. Entine (2003) points out that in the past, socially responsible investments were referred to as “ethical stocks”. There are also numerous definitions for ethical investing. According to investment vocabulary of the church of Finland (www.evl.fi/sijoittaminen) ethical investing can be seen as investment actions that are more driven by the personal values of the investor rather than yield. Rossouw and Sison (2006, p.9) describe ethical investing as ”the making of investment decisions at least partly on the basis of considerations other than profit or self-interest”.

In April 2006 the United Nations Environment Programme Finance Initiative (UNEP FI) and the UN Global Compact coordinated the launch of the investor initiative Principles for Responsible Investing (PRI). The Principles encourage especially institutional investors to act in the best long-term interests of their beneficiaries. This comprises the consideration of environmental, social and corporate governance (ESG) issues. According to the EDHEC-Risk Institute (2010) the environmental factor refers to themes such as climate change, hazardous waste, nuclear energy and sustainability whereas the social factor means issues such as diversity, human rights, consumer protection and animal welfare. The governance factor refers to for instance management structure, employee relations and executive pays. The principles provide an extensive framework on how to consider ESG issues in investors investing activities. Signing the principles represents a real commitment to them, demonstrating support from the top-level leadership of the whole investment business. The principles are as follows:

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

(Overview of the Principles, unpri.org)

As CSR and RI are quickly becoming mainstream, companies have found themselves in the situation where they have to consider their responsibility. Morris (1997) suggests that responsible activities will lead to beneficial consequences like long term profitability, a good public image and reputation, and avoidance of government regulation. Sethi (2005) moreover concludes that in the financial world responsible investing is a must for pension plans and financial institutions, since there is no better alternative. Financial institutions have thus faced the challenge of how to implement responsible investing to their investing activities and especially how to communicate about it to their publics. There has been a limited amount of academic research around this theme. Kuvaja and Malmelin (2008) have studied communications from the responsible operation's perspective and provide general guidelines on how to communicate about responsibility. However, their guidelines are not especially extensive and do not entirely fit to the financial world in which a case company of this thesis is operating. Van Riel & Fombrun (2007) and Aula & Mantere (2008) have studied reputation management extensively and describe responsible operations as the core foundations of reputation. Also Jones (2008) refers issues of responsibility in his studies of strategy communication.

This thesis bases largely on the academic studies about reputation and reputation management. It discusses the concept of reputation and what it means when communicating responsible investing. Successful and effective communication of RI brings reputational benefits to financial institutions which lead to financial benefits over time. Therefore, it is important to notify where the reputation evolves and in which way it can be improved when communicating RI.

1.1 Research Problem

This thesis concentrates around the challenge of communicating responsible investing activities to the case company's institutional clients. There is no previous academic research available directly on this theme and thus the thesis functions as the starting point for further research on this subject. The research problem is relevant both for the case company and the department of the International Business Communication as the case company, like many other financial institutions globally, have only recently signed the Principles for Responsible Investment (PRI) and thus committed themselves to responsible investing activities. However, when examining communication practices of different asset managers it can be noted that only a few of them have seriously concentrated and formed communication plans to use this aspect to their benefit and reputation building. Planning communication strategies in the field of responsible investing is a complicated matter as many companies in the finance industry would like to communicate about their codes of conducts in the field of RI to their publics but at the same time do not want to disclose their business secrets. Another challenge is to consider the strict competition within the international environment in which all the financial institutions are operating.

1.2 Research Objectives and Questions

This thesis aims to explore the perceptions of the case company's employees and its institutional clients about communicating RI. The thesis is especially designed for the case company considering its environment and current communication practices related to the RI. In order to find answers to the underlying question it is first crucial to understand institutional clients' perceptions of RI. Secondly, it is important to understand institutional clients' perceptions about the case company and whether these perceptions match the message that the company attempts to communicate. Only after that the question of communication practices can be addressed. The three research questions related to the case company's RI are given below. With the help of research questions the main challenge of communicating responsible investing can be approached.

1. What are the institutional clients' perceptions of and requirements for responsible investing?
2. How do institutional clients see the case company as a responsible investor and how does the company's identity match its image among the clients?
3. How do the case company's communication practices support its reputation as a responsible investor?

Based on these research questions this thesis aims at providing guidelines and recommendations to the case company on how to plan reputational communication from the responsible investing point of view.

1.3 Case Company

The case company of the thesis operates in the field of asset management and has signed the Principles for Responsible Investment (PRI; see unpri.org). Thus, it has committed to practicing principles of responsible investment in its operations. The case company is a medium size asset manager and has mainly Finnish clients. The main clientele of the case company are institutional clients such as pension trusts, foundations and civic organizations. They make a contract with the case company, where they allow the case company to manage their monetary assets. The case company then invests the capital of the institutional clients in various financial instruments. In most cases the case company invests the capital in its own funds. Since the whole activity of the case company is based on managing its clients' capital, the clients have the ultimate say on everything that the case company does with their capital. This thesis concentrates on institutional clients' perceptions on RI.

Many of the case company's competitors are operating globally and include many foreign asset managers. Institutional clients have thus the possibility to choose the asset manager from a large group of financial houses. Therefore, the case company must consider its international environment and function accordingly. All the communication that is done by the case company or its competitors can be considered international business communication. The case company has now faced the challenge of how to implement and communicate responsible investing activities to its institutional clients which is its main and most important public.

1.4 Structure of the thesis

This thesis is divided into six chapters. The first chapter introduced the background and motivation of the thesis. It also presented research problems and research questions that guide the thesis in the following chapters. The second chapter presents the literature review. It is divided into three main parts focusing on the concept of RI, how RI can be communicated in reputation management, and the theoretical framework. After reviewing previous literature the third chapter discusses the research design and methods of the study. Chapter four presents the findings of the research answering the three sub questions of the study. Chapter five answers the main question of the study and provides recommendations for the case company. Chapter six concludes the thesis by summarizing the research, presenting the main findings and implications, and discussing limitations of the study and suggestions for further research.

2. Literature Review

We have seen the remarkable rise of corporate social responsibility (CSR) during the last few years. Modern CSR is not a new idea and has its roots in the political activism of the 1960s but antecedents in previous centuries. Its manifestation and extensiveness since the 1990s has even been called one of the most striking developments of the past few decades in the global political economy (MacLeod, 2009; Levy & Kaplan 2008). Because of the evolving and contested nature of CSR, there is no one precise definition of what the CSR is, but as Carroll (2008) suggests, it usually refers to the extra-legal obligations and voluntary commitments that firms have to the society(ies) in which they operate. They often involve issues such as sustainable growth, human rights concerns and long-term social and environmental well-being. As consumers have become very aware and interested in the issues of responsibility and sustainability, companies are now seriously considering these issues in their daily business activities.

The literature review of this thesis is divided into two parts. The first part concentrates on clarifying the concept of responsible investing. This is crucial since being able to provide guidelines on RI communication, the concept must be first fully understood. The latter part of the literature review handles theories of corporate reputation and reputation management. By understanding the essence of responsible investing and using the theories of reputation management the literature review concentrates on building a theoretical framework for the communication practices in successful RI communication.

2.1. Responsible Investing

Concepts around responsible investing have changed throughout its development. Socially responsible investing (SRI) is the concept which is used in most of the studies and academic literature written in the field of responsible investing. Therefore, this section first presents the main academic literature on SRI. The first section functions as the background and explains the short development and features of responsible investing. Second, the Principles for Responsible Investment (PRI) which are a current trend setter in the financial industry, are introduced and discussed. The concept of responsible investing (RI) will be used throughout the thesis to refer to the PRI and the current idea and development of responsible investing.

2.1.1 Development of Responsible Investing

Responsible investing has a long history. Even though the concepts have changed and developed throughout the years, the same fundamental ideas and principles have remained about the same. SRI has been predominant concept until today. Also the academic research concentrates on the concept of SRI. Therefore, the background of RI tightly binds to theories of SRI. This chapter discusses academic literature on SRI which is also the background to the concept RI that will be the concept that is used later on in this thesis.

Socially Responsible Investing (SRI) can be described and defined in numerous ways. Sethi (2005) uses the definition proffered by the Social Investments Forum, the industry association of the SRI in the United States in his article as follows: "Socially responsible investing (SRI) is investing in companies that meet certain baseline standards of social and environmental responsibility; actively engaging those companies to become better, more responsible corporate citizens; and dedicating a portion of assets to community economic development." These fundamental ideas are kept in mind when SRI is discussed in this thesis.

SRI has a long history. Arrington (1999) points out that as early as the 18th century, religious groups in the United States placed restrictions on their investments in companies that engaged in distilling, tobacco production/distribution and the operation of gambling facilities. The modern socially responsible investing movement evolved greatly in the 1960s with the atmosphere of resistance to the U.S military efforts in Vietnam. The first SRI fund appeared in 1971; it was designed for investors who wanted to invest without supporting the Vietnam War (Hawken, 2004). Colle and York (2008) discuss that during the 1980s SRI funds evolved to exclude "sinful" investments to ensure that investors could avoid supporting apartheid, or firms that contributed to environmental catastrophes such as the Exxon Valdez oil spill and the Bhopal and Chernobyl disasters. The popularity of SRI has increased significantly during the subsequent years. Colle and York (2008) introduce in their article that according to SIF's 2005 Report on Socially Responsible Investing Trends in the United States, from 1995 to 2005 socially responsible investment assets grew 4 percent faster than the entire universe of managed assets in the United States. SRI assets rose more than 258 percent from $639 billion in 1995 to $2.29 trillion in 2005, while the broader universe of assets under professional management increased less than 249 percent from $7 trillion to $24.4 trillion over the same period (Social Investment Forum Industry Research Program, 2006).

Discussion about SRI often leads to three considerations. Firstly, these relate to the question of why responsible investing has developed and emerged so strongly during the last few years. Secondly, investors are always interested in the financial benefits of responsible investing. The third consideration relate to the ways an investor can invest responsibly. The next sections provide answers to these three considerations.

Era of SRI

Even though responsible investing has a long history it really started to come up at the end of the 1990's. After that the concerns and awareness about the issue have soared towards 2010. This section presents four factors that have changed and developed to support current boom of responsible investing.

Arrington (1999) lists four primary reasons of why pension plans and institutional investors have largely avoided social investing until the end of the 20th century and suggests that the following four factors have changed the situation during the recent years:

1. Political Landscape
2. Technical Expertise
3. Performance
4. Fiduciarity

First, there has been a quite change in the political landscape. Arrington (1999) argues that until the end of 20th century pension plans and institutional investors, which are typically regarded as somewhat conservative, preferred to avoid controversial investments that were even seen politically radical. Nevertheless, recent political, legislative and economic changes have tempered many of the controversial issues of the past, suggests Arrington (1999). He argues that this new era of peace, which has continued for some decades in the western world and the prosperity deriving from strong economy and a surging stock market, has generated increased interest in "quality of life" issues. Accordingly, this may be the best time in the past 30 years for private pension plans to pursue social investment policies. This kind of development has contributed to the political climate to support socially responsible investing activities.

Second, pension plan sponsors and other trustees of investment institutions used to lack the technical expertise to evaluate and implement socially responsible issues into their investment programs and strategies. Yet, the expertise in these issues has soared until today. Different institutions and communities such as investors' initiative of Principles for Responsible Investment (PRI) (www.unpri.org) provide guidance to different investors on how to invest responsibly. One way to implement a socially conscious investment program is to invest in mutual funds that specialize in such investments. Nowadays, also other funds than merely the funds concentrated on socially responsible investing are taking the principles for responsible investment into consideration.

Third, the uncertainty of financial performance has been and still is probably the most criticized aspect of socially responsible investing. Social investments have had a reputation for underperforming other investments (Arrington 1999). However, there have been numerous studies to disprove this assumption. There has been considerable research on correlation between fund performance and ESG issues. Recent research by Kreander et al. (2005), Gregory & Whittaker (2007) and Bauer et al. (2007) show that there is no significant difference between the SRI funds' and regular funds' performance. Semanova et al. (2009) carried out a study on how environmental and social information is valued by the capital market. They conclude that companies with higher environmental and social performance tend to achieve higher returns, while companies with the lowest scores underperformed the market. The Asset Management Working Group of the UNEP FI and Mercer produced a review report of key academic and broker research on ESG factors in 2007. In the report they review twenty academic research papers that examine the link between ESG factors and investment performance. Of the twenty studies reviewed, ten showed evidence of a positive relationship between ESG factors and portfolio performance, seven reported a neutral effect and three a negative association. The results vary depending on the research methods used. Thus, according to several recent studies, it is possible to do well while doing good.

The fourth aspect making institutional investors avoid socially responsible investing was the fiduciary duty and the concern about ERISA in the United States. A fiduciary is governed by legal rules, ethical guidelines, and behavioural standards. Fundamentally, fiduciary duty refers to the issue that institutional investors ought to operate in the best interest of their customers. The debate whether socially responsible investing is in the best interest of institutional investors' customers has been in the core of the debate. Many institutional investors and plan sponsors were concerned that socially responsible investments may violate official regulations like the regulations of the Employment Retirement Income Security Act in the United States. ERISA §403(c) and ERISA §404(c) that require fiduciaries to act solely and exclusively in the interests of the institution's beneficiaries. This again raises the question of whether socially responsible investing is financially worthwhile and whether it thus serves the interests of beneficiaries. In 1998 the Pension and Welfare Benefits Administration (PWBA) provided important clarification concerning ERISA. The PWBA ruled that socially responsible funds are not inconsistent with ERISA's fiduciary standards (Arrington 1999). Even though fiduciary duty is no longer inconsistent with official frameworks and studies suggest that responsible investing is financially sound, the debate on whether socially responsible investing risks the fiduciary duty is still afloat.

Financial benefits from responsible investing

The long-term implications of SRI are anything but non-financial. Quite the contrary, as Sethi (2005) argues, long-term SRI considerations offer clear financial benefits. Usually, benefits realize from risk management in institutional investors' stock analyzing processes.

As Sethi (2005) discusses institutional investors such as asset managers are increasingly expanding their investment strategy by considering a corporation's long-term risks on issues such as environmental protection, sustainability, and good corporate citizenship, and how these factors influence a company's long-term performance. Here, SRI can be described as investing in companies that conduct their operations with an eye on causing the least amount of harm to the environment and sustainability of our habitat.

These companies are aware of their responsibility to their stakeholders from the consequences of corporate actions. In practice, these companies minimize negative externalities and stress the positive externalities. Thus, these responsible companies also minimize future financial risks that arise from imprudent or unsafe business practices. Thus, responsible companies can be rather seen as comparatively better and relatively safer long-term investment choices than companies that do not consider responsibility in their operations.

Ways to be a socially responsible investor

Domini (2001) points out that there are three basic strategies used by investors to practice responsible investing. These include social screening, shareholder advocacy and community investing.

1. Social screening
2. Shareholder advocacy
3. Community investing

First, social screening process is the original and still dominant strategy of SRI. Social screening can be both negative and positive. Negative screening refers to avoidance of "sinful" industries, such as alcohol, tobacco and firearms. Negative screens are the simplest for firms to use and they function as the dominant means employed by SRI funds representing 73% of the total SRI investment (Colle & York, 2008). Positive screening, also referred to as qualitative or "best in class" screening, pursues to choose the most responsible companies from each industry. Qualitative screens both reward companies that have cleaned up their act and encourage other companies to engage in responsible business actions in order to attract investors.

Second, shareholder advocacy strategies seek to influence senior management through the accumulation of a significant ownership position in a firm (Colle & York, 2008). This kind of direct dialogue with corporations can be practiced, for instance, through annual meetings and proxy votes. Also, customers are able to influence senior management, for instance, through boycotts in order to lobby for greater social or environmental responsibility.

Third, according to Colle and York (2008), community investing involves directing funds toward "underserved" communities that do not typically receive financial interest. The goal is to provide credit, banking, and other basic financial services to communities lacking them.

2.1.2 Principles for Responsible Investment (UN)

The present trend of considering issues of responsible investing in the operations of financial institutions has been greatly influenced and developed by the United Nations' Principles for Responsible Investment (PRI) launched in 2005. Since PRI is now setting the direction for operations for responsible investment, this section discusses the main ideas behind the principles. The concept of RI which is mainly used in this thesis refers tightly to these principles. Also the case company has signed the PRI.

According to www.unpri.org the United Nations Secretary-General invited a group of the world's largest institutional investors to join a process to develop the Principles for Responsible Investment (PRI) in early 2005. Individuals representing 20 institutional investors from 12 countries agreed to participate in the Investor Group. The Group accepted ownership of the Principles, and had the freedom to develop them as they saw fit. The process was coordinated by the United Nations Environment Programme Finance Initiative (UNEP FI) and the UN Global Compact. The principles were launched in April 2006 and are in essence a set of global best-practices for responsible investment. The principles complement the UN Global Compact, which asks companies to embed in their strategies and operations a set of universal principles in the areas of human rights, labour standards, the environment and anti-corruption. By incorporating environmental, social and governance criteria into their investment decision-making and ownership practices, the signatories to the Principles are directly influencing companies to improve performance in these areas. The principles have quickly become the global benchmark for responsible investing. (www.unpri.org, Overview of the principles).

Principles for responsible investment are (www.unpri.org):

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

Signing the principles represents a commitment to these principles, demonstrating support from the top-level leadership of the whole investment business. There were 727 organizations globally that had signed the principles for responsible investment, at the end of April 2010. These signatories can be broken up to the asset owners (203), investment managers (387) and professional service partners (137).

Institutional investors’ focus on short-term financial criteria is no longer a viable option. Therefore they must consider ESG issues in their long term investing activities. As Sethi (2005) puts it: “socially responsible investing activities are not merely discretionary and desirable activities; they are a necessary imperative, which both the corporations and public pension funds and other large institutional holders, will ignore at serious peril to themselves.” Moreover, he argues that large institutional holders must consider long-term environmental and socio-economic circumstances in evaluating corporate performance because there is no better alternative. Risk management especially includes issues of image and reputation as well. Owing to the identity-revealing nature of responsible activities, by investing in social initiatives, a company will be able not only to generate favourable stakeholder attitudes and behaviours but also, over the long run, to build corporate/brand image, strengthen stakeholder – company relationships, and enhance stakeholders’ advocacy behaviours for the company (e.g. word-of-mouth, employee organizational commitment and citizenship behaviour) (Du, 2010). Morris (1997) also argues that responsible activities would lead to beneficial consequences like long term profitability, a good public image and reputation, and avoidance of government regulation.

2.2. Responsible Reputation

This chapter discusses how responsible investing affects company's identity and image, and how they lead to company's reputation. Since the concept of reputation is reviewed from the responsible investing point of view, this thesis also uses the definition responsible reputation. After reviewing the foundations for responsible reputation, the chapter discusses where the birthplaces for reputation are and how reputation can be managed and communicated.

Stakeholder perceptions about organizations are described by different terms across disciplines. By far the most popular ones are the constructs of "brand", "image" and "reputation". These again, as van Riel and Fombrun (2007) argue, stem greatly from the organization's "identity". Since responsibility and in this case responsible investing has a great influence on stakeholder perceptions about organizations, it is worthwhile considering these concepts in more depth. This section presents these concepts and evaluates them from the perspective of responsible operations and responsible investing. Later, the chapter justifies the use of reputation as the main foundation in this thesis.

2.2.1 Identity as a basis of reputation

There are numerous definitions for the concept of identity. Pratt and Foreman (2000) discuss that organizational identity consists of those characteristics of an organization that its members believe are central, distinctive and enduring. That is, organizational identity consists of those attributes that members feel are central and distinctive of the organization and that persist within the organization over time. Gray and Balmer (1998) argue that corporate identity is the reality and uniqueness of an organization, which is integrally related to its external and internal image and reputation through corporate communication. Hereby Gray and Balmer introduce the relation of identity to image and reputation.

Consequently, identity consists of the collection of attributes that members use to describe an organization. Van Riel & Fombrun (2007) suggest that all self-expressions of a company can be classified into three forms. First, communication refers to the issue that companies reveal their identities through verbal messaging. Second, behaviour refers to the issue that companies reveal their identities through the initiatives they support and the behaviours they enact. The third form of revealing identity is symbolism that refers to the use of visual and audible symbols. Behaviour is by far the most important way to express identity of a company. Ultimately, identity is a matter that should be considered in organizations because it creates identification. Employees who identify strongly with their companies are more likely to show a supportive attitude toward them (Ashforth & Mael, 1989) and to make decisions that are consistent with the company's objectives (Simon, 1997). The three forms of self-expressions presented above can also be called identity-mix. The identity-mix can be seen as the outer expression of the company and it crystallizes the underlying personality of the organization (van Riel & Fombrun, 2007). Van Riel and Fombrun (2007) also illustrate the relationship between corporate identity and corporate image as Figure 1 shows. Hereby, in order to create a responsible corporate image, also the company's personality must be responsible and reflect from the company's communication, behaviour and symbols. The figure has been originally formulated by Birkigt and Stadler (1986).

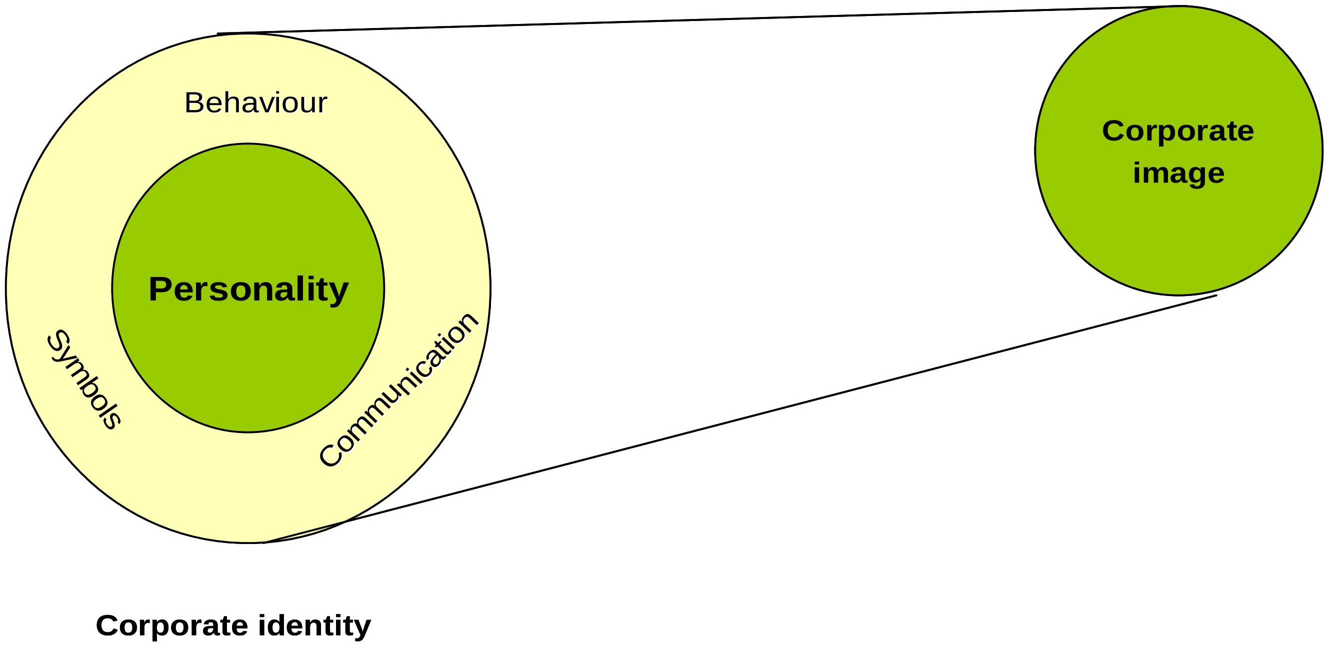

Figure 1. Influence of identity mix on corporate image (Van Riel & Fombrun, 2007, p. 68)

2.2.2 From Image to Reputation

As the previous section already suggested a corporate image is like a mirror: it reflects the identity of the organization. As van Riel and Fombrun (2007) argue, having a favourable or unfavourable image is partly determined by the signals that an organization broadcasts about itself. Hereby, responsible image or image of the responsible investor emerges when the company signals about its truly responsible identity. According to Dowling (1986), an image is the set of meanings by which an object is known and through which people describe, remember and relate to it. That means it is the net result of the interaction of a person's beliefs, ideas, feelings and impressions about an object.

Juholin and Kuutti (2003) argue that nowadays image is often replaced by reputation in the field of corporate and organisational communications. Reputation is often regarded as a more credible and suitable concept for that field. Reputation is regarded as an intangible asset of an organization, which has been discovered to influence organization's success. Reputation is thus more than an image. Image is also seen as one factor leading to reputation over time (Siltaoja 2006). Aula and Mantere (2008) describe the differences of image and reputation extensively in their book Strategic Reputation Management. They argue that:

- Reputation consists of symbolic meanings, for example, stories, anecdotes, and slogans, whereas image is more oriented to how things appear. Reputation and image represent different but somewhat overlapping aspects of organizations.
- Reputation is dynamic, as meanings are constantly enacted in stakeholder sensemaking. Image can also be regarded as dynamic, yet to a considerably lesser extent.
- Reputation is non-centralized as it is held and constantly re-enacted by a variety of stakeholders. It is more fragmented than image. As such, reputation can be influenced by various parties but it is much harder to "manage" or "control" than image is.
- Reputation involves a stronger emphasis on authenticity than image. Reputation is a concept deeply rooted in popular moral language. It is a very old word, often used to assess the moral character of a person.
- Because reputations evolve over time they cannot be fashioned as quickly as images.

Thus, corporate reputation is not the same as corporate image, even though the concept of reputation is deeply connected to image. Fombrun (1996) describes a corporate reputation as a multi-stakeholder social construction that results from strategic communications created by an organization and refracted by the media and by analysts. He describes different images as the foundation of reputation, as exhibited in the Figure 2. The figure illustrates how different types of images such as social image, financial image, product image and recruitment image affect and lead to reputation.

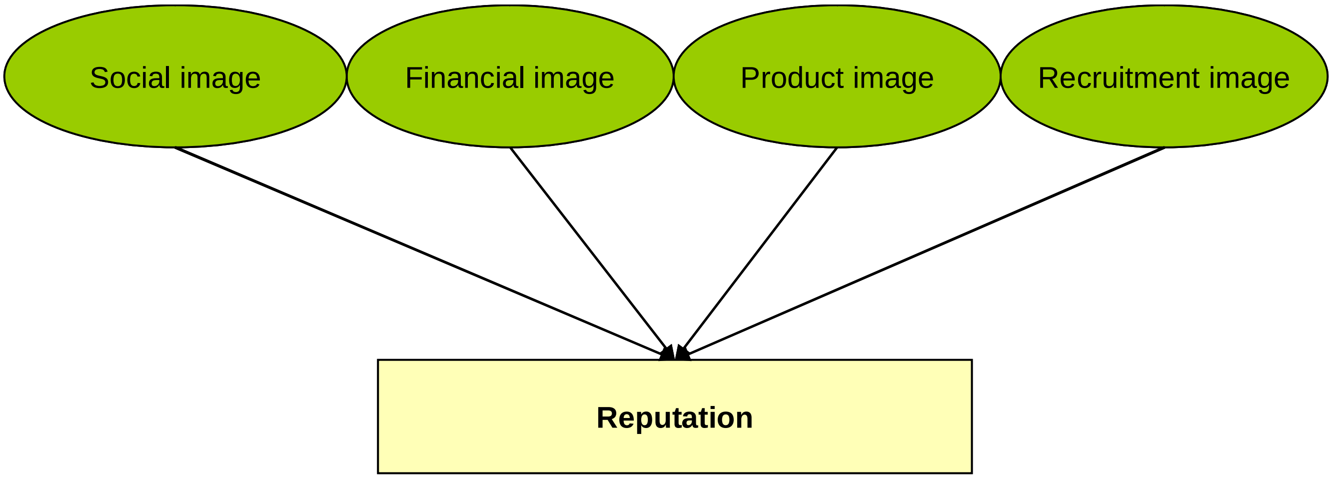

Figure 2. The relationship between image and reputation (Van Riel & Fombrun, 2007, p.43)

As Figure 2 shows social image, which can be also called responsible image, is one of the main elements of reputation. This thesis concentrates on responsible investing, which affects social image of the company.

Also Kuvaja and Malmelin (2008) argue that responsibility is a crucial component of reputation. They discuss that socially responsible operations are a part of reputation management as they build public opinions and views about the company. Van Riel and Fombrun (2007) discuss that sometimes reputation is even considered a parallel concept for responsible business operations. Van Riel & Fombrun (2007, p.137) state that: "in this sense good reputation is based on an organization's ethically sustainable operations that are seen and heard. Idealistically, the reputation of responsibility is based on the idea of a company's good conscience, an unselfish way of behaving, altruism according to which a company makes decisions for the good of itself, the environment, and society, even by sacrificing a degree of financial success." From this perspective companies can be seen as citizens. The idea of companies as citizens is connected with the discussion about social responsibility. Hereby, corporate citizenship can be also seen together with company's reputation. Anyhow, responsibility lies at the core of good reputation, and responsible operations like responsible investing reduce a company's reputational risk. There is a broad consensus regarding this as Aula and Mantere (2008) argue. Companies cannot be irresponsibly good. As responsible activities like responsible investing are at the core of company's reputation, reputation can be fairly justified as the suitable main concept and foundation in this thesis.

A straightforward definition about reputation presented by Van Riel & Fombrun (2007, p. 43) is that: "Reputations are overall assessments of organizations by their stakeholders. Dowling (1986) has moreover argued that a company will not have a reputation – people hold reputations of the company. However, he continues that many different companies tend to forget that and try to achieve the authority to define reputation. In doing this, companies also tend to reflect an identity which is better than reality all too often. Aula and Mantere (2008) discuss that only a thin red line separates reputation management from deception or lying. However, credibility is a critical factor for a company's reputation. Credibility consists of openness and trust. These factors of credibility are discussed later on in this chapter. Thus "looking better than reality" is not a solid way of building or maintaining credibility, and in the longer term a company without credibility ends up being a joke (Aula & Mantere, 2008).

Aula and Mantere (2008) argue that reputation is a sum of past record, current observations and future prospects. Reputation is not easily earned; it requires continuous good business practices and good communication. Only thus trustworthy relationships can be established. As the building and maintaining of reputation requires long-term and persistent communication about good actions, it is not worthwhile to devastate the process by exaggerating, not to speak of lying about ones actions. Also the famous investment guru and currently the world's second-richest person Warren Buffet has been quoted as saying: "It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently" (www.quotedb.com retrieved June 13, 2010).

The reputation of a company does not emerge only through advertisements. Bromley (2000) argues that there are three levels of information processing that affect people's impressions about the company that influence reputation:

1. Information processing at a primary level (based on personal experience);
2. Information processing at a secondary level (based on what friends and colleagues have to say about an organization or product);
3. information processing at a tertiary level (based on mass media information, including paid advertising and unpaid publicity)

The largest influence on reputation takes place at the primary level – from the direct personal experience. However, people are able to assimilate only a limited amount of direct information. Thus, most of the information people absorb comes indirectly especially at the secondary level from friends and colleagues but also through the amplificatory power of the mass media at the tertiary level.

Companies and organizations, and also different business fields differ from each other in how important aspect reputation is in that field. The more stakeholders rely on a company's reputation to make purchasing or investing decisions, the more important it is for the company to have a good and strong reputation. The value of good reputation cannot be underestimated. A positive reputation works like a magnet. It strengthens the attractiveness of an organization. For example, companies with a positive reputation can more easily attract and retain employees, attract new sources of financial capital, are less likely to find themselves at risk and above all attract potential customers (van Riel & Fombrun, 2007). Poiesz (1988) argues that reputations are especially helpful when:

- the kind of information stakeholders need to make decisions is complex, conflicting or incomplete;
- the amount of information available to stakeholders is insufficient or too abundant to make a sound judgement;
- people have too low a degree of involvement with the product or the company to go through a complex information analysing process;
- there are external conditions that pressure stakeholders to make more rapid decisions.

Apart from last point, these conditions apply to financial and investment service businesses. Thus, reputation is especially important for the investment institutions' field which is the field of the research in this thesis.

2.2.3 Transparency and trust as prerequisites for reputation

When considering communication practices of the company it is crucial to aim at being credible since credibility is the foundation for company's reputation. A company without credibility may end up being a joke. Main components of credibility are transparency and trust. Transparency and trust are discussed next as the prerequisites for reputation.

Transparency is an important prerequisite for reputation. According to reputation scholars Fombrun and Rindova (2000), transparency describes the condition where the internal identity of the company positively reflects the expectations of salient stakeholders, and the beliefs of these stakeholders about the company reflect duly internally grasped identity. Transparency is usually considered one measure of responsible operations. Kuvaja and Malmelin (2008) argue that transparency is continuous testing whether the beliefs about responsibility of the stakeholders match the beliefs of managers and personnel. Companies' attitudes towards transparency have evolved from sensitive reactivity towards the culture of proactivity. Company's proactive orientation brings up questions before they are being asked, at the same time bringing the possibility to influence the themes that are regarded as important in conversations inside stakeholder groups, networks and in publicity. Kuvaja and Malmelin (2008) argue that transparency is important to company's stakeholders. A company that proves to adhere to its strategies and values, fixing its codes of conducts when necessary and anticipate carefully the risks related to society, environment and political condition betokens good governance and management skills.

"Reputation is built on trust" (Aula & Mantere (2008). Aula and Mantere (2008) argue that when trust exists between an organization and its public, it is easier to build and maintain reputation. Reputation and trust can also be seen as complementary to each other. Reputation accumulates trust and trust accumulates reputation. Kuvaja and Malmelin (2008) moreover emphasize that when the question is about responsible operations or communications about responsibility trust is in the key role. The company has to command trust in the eyes of its stakeholders in order to secure its durable, sustainable and long-term operations. Trust is earned by good and responsible deeds. Mayer, Davis and Schoorman (1995) suggest that trust between different parties also turns to a readiness to take calculated risks that, it is assumed, will lead to improved operations. However, it is worthwhile to keep in mind that negative experiences are remembered much more easily and for longer than positive experiences. Consequently, with this respect trust can be seen similar to reputation – it can collapse quickly and rebuilding is slow and requires hard work.

2.2.4 Communicating reputation

As Aula and Mantere (2008) state reputation is something that is talked and told about. Reputation can thus be linked to the communicational dimension. Van Riel and Fombrun (2007) argue that the success of an organization's operations in the field of which it operates depends heavily on how well and how professionally a company communicates with its stakeholders. In the largest sense, it encompasses the initiatives that a company often undertakes to demonstrate issues of responsibility and good citizenship which are crucial factors of company's reputation. Haywood (2005) describes the importance of communication in reputation management arguing that a solid communications strategy, which presents the company in its true light and manages the various channels of communication accurately and effectively, results in improved financial performance. Kuvaja and Malmelin (2008) moreover suggest that responsible communication and responsible operations are not expenditures but future investments. They support development of new businesses and risk management.

Van Riel and Fombrun (2007) have formulated a framework for thinking strategically about the link between a company's strategic objectives, corporate communication, reputation, and financial performance. Figure 3 presents this framework which facilitates the understanding of the important role of communication of reputational issues. As Figure 3 shows, the framework describes two cycles that are intended to complement each other. The first cycle, called business cycle, is based on standard development of corporate strategies which ought to lead and guide the business activities and operations, which again result in financial performance if the strategies are implemented successfully. Effective implementation requires a parallel communication cycle that portrays an appropriate execution of communication system intended to build reputation. If the communication system is carried out successfully, the improved reputation stimulates supportive behaviours from the organization's stakeholders which again lead to improved financial performance. Also Kyung-ran (2006) discuss that if the company is able to communicate properly in reputational issues, the favourable reputation leads to, for instance, firm's ability to survive crises, positive customer attitude towards the company, enhanced buying intentions, enhanced attractiveness in the capital market, possibility to charge premium prices and in overall financial success. Figure 3 illustrates the link of communication to corporate reputation that leads to financial performance through supportive customer behaviour.

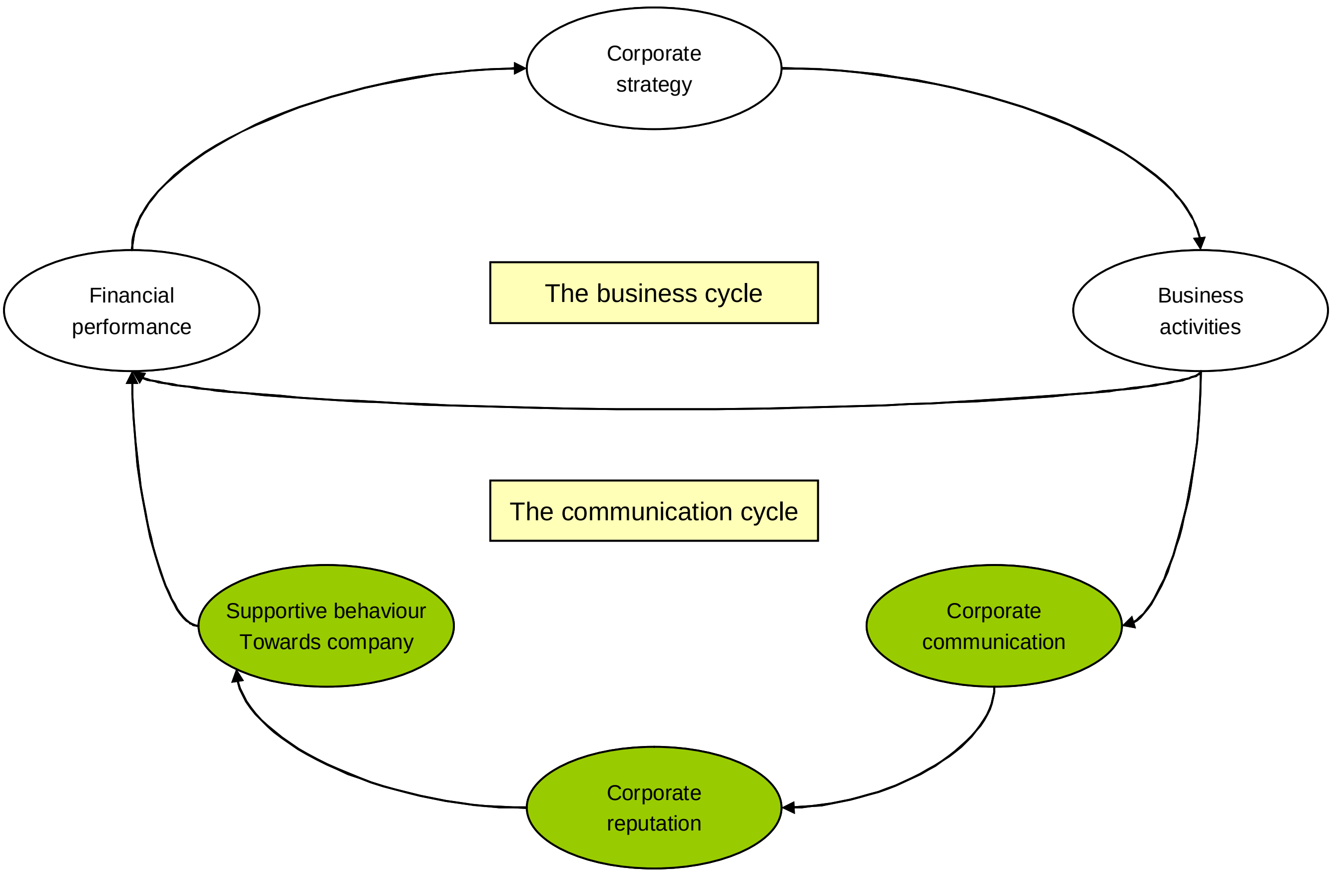

Figure 3. Linking communication and reputation to business (Van Riel & Fombrun, 2007 p. 60)

2.3 Arena Model – reputation arena

Aula and Mantere (2008) present reputation arenas which can be regarded as birthplaces of reputation. When building and maintaining reputation, it is important to comprehend and consider these areas. Therefore, this section is of considerable relevance in this thesis.

Arenas are channels and places where organizations encounter their publics, and where these parties create representations and interpretations. According to the Arena model, organizations interact with their publics on different types of arenas as illustrated in Figure 4. These interactions create mental impressions in the minds of publics which are of significant importance to the organizations. These interactions can also be called organizational communication. Aula and Mantere (2008) argue that organizational communication occurs everywhere: for example in exchange of texts, new and digital media, meetings, unofficial networks, the Internet and so on. Stacey (1991) calls these places and forms of organizational communication as the "arenas" of communication. Arenas can be regular and predetermined or irregular and spontaneous, limited or open in terms of participation, and official or unofficial. Arenas can also be inside or outside an organization. Media can be seen as an arena as well. Arenas can be formed whenever and wherever. All these kinds of interactions that occur between an organization and the publics are at the core of the organization's reputation. Arenas are the birthplace of building and maintaining reputation. Therefore, Aula and Mantere (2008) argue that these arenas are called reputation arenas.

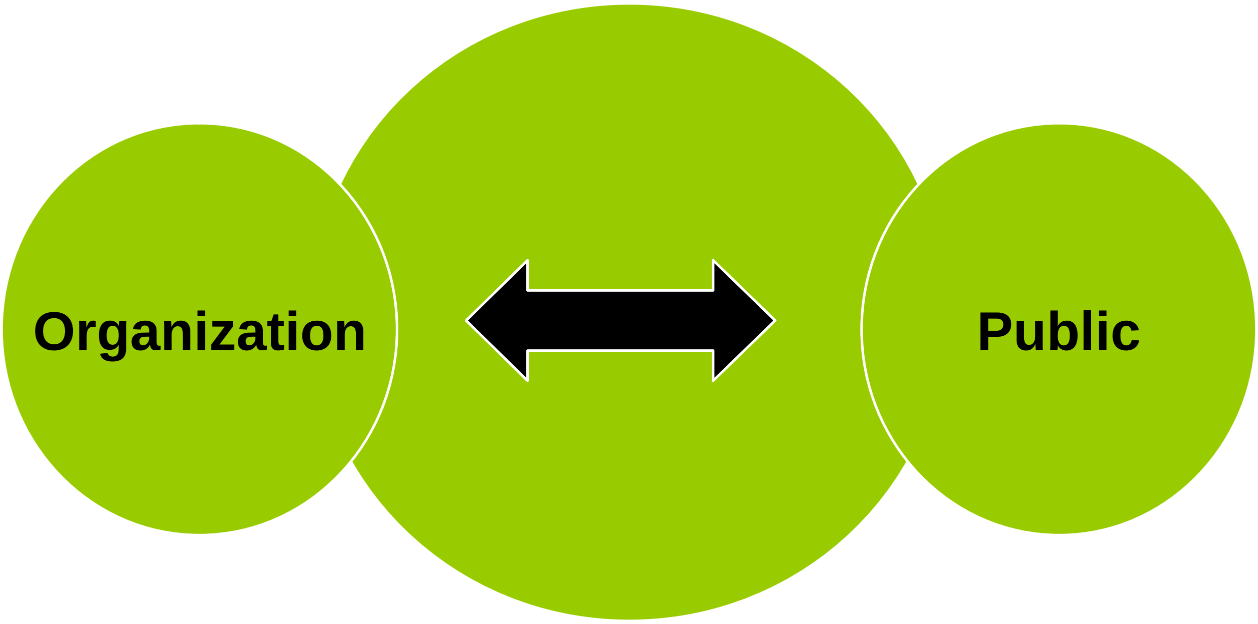

Figure 4. The Arena – Model (Aula & Mantere, 2008 p.63)

An interpretation of the company is formed on the reputational arena. This interpretation emerges in communication. As Aula and Mantere (2008) point out, the communication of reputation is not only about sending and receiving messages in order to transfer information. The organizations are interpreted by their publics through verbal, tonal and visual perceptions and symbols in the arena. Aula (1999) describes arena's communication as a diverse and dynamic series of overlapping interactions in which meanings are created, changed and exchanged. Reputational communication originates from the interactions between the organization's members and publics on the arena. Reputational communication is not a medium for sending a certain message to the public but an inseparable part of being an organization. Cappella (1981) suggests that reputational communication can be regarded as a simultaneous illustration of reality and a production of reality.

Organizations aim at presenting themselves as accurately and as favourably as possible in the eyes of its publics. However, organizations cannot completely control the meanings of their reputational communication. Moreover, organizations never have the authority to define their reputations. Aula and Mantere (2008) argue that publics do not simply take the reputational message, accepting the meaning intended by the organization. Quite the contrary, they negotiate the meaning of the message. Publics may take some parts of the meaning in the message but infer some of their own meanings such as opinions or previous knowledge into the message. Depending on the publics' background, some people might take most of the reputation message as such whereas some might reject it almost entirely preferring an oppositional reading of the message. As Gilmore and Pine (1999) argue, reputation can therefore be seen as a process of social construction. People categorize their own experiences of organizations and by doing so create their own "subjective reality" concerning this organization. Ultimately, organizations cannot dictate their reputations but they are negotiated in the reputational arenas. And to be more exact, to a great extent it is the publics that build and own the reputation for the organizations and not the organizations themselves.

The organization's reputation is thus formed in relation to the company's stakeholders. For a good reputation two groups of stakeholders stand out above others. These are the employees and the customers. Aula and Mantere (2008) describe these two groups as the "dynamic duo" of reputation building. These two groups have to be considered carefully when planning reputational communications practices. The dynamic duo is also in the core of this thesis and is studied more in depth in the case study of this thesis. Consequently, when considering the arena model and reputation arena customers are at the centre of attraction from the publics' side and employees at the organization's side. Reputation is greatly formed from the relationship of this dynamic duo. As reputation is basically a relationship, a particularly good reputation suggests that both employees and customers feel that they are getting something special or are part of something unique by being in a relationship with the company and with each other. Reputation determines whether the relationship of these two parties becomes good and reliable or whether they, for instance, arrive at competition.

2.4 Company of Good

This section presents and discusses the “triangle of good”. The section elaborates the three factors of the triangle of good that ought to be considered when aiming at building and maintaining a good reputation, in other words being a company of good. The factors are good deeds, good communication and good relations. The literature review has so far presented the fundamentals of RI and justified reputation as the main foundation of the thesis and elaborated arenas as the birthplaces of reputation. This section goes into more detail of how reputation can be managed and how to communicate in such a way that it contributes to favourable reputation. In other words, discusses what the company should do.

Most companies and organizations are thriving to be “good companies”, in other words to be organizations with good reputation. Kyung-run (2006) discusses that corporate reputation is a general organizational attribute that reflects the views of external stakeholders of whether the company is “good” or “bad” and to which extent. Also Aula and Mantere (2008) argue that reputation management is at the heart of being a good and responsible company. As illustrated in Figure 5, they present three basic pillars that ought to be considered and which a company can influence when building and maintaining reputation. Reputation management is all about doing good, communicating good, and having good relations. These three aspects are tightly bound together and transform organically into each other. Next, each of the three factors will be presented separately.

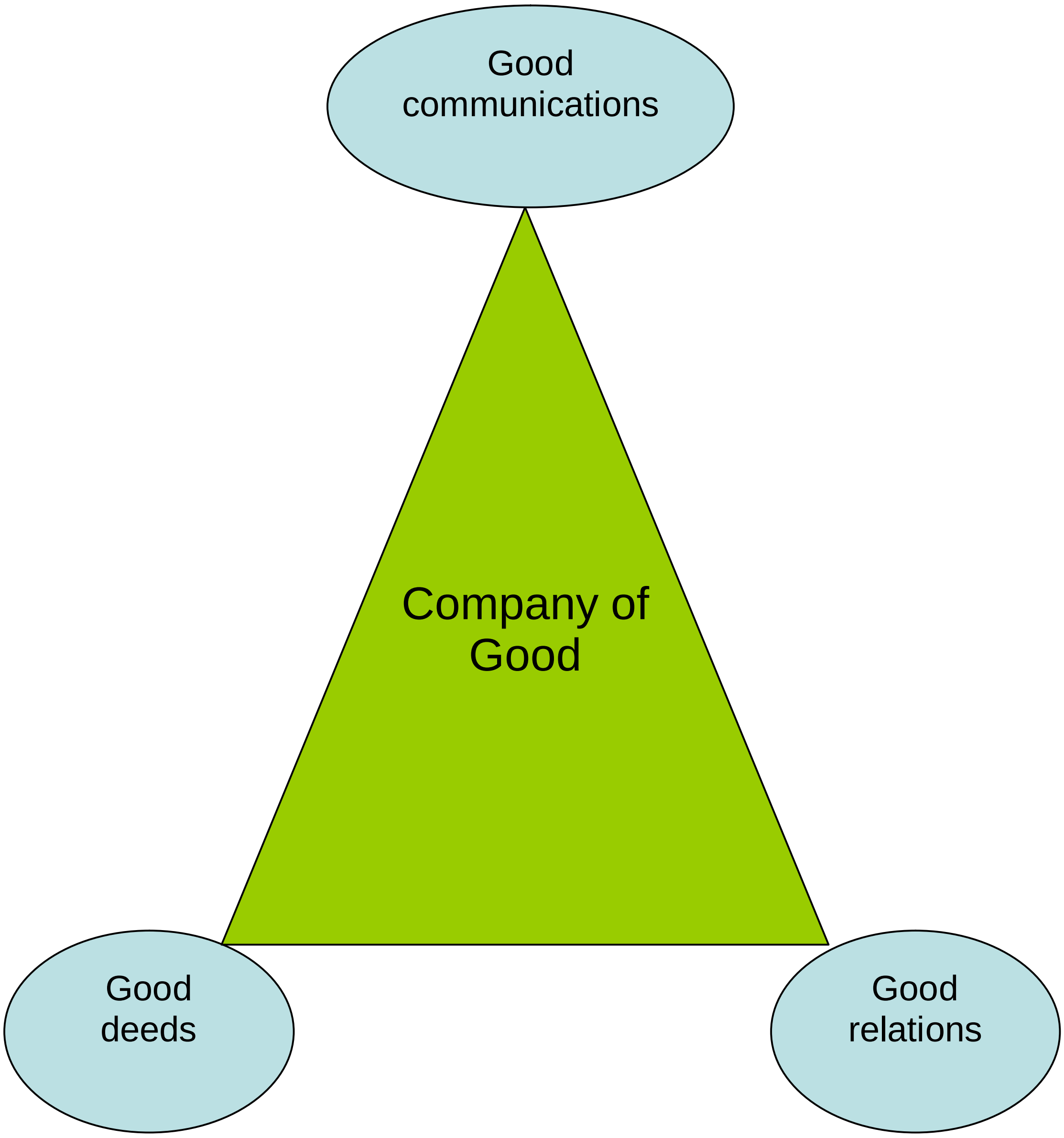

Figure 5. Triangle of good (Aula & Mantere, 2008 p.132)

The three basic pillars good deeds, good communications and good relations presented in Figure 5 will be discussed in more detail in the following sections.

2.4.1 Good deeds

The key prerequisite for building a good reputation is that the work is performed well within an organization. Aula and Mantere (2008) argue that good reputation requires good deeds and honest mind. Good deeds are particularly important in building long-term reputation and do not include any gimmicks or tricks that are aiming at short-term image. In case of responsible investments this means that the company takes the measures of responsibility into account in its investing activities. As Juholin and Kuutti (2003) point out, main part of the reputation is based on deeds, results and outlooks that are grounded by plain facts.

Responsibility cannot be seen as an inseparable part of business actions in reputation building but requires continuous good deeds. Kuvaja and Malmelin (2008) discuss that there is no way to regard issues of responsibility in separation of other business activities. Issues of responsibility have to be integrated to the management and communication processes as any other tasks and plans related to business operations. Responsible investing how any other responsible actions cannot be regarded as projects by nature. Quite the contrary, responsibility ought to be an inherent part of all business actions. This view means, as Kuvaja and Malmelin (2008) felicitously suggest that responsibility cannot be outsourced to the responsibility or communications manager, or to the communications department.

Management's role in the issues of responsibility cannot be underestimated. Kuvaja and Malmelin (2008) argue that responsible operations, that is, good deeds cannot succeed without commitment of the top management. Managers are in a key role in implementing responsible activities since they have the power to make decisions within the organization. For this reason stakeholders wish to have managers as their conversation partners. Kuvaja and Malmelin (2008) present the study conducted by Edelman – a communications group that suggests that commitment from the management is the most important factor for stakeholders as they evaluate whether talks and deeds about responsibility are believable or not. When requirements for issues of responsibility are recognized in the top management, stakeholders have reason to believe that responsible activities are also applied in the strategic and operative level, not just in the rhetoric level. Thus, it is first and foremost managers' responsibility to suggest and prove that responsibility is implemented in the company's way of doing business.

The top management forms the business strategy for the company. Hämäläinen and Maula (2004) argue that good deeds ought to be included to the company's strategy, so that they become fully implemented in the conventional business actions and daily operations. Consequently, in order to be able to communicate good deeds they first have to be implemented in the company's strategies. Therefore, strategies are briefly discussed here. Hämäläinen and Maula (2004) suggest that when working with the strategy, most organizations also define and clarify their vision, mission and values, which are fundamental guidelines for their daily businesses. With the help of these concepts it is sensible to define strategy as well. Vision signifies the organization's desired state of affairs in the future. It answers to the questions of: "What do we want to be like?" and "What do we want to do in the future?" Mission is often defined as the organization's purpose of existence, answering to the questions of "What is our basic task?" or "What is the purpose of our organization?" With the help of previous concepts, the concept of strategy can be described as how an organization intends to achieve its vision and execute its mission. Strategy often answers the question of: "What should we do in order to be successful in the future?" (Hämäläinen & Maula, 2004).

Kuvaja and Malmelin (2008) argue that communicating responsibility is based on a company's strategies, values and ways of actions. However, including measures of responsible investing in the company's strategies is not enough. In order to be able to communicate good deeds to company's stakeholders, strategies that include responsible operations have to be communicated to the employees. According to Jones (2008), almost nine out of ten organizations fail to fully implement their strategy as they have planned. Moreover, he points out that only 5 per cent of the employees understand the strategy. Even if these proportions would not be totally exact it can be noticed that the majority of strategies are not totally understood. As Aaltonen et al. (2001) suggest this creates a strategy formulation – implementation gap. The gap raises the question of how to communicate so that the strategy is being implemented. Functional and well designed internal communication enables implementation of strategies as it increases the knowledge and understanding of the employees. Krone et al., (1987) argue that internal communication is crucial for strategy implementation. Well implemented strategy and employees as performing party of the strategy are again the basis for the good reputation. Aula and Mantere (2008) argue that in terms of reputation, the organization's most important stakeholder is its own personnel. Foremost, the company's good and bad deeds are made by its personnel. Moreover, especially in the field of service industries like financial services a company's reputation is greatly built through encounters with its employees. Kuvaja and Malmelin (2008) also stress the importance of personnel in reputation building. They moreover argue that personnel should have a significant role not only in communicating about issues of responsibility but also in planning about issues of responsibility together with management.

When it comes to good deeds as responsible investing it is also crucial that RI is implemented in the conventional business processes. This can only take place if the management is committed to it and it is included in business strategies and considered in internal communication. Thereafter the company may strive to motivate employees to contribute to RI and reputational activities. The ability to draw employees for the strategic objectives is a signal of good corporate communications. Gagnon and Michael (2003) conclude the meaning of strategic alignment as a situation in which all employees understand, buy into and are able to enact their organizations' strategic objectives.

2.4.2 Good communication

This section discusses key factors that ought to be considered in good communication practices especially when communicating issues of responsibility. Good communication is the key to reputation management. Good deeds do not talk for themselves; they have to be communicated actively to external stakeholders. Juholin and Kuutti (2003) discuss how reputation is built on deeds and stories that the organization and other publics produce, communicate and duplicate.

This section first discusses the two-way symmetrical communication and communicare view. Secondly, the meaning of stories in communication is discussed. The third part of the section concentrates on communication channels. The fourth part discusses how issues of responsibility ought to be reported and the fifth part of the sections considers the meaning of aligned organization in good communication.

First, good communication requires two-way symmetrical communication. Grunig (1992) has formed a two-dimensional framework with four perspectives on communication, which is shown in Figure 6. The horizontal axis indicates whether the company uses one-way or two-way communication and the vertical axis indicates whether the company is prepared to reveal the entire truth about its operations and objectives or not revealing the whole truth. Grunig's views are not discussed in more detail but it is worthwhile to notice that ideal type of communication is the two-way symmetrical communication. Grunig (1992) points out that in this type companies and their stakeholders are open and truthful about each others' perspectives and exchange information with reciprocal respect so as to arrive at a common understanding of the situation. Two-way symmetrical communication can also be seen as the prerequisite for long-term reputation.

	One-way communication	Two-way communication
Entirely true	Public information	Two-way Symmetrical communication
Complete truth not essential	Press agentry Communication (propaganda)	Two-way asymmetrical commynication

Table 1. Four visions of communication (Van Riel & Fombrun, 2007 p.33)

If the company does not communicate its responsibility, its responsible actions do not transform into stakeholders' trust or reputation. As Figure 6 indicates good communication ought to be both two-way communication and truthful in order to enhance reputation. Two-way communication also refers to aspect of communicare view. According to Aula and Mantere (2008) considering the communicare view and practicing dialogue with different stakeholders are important aspects of communicating well in order to enhance reputation. They discuss that the communicare view emphasizes the role of negotiation and exchange of meanings in communication whereas the concept of dialogue refers to communication process itself. Kuvaja and Malmelin (2008) argue that dialogue refers to merging thoughts, conceptions and views so that it opens new dimensions for thinking and helps parties to seek solutions to overcome the initial conflict.

Management has a significant role in planning and executing communications which again has a great influence on reputation. However, as Aula and Mantere (2008) discuss all too often the relations between the organization and its publics are managed from the perspective of communications, meaning that the focus is too often in striving to control and dictate the organization's reputation. Aula and Mantere (2008) argue that in reputational communication the focus should shift from communicatio to communicare. Communicatio sees human communication as a mechanistic process, referring to sending or distributing information. The communicare view emphasizes the role of negotiation and exchange of meanings in communication. Communicare view is in the core of communicating successfully in order to build and maintain reputation. Kuvaja and Malmelin (2008) argue that the aim of two-way communication is to build trust and increase transparency of the company. It is crucial to listen and understand also critical perspectives of the publics. Aula and Mantere (2008), moreover, conclude that open communication and exchange of thoughts between organization and its stakeholders is one of the most important success factors in a company.

Kuvaja and Malmelin (2008) argue that companies' ability to foster their relationships to their stakeholders is the most prominent long-term success factor. The communicare view and dialogue are at the core of these relationships and reputation. Dialogue refers to merging thoughts, conceptions and views so that it opens new dimensions for thinking and helps parties to seek solutions to overcome the initial conflict. Dialogue allows divergent aspects and they are even encouraged. Divergent aspects and opinions are raw-material for creative insights. Dialogue can be also regarded as a sign of respect; a signal that the company is willing to understand and utilize stakeholders' ways of actions and knowledge.

According to Kuvaja and Malmelin (2008), responsibility calls for interactive communication and ought to be self-evident for companies. Also stakeholders are expecting concrete evidence that responsible companies are able to communicate and report interactively and properly. Management of the responsible company should avoid communicating for the sake of appearance but it should systematically hear and perceive other parties' expectations and interests. Genuine dialogue thus includes active hearing and listening, conversation and desire to learn. Possibly even more important is that management utilize and consider these expectations and interest in decision making and that the conversation leads to actions. Moreover, managers' role is to support and stimulate conversation, not to tone down or weaken it, even though there would be conflicts around the theme. Kuvaja and Malmelin (2008) also argue that the more conscious and planned the dialogue is, the more successful it is. Dialogue and stakeholder relations do not always aim at immediate material benefits. However, successful dialogue and stakeholder relations build and maintain favourable reputation of the company which leads to long-term material benefits.

The second element of good communication is the role of stories. Smythe, Dorward and Reback (1992, p.19) argue that "Reputation is the sum of stories told about an organization". Also, van Riel and Fombrun (2007) point out that strong and consistent application of story-telling as well as symbolism can be related to stronger corporate reputation. A company's story can be regarded as a structured textual description that communicates the essence of the company to all its publics. A good story strengthens the bond between the organization and its stakeholders, and bind employees. A good corporate story is unique and represents unique features of the company. To strengthen the influence of the story it is worthwhile to consider means that would intensify the message. Jones (2008) argues that metaphors are a powerful way to present the story. Then people have to interpret the story for themselves and make their own associations. By interpreting the metaphor of the story people tend to make the connection more deeply and extensively than by just reading the direct message. Quotes are another effective way to communicate a message. Jones (2008 p.115) even suggests that "a well chosen quote is worth a thousand pictures". Sources of quotes can be for instance customers, competitors, staff, business gurus, management team members or the audience.

Jones (2008) points out that it is also important to speak the audience's language. The story can only work if the audience understands it. It is also worthwhile to consider that different people interpret messages through different senses. Some individuals prefer visual metaphors in the message. Some individuals again may prefer the sound of the message and thus trust on auditory language. Also feeling, tasting or sniffing the message are ways to interpret the story by “gut instinct”. Finally, some people prefer facts, figures and evidence to interpret the message. All these different patterns of language encompassing the visual, auditory and kinaesthetic have to be considered and used in storytelling, in order to connect with all the different individuals presenting different styles of thinking and preferring different senses to use.

The third aspect to consider in good communication is the communication channels. Communication channels are an important factor to consider when planning good communication practices. Communication and interactions between organization and its publics occur through different kinds of communication channels which can also be called reputation arenas. Jones (2008) divides communication channels into three categories. First, face-to-face communication relies on a personal contact including meetings, gatherings, conferences and also informal networks. Second, electronic channels include e-mail, messaging, blogging, phone, message boards and discussion forums. Electronic channels are especially rapid in reaching the publics. Third communication channel category is more traditional and includes for instance newspapers, notice boards or letters. When planning communication through these channels it is worthwhile to consider who owns these channels. Many channels i.e. reputation arenas such as internet, media or informal discussions cannot be controlled but are mainly in the hands of the publics. However, these arenas are the most influential in building and maintaining reputation and therefore should be in careful consideration in management discussion. Also, Kyung-ran (2006) points out that the information channelled through the media builds corporate reputation.

This literature review does not go very into details in communication channels. However, as the internet can be seen as one of the most important channels in today’s business communication and in communicating responsibility and especially important for the case company in this research it is briefly discussed here. Companies simply have to be on the internet. If the company does not produce content on the internet, somebody else does. Companies cannot go to internet just to campaign or advertise.

Companies go to internet to get prone and dirty. Companies must have a stick skin when publics start grilling especially about issues of responsibility. Kuvaja and Malmelin (2008) argue that managers responsible for communications must not try to extinguish the flaming conversation. Quite the contrary companies should strive to establish an honest dialogue with the publics. Even though the conflict or dispute would continue, honest hearing and understanding of the critical party creates credibility and reputation that company takes its stakeholders seriously. All in all, the majority of the stakeholders is able to distinguish genuine interest, dialogue and propaganda. Kuvaja and Malmelin (2008) bring out the potential of blogs for the company's management. Blog would function as a natural channel for dialogue on internet. Even though blogging requires thorough involvement, managers to have a stick skin and complete awareness of their own company, it also provides a forum where the manager can quite well choose the themes like responsible investing that are being discussed and can genuinely interact with the stakeholders. In the best case the blog could develop the crossroads of the networks and opinion leader.

The fourth issue to consider in good communication is reporting. When building and maintaining responsible reputation, written reports about good deeds that are done is a factor to consider. Reports of responsible activities have become mainstream and even necessary for companies' reputation as global initiatives such as United Nations Principles for Responsible Investments (UNPRI) and Global Reporting Initiative (GRI) are increasingly setting pressures for responsible reporting.

Kuvaja and Malmelin (2008) argue that reporting supports management of responsibility. They also argue that the responsible image that reflects from the report consist of three parts: First, responsibility consists of the company's mission, values and vision, referring to how responsibility is recognized as part of the company's strategy. Second, it consists of the company's ability to hear its publics and involve stakeholders to its activities. And third, image of the responsibility consists of deeds, and concrete measures and other evidence that prove the company's ability and willingness to perform responsible actions. The yearly printed report is the core of responsible reporting. However, there are also other significant channels for reporting. These include companies' annual reports, information in the financial statements and the internet.

Kuvaja and Malmelin (2008) argue that the most important issue in reporting is to demonstrate the connection of responsibility to the company's strategy, and present how it influences the company's profits. Responsibility reports are interpolated with pictures, stories and examples as majority of the annual reports. However, the core of the report must base on hard facts and concrete evidence. These kind of measurable variables convince stakeholders the best. It is advisable that responsibility reports present risk analyses and business opportunities deriving from responsibility. Stakeholders can also be better convinced when companies include them in reporting or build the report in collaboration with them. It is important to demonstrate in the report how stakeholders are defined, what kind of dialogue has been engaged and what the practical implications and results deriving from this collaboration are. Companies can even include opinions and quotes of critical stakeholders to signify real stakeholder consideration. One way to enhance the credibility of the report even more is to verify it with an independent actor.

The fifth aspect that the good communication necessitates is the aligned organization. Jones (2008) argues that the overall corporate message and the reputation that builds on it is the sum of all the individual messages that all the different individuals send out from the organization. Thus in order to create a consistent and sound reputation through messages, all the messages coming out from the organization ought to be aligned. This is possible when the strategy is implemented properly and internal communication has been successful. Only then can also employees support aligned communications. Jones (2008) argues that publics quickly notice a lack of integrity or consistency amongst the messages. This will undermine the message leading to deteriorated building and maintaining of reputation.

2.4.3 Good relations

Good relations form from three different elements that are relevant in this thesis. These components are the network view, opinion leaders and companions. These will be discussed more in detail in this section.

The network view is the first component of good relations. Aula and Mantere (2008) argue that the business environment and the publics of the company are not a unified wall against which the organization's deeds and messages echo simply back as its reputation. The perspective of this section is the notion that organization's audience is far from uniform. Organizations can be regarded as acting within networks where different kinds of relations exist between different kinds of stakeholders. Santos and Eisenhardt (2005) argue that organizations themselves are networks. They discuss the challenge of distinguishing the organization's internal network from the external one. Basically, the organization can be regarded to function in an environment of a network or networks in which the organization itself is a member.

Aula and Mantere (2008) argue that stories move within networks. And stories that are told within networks are one birthplace of reputation. Therefore companies have to consider networks in their communication activities and reputation management. Stories define whether the company is regarded as "good" or "bad". Stories that move within networks originate, strengthen or change when the organization interact through some channel i.e. arena with its interpreter or stakeholder. Thus reputation is basically built and maintained in networks that surround and are within the company. The company has no way to control the networks, which is aligned with the basic assumption that the company cannot dictate its reputation. However, the company can influence the stories that move within networks by considering what it does, how it communicates about it and to whom it communicates.

Second, companies ought to build and maintain good relations especially to opinion leaders. Jones (2008) discusses that in people's everyday social networks some people tend to take the role of an opinion leader and others, more or less tend to follow. The network world is not democratic and thus it matters to whom companies communicate. This raises an important aspect, that also in companies' networks some relations are more valuable than others.

Aula and Mantere (2008) argue that opinion leaders or social connectors are the key people within a social network. They tend to determine the topics of conversations and trends within networks. Berry and Keller's (2003) subtitle of the book concretizes the issue: "One in ten Americans tells the other nine how to vote, where to eat, and what to buy." An opinion leader's status is based on their personal characteristics and unofficial connections rather than official rankings or hierarchy. Jones (2008) argues that these key people are well-connected, knowledgeable on subjects and also on what people can do for other people, and have a reputation for reliability and trust. Highly connected people also know other highly connected people which make them even more valuable in reputation management. However, opinion leaders' reputation is built on reliable information and quality. They do not spread unreliable or untrustworthy information. Thus, opinion leaders cannot be exploited.

Kuvaja and Malmelin (2008) argue that opinion leaders are primary readership of responsibility reports. This is one reason to formulate responsibility reports carefully. Opinion leaders search for numbers and concrete facts from the reports. Mere storytelling is not enough for them. Since opinion leaders are regarded as reliable in the eyes of other people in the network, it is recommended that the company strives to convince them in the first place. Thus, it is worthwhile for companies to maintain contacts and engage in active dialogue with them. When the opinion leaders are convinced, they have the power to convince other people and build the company's reputation within their network.

The third component of good relations is the companions. The network view emphasizes and guides organizations to interact and collaborate with other actors and stakeholders. In addition to opinion leaders many companies are diversifying their operations by creating deeper relations with other actors, thus acquiring companions to themselves.

Kuvaja and Malmelin (2008) point out that companions have the power to communicate to the stakeholders that the company itself cannot directly reach. Companions of companies are often other companies, subcontractors and other organizations. Kuvaja and Malmelin (2008) describe companionship as sharing, or association of two actors in order to combine know-how and knowledge of the actors to gain advantages to both. Companionship is like a relationship. Sometimes companionships aim at combining know-how and knowledge against the common opponent. Often common know-how and knowledge does not only benefit the two parties in companionship but they benefit a third party as well. When talking about issues of responsibility the third party can often be something abstract as well-being of other people or conservation of nature.

Kuvaja and Malmelin (2008) discuss that after the World Summit for Sustainable Development in 2002 the dominant view has been that collaboration between different companies, different organizations and different communities has been the most promising way to tackle environmental and social problems. Kuvaja and Malmelin (2008) discuss that private companies have recognized their role as corporate citizens that ought to operate responsibly considering for instance, environmental and social factors in their business operations. Also, stakeholders expect companies to participate in solving societal challenges as responsible corporate citizens. From these grounds relationships, with companions promoting sustainable development is obvious. Companies have the motivation and resources to create companions for instance with non-profit organizations promoting sustainability. Companies fulfil their desire and motivation to operate responsibly, thus minimizing reputational risks, and non-profit organizations benefit from the knowledge and resources that the company have. Not only both companions benefit from this relationship but also the third party, for instance environment, benefits.

Kuvaja and Malmelin (2008) discuss that the role of companies as corporate citizens has also changed the conventional perspective on sponsoring. Monetary donations in exchange for column centimetre or the advertisement spot have evolved to broader corporate collaboration which is practically comparable to strategic companionship which benefits both parties. Kuvaja and Malmelin (2008) argue that companies ought to plan their sponsoring in a way that it commits stakeholders, supports loyalty among customers and builds emotional bond to consumers. All in all, companies ought to direct their perspectives from conventional sponsoring to the idea of companionship.

Unlike dialogue companionship is never random. It is often based and also ought to be based on a judicial contract. However, especially at the beginning of the companionship personal contacts and relationships play a key role. Both the organization and the company are often connected to their representatives and charismatic managers. Then the trust in the companionship is directly related to personal relationships. Therefore, at the beginning of collaboration it is worthwhile to keep the companionship relatively informal and concentrate on building good personal relations. Companionship strengthens with shared positive experiences and success. Also good communication strengthens the companionship. It is worthwhile to remember that both non-profit organizations and companies actively build and are willing to build companionships. Different organizations have noticed that collaboration instead of critique leads to better results. Also companies have established companionships in order to secure their operational preconditions in the field of responsibility and to avoid risks. As Kuvaja and Malmelin (2008) argue companionships can thus be regarded as exchanges, where companies provide organizations with resources and organizations provide companies with positive publicity which leads to improved reputation.

Companionships or relationships can also be with the representatives of the media. Media lives from stories told, for example, about companies. Kyung-ran (2006) also discuss that from the managerial perspective media relations and publicity are important public relations activities in reputation management.

2.5 Theoretical framework

The first two sections of the literature review 2.1. Responsible investing and 2.2 Responsible reputation have presented firstly the fundamentals behind RI, and secondly reputation as the main foundation of this thesis which has been the basis for studying aspects and codes of conducts that ought to be considered in reputation management and RI communication. This section presents the theoretical framework of the study with the main conclusions from from the academic literature discussed in these two aforementioned sections. The conclusions for the theoretical framework are also refined to better suit the thesis.

As the case company has signed the Principles for Responsible Investment, it is now able to use it also to its reputational benefit. Responsible investing can thus be seen as the driving force to the theoretical framework. When RI activities are truly implemented in the company's strategies and codes of conduct and members of the organization share it, RI can be seen as a part of the company's identity. Image is the reflection of the organizations identity and different types of images such as image as a responsible investor are the foundations for organization's reputation. Thus, company's identity leads to reputation through image over time. Consequently, also responsible identity can transform and transforms into a responsible reputation over time. Reputation can be also seen parallel to responsible operations as Aula and Mantere (2008) argue and is especially important in the field of financial world. In order to maintain and build reputation with RI a financial institution has to be credible by being transparent and trustful.

Figure 7. illustrates the process of communicating RI in the reputation arena. The Arena model by Aula and Mantere (2008) is refined for the present research by placing

institutional clients on the other end of the arena. This is because the original model concentrated on publics at large but this research focuses specifically on institutional clients. The Figure also illustrates the Triangle of Good which indicates the three factors that ought to be considered in RI communication and reputation management, that is good deeds, good communication and good relations.

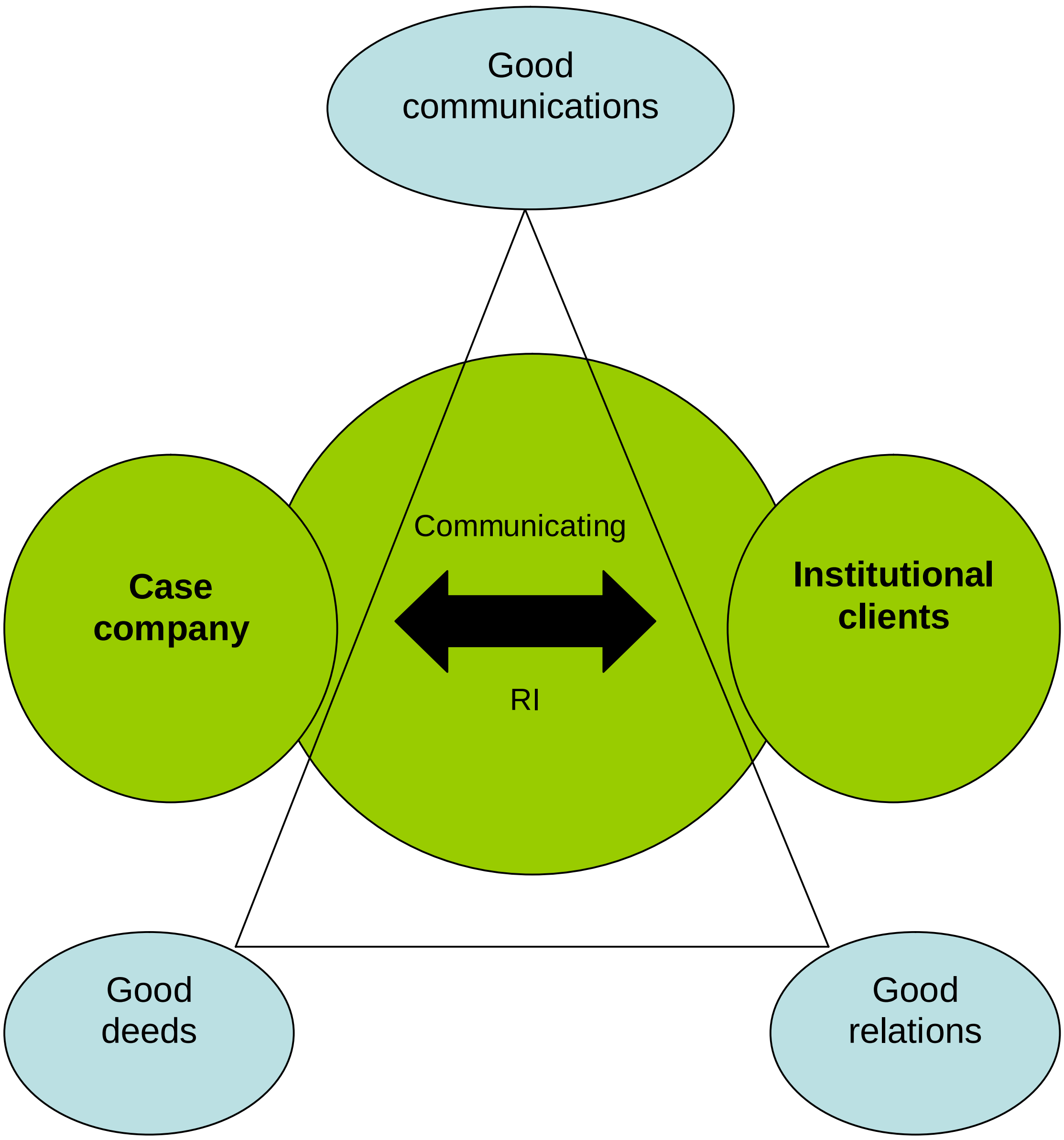

Figure 6. Theoretical framework

The Arena model is the foundation for reputation management and RI communication. The case company and the institutional client communicate with each other on the arenas. In this thesis the communication is about RI. Issues that are discussed about RI are determined according to institutional clients' needs and knowledge. Arenas where RI communication takes place can be seen as the birthplaces of building and maintaining responsible reputation.

The Triangle of Good indicates the three basic pillars that ought to be considered and which a company can influence, when communicating RI and building and maintaining responsible reputation. The basis for RI communication and reputation management is that the company does good deeds, communicates well and has good relations. These pillars are summarized below:

Firstly, good deeds mean that the key prerequisite for building responsible reputation is that the work is performed well within an organization. The starting point for that is that the management is committed to it. Only thus RI can be included in conventional management processes and strategies. When the codes of conduct in the field of RI are included in the strategies the managements responsibility is to implement it to conventional business practices through internal communication. Only when employees understand and operate according to RI strategy the company can be said to be good. Strategic alignment is the basis for good deeds inside the company.

Secondly, good communication opens the questions of how to communicate. According to Grunig's (1992) framework, communication about RI should be entirely true and two-way communication. Stories are one way to communicate RI as it appeals emotions. The company also has to consider the communicare view which emphasizes the role of negotiation and exchange of meanings in communication and consequently strive to create dialogue with its stakeholders. When communicating interactively, the company must remember to speak the audience's language. The company chooses the communication channels according to its needs; however, the internet is the channel of today and must be considered carefully. The key issue for the company in communicating RI is also that the case company is aligned meaning that all the messages coming out from the organization must be aligned.

Thirdly, good relations refer to the issue that when the company plans its RI communication and reputation management, it ought to consider that the audience is not a unified wall but more like an environment of networks. Consequently the company cannot afford neglecting its relations with various actors. Stories of the company move between these actors in the networks which often are unofficial. Therefore, it can also be said that reputation arenas are not the only birthplaces of reputation but reputation also emerges and at least moves within these networks. Therefore, it is important to consider to whom to communicate. Institutional clients are the main focus group of this thesis but the case company should also notice and keep good relations for instance to opinion leaders, media and create companionships in order to create favourable stories to circulate in these networks.

To conclude, the theoretical framework presents that the case company and its institutional clients are communicating RI on the reputational arenas. In order to manage and enhance responsible reputation the case company ought to consider the factors of good deeds, good communication and good relations. These factors are core elements which decide whether the reputational communication about RI enhances responsible reputation.

3. Research Design and Methods

This chapter presents the research design of the study and brings forth the reasons for selecting the specific methods used. Section 3.1 explains and justifies the research methods used. Section 3.2 describes the case settings and units of analysis. Section 3.3 presents and discusses the collection of data and data analysis, and the last section 3.4 evaluates the quality of the study.

3.1 Research methods

This section explains and justifies the research methods being used in this study. This thesis is a single-case study aiming at evaluating the reputation management and communication practices especially relating to responsible investing in the field of asset management.

The case study method investigates a phenomenon in a specific context through different methods of data and uses prior theoretical perspectives to guide data analysis (Yin, 2009). A single-case design is normally used in cases when the research is conducted in a single organization or from a single organization's perspective which is also the case in this thesis. Moreover, as Ghauri and Gronhaug (2005) argue, in case the research questions contain "how" questions the case study is often preferred. Furthermore, a case research design is especially suitable for communication research, where the aim is to bring to life the nuances of managed communication by describing a chunk of "reality" (Daymon 2002).

The research conducted is qualitative in nature. According to Erearut (2007), qualitative research is all about exploring issues, understanding and answering questions. The qualitative research analyzes the words of the people in order to understand the research subject as it is constructed by the interviewees and respondents (Maykut & Morehouse, 1994). The approach of the research is also inductive meaning that the theory is the outcome of the research and is based on the data being collected (Bryman & Bell, 2003).

Maykut and Morehouse (1994) present the criteria for data collection, which are followed in this study:

1. reliability, concerned with the question whether the results of a study are repeatable
2. replication, the possibility to replicate the findings
3. validity, which is concerned with the integrity of the conclusions that are generated from a piece of research as well as
4. appropriate relationship with research strategy.

The data collection methods include semi-structured interviews with the case company’s most important customers, i.e. representatives of institutional investors, and semi-structured interviews of the case company’s personnel and management that are in contact with the aforementioned institutional customers in their work. The interviews provide both the case company’s and customers’ points of view about the case company’s responsible investing operations and communication practices. Moreover, an examination of the communication material was used to complement the interview data.

3.1.1 Case circumstances

The present case study was conducted on 24.05.2010 – 17.06.2010. The case company belongs to a relatively large Finnish group operating in finance and insurance businesses. The case company itself operates in the field of asset management and has signed the Principles for Responsible Investment backed by the United Nations. The company has several funds through which customers are able to invest all over the world. The customers are both institutional investors and private investors. This research, however, concentrates on the communication activities between the case company and institutional customers.

By signing the Principles the case company faced a challenge of how to implement and best communicate issues of responsible investing. Key considerations were also how the case company can manage its reputational and communicational issues and how to best utilize the commitment to responsible investing. Since asset management is a relatively abstract field of business, the role of reputation and trust is crucial. Therefore, all communication practices have to be considered carefully, especially in the field of reputation and responsibility.

As already stated above, the main focus group of this study was the institutional clients even though there are other important stakeholder groups as well. Peculiar for this group was that they were relatively few, but each actor had obliged a substantial amount of capital in the case company's asset management.

3.1.2 Research Interviews

The semi-structured interviews were structured on the basis of the theoretical framework in this thesis. Hirsjärvi and Hurme (2001) discuss that in semi-structured interviews some aspects of the interview situation are preset, but there are definitely variables that change according to the interaction situation between the interviewer and the interviewee. The themes and questions directing and guiding the conversation were set beforehand but the discussion flew very freely within the frameworks and themes being set. In addition to pre-designed open-ended questions, other questions arising during the interview were also asked. To be able to utilize all the interviews properly they were also recorded. As Ghauri and Gronhaug (2005) present, it is also important for the interviewer to present the topic being studied to the interviewee and explain how the questions are been set and used in the course of the interview. This was done to make the interviewee feel more relaxed and ready for interview. This introduction was done before every interview so that the interviewee understood the process.

There were two types of interviews in this case study. First, it was first sensible to conduct an interview with the group of selected institutional clients and learn their perspective to the company's communicational practices concerning issues of relations, reputation and responsibility. Second, it was also sensible to interview managers and personnel who are actually interacting and communicating with the clients in one way or the other. Interviews with both parties provided valuable insights to the responsible investing practices and to the communication processes which affect the relations and reputation of the company.

The study aimed at interviewing 15 representatives of the case company's institutional clients. 13 of them were reached and all of them agreed to the interview. In addition, 5 managers or other personnel that are actively communicating with the clients were interviewed. The first two internal interviews which functioned as the exploration interviews and were not conducted according to same structure were conducted already in April. All the other interviews were conducted during the time period of 24.05.2010 – 17.06.2010. All the interviews were held in Finnish.

Semi-structured interviews with 13 institutional clients took place in the clients' premises. The interviewees were selected to cover the institutional client base of the case company extensively. The composition of the interviewees can be seen in Table 1. The interviewees were selected and interviews were carefully structured in collaboration with the researcher and two managers of the case company. The main themes of the interviews are presented below. More detailed interview questions are in Appendix 2.

1. Institutional clients' perceptions and requirements for responsible investing
2. Institutional clients' perceptions of the case company as responsible investor
3. The case company's communication practices supporting its reputation as responsible investor

The interviews lasted from 1 to 1.5 hour. Discussions provided good insights for the themes and even though only a few interviewees could provide concrete suggestions for improvements in the field of responsible investing and its communication, the thoughts and opinions were easy to interpret and conclusions could be drawn from the discussions. Table 2. shows the type of the institutional client of the case company and the occupational title of the 13 interviewees.

	Type of the organization	Occupation
1.	Pension insurance company	Investment manager
2.	Church organization	Financial manager
3.	Church organization	Project manager
4.	Pension trust	Financial manager
5.	Foundation	Analyst
6.	Pension trust	Representative
7.	Church organization	Financial manager
8.	Foundation	Chairman of board
9.	Foundation	Managing director
10.	Civic organization	Financial manager
11.	Foundation	Managing director
12.	Church organization	Financial manager
13.	Corporate group	Managing director

Table 2. List of interviewees

The research also consisted five interviews with the case company's personnel interacting with institutional clients. The first two interviews acted as pilot interviews whereas the latter three were more outlined and precise.

Two Semi-structured interviews with the company's personnel that were actively interacting and communicating with institutional clients were conducted already in April 2010. Both interviewees were working in a managerial position and actively communicated with institutional clients. Both interviewees were also in a key position in developing the process of responsible investing and reputational communication. They also provided further information and guidance of whom else to interview of both within the personnel and institutional clients. Both interviews were very open and functioned as exploration interviews to develop and adjust the interview themes forward.

The other three interviewees of the personnel included contact persons with institutional clients. Their primary task was to maintain existing customer relationships and build ones. Thus, contact persons were very aware of the clients' insights and opinions about responsible investing and the case company's communication activities. The first purpose of the interviews was to try out whether inconsistencies between clients' insights and contact persons views about clients' insights occurred. The second purpose of the interview was to find out contact persons own opinions about responsible investing and communication practices in the case company.
Main themes in the three internal interviews were:

1. Institutional clients' perceptions and requirements for responsible investing
2. Institutional clients' perceptions of the case company as responsible investor
3. Personnels view of the case company as responsible investor
4. The case company's communication practices supporting its reputation as responsible investor

3.1.3 Examination of communication materials

The second method for data collection included an examination of the communication materials that the case company uses when communicating with its stakeholders, especially with institutional clients. This examination also contains a critical evaluation of the communication channels being used.

In this research, examination of communication materials is mainly used to complement the findings from the interviews and it functions as the basis of understanding the environment for the researcher. The analysis and findings from the communication materials are not described in great detail.

An examination of communication materials in this research means examining the internet pages and presentation materials of the case company. The examination of internet pages covered examination of graphic design and the information design. The factor that was considered the most was the content that the internet pages contained. In practice the examination included researcher's subjective estimation and assessing of the internet sites. The examination of the case company's internet pages also included comparison to competitors' internet pages.

Examination of presentation materials included an examination of Power point presentations, various brochures and reports. Also, in this case graphic design and information design was analysed but the focus was on the content. The researcher was also employed by the case company during the research process which ensured that the researcher had access to all the communication materials the case company used and thus they became very familiar to the researcher. During the research process, the researcher also attended meetings whose intention was to develop communication materials of the case company.

3.2 Data Analysis

This section of the study presents the process for data analysis which was based on the theoretical framework and the elements of the interview themes. The qualitative data collected included both semi-structured interviews and analysis of communication materials. Yin (2003) suggest that there should be a clear analytic strategy in a case study, which means that there should be priorities for what to analyze and why, so that the researcher know what to look for. Interview themes were carefully outlined beforehand, so the researcher could easily recognize the essential questions that needed to be answered.

Open-ended questions are presented brief in the appendix 2. Due to issues of confidentiality neither names of the interviewees nor any materials which could expose the organizations in question are presented. The data collection has been conducted according to the directions of Maylor and Blackmon (2005), referring to the continuous comparison between collected data and the theoretical framework developed for this research based on previous literature.

Since the research method was qualitative in nature, words have a significant role in the study. Due to the lack of standardised tools to analyze data, perspectives of descriptive and content analysis to the data analysis were adopted. Points and perspectives that interviewees made in the course of conversation were notified, even if they were not directly related to the research questions.

In the course of interviews notes were documented. In addition to that all the interviews were recorded and transcribed. The interview data was mainly analyzed by assessing the transcriptions. In addition to that notes that were documented during the interviews provided supplementary information to the transcriptions since the researcher had also documented for instance certain type of gestures that could not be heard in the recordings.

Transcripts and notes were analyzed and the researcher sought answers to the research questions from the data being collected. After general answers were found from the data the answers of the interviews were compared with each other and points of convergence were sought. Generalizations were formed from the points of convergence. These generalizations are also the findings of the research. Fundamental and distinct generalizations were moreover quantified into pie charts.

3.3 Trustworthiness of the study

This section provides an assessment of the validity and reliability of the qualitative empirical study that consisted of semi-structured interviews with institutional clients, semi-structured interviews with the case company's personnel interacting with institutional clients and an examination and analysis of communication materials and communication channels of the case company.

Key elements to test the trustworthiness of the qualitative research are different from quantitative research (Pulkkinen, 2003). There is an ongoing discussion of the validity and the reliability of qualitative research. Since the reality of qualitative research is dynamic, the reality changes together with people's perceptions. There is a risk of unexpected mistakes, for instance in case of misinterpretation. Yin (2003) also notes that a single-case design has potential vulnerability, since the case may later turn out to be something else than initially expected. Therefore, all the steps in the course of research process are carefully contemplated and described. Also all the interviews were recorded and saved and are to be reviewed in case of questions. However, despite the risks in qualitative research Pulkkinen (2003) argues that the benefits of qualitative research by using interviews with open-ended questions create trustworthiness. The interviews create more in-depth, comprehensive information; uses subjective information and participant observation to describe the context or natural settings, so it seeks a wide understanding of the entire situation.

The two types of research methods used, that is interviews and examination and analysis of communication material complement each other. The trustworthiness of the study is thus higher, as the examination and analysis data can be used as a background data to complement interview data. Using multiple research method in data collection reduces inappropriate certainty (Hirsjärvi & Hurme 2001).

Yin (2009) discuss that reliability of the study refers to the question of whether the same data can be obtained if the research were conducted by a different researcher at a different time. The selection process of the interviewees was made carefully to cover the case company's institutional clients extensively and can thus be seen reliable. During the last few interviews the interviewer could also concentrate on detailed issues since main questions of the research were already answered before them. This was a clear indicator that 13 interviewees of institutional clients were extensive enough.

4. Findings

This chapter presents the main findings of the research. Interviews with the institutional clients were the most important source of information and other data presented in chapter 3 complements the findings from the interviews. Findings are presented so that each sub-section answers one of the three research questions.

1. What are the institutional clients' perceptions of and requirements for responsible investing?
2. How do institutional clients see the case company as a responsible investor and how does the company's identity match its image among the clients?
3. How do the case company's communication practices support its reputation as a responsible investor?

Consequently, section 4.1 presents institutional clients' perceptions of and requirements for responsible investing. Section 4.2 discusses institutional clients' views of the case company as a responsible investor and outlines the operational environment that is interpreted from the personnel's interviews. Finally, section 4.3 discusses the case company's communication practices as a responsible investor. The emphasis is on section 4.3, which discusses communication practices of the case company. Since this research is confidential and the case company does not want to disclose its own name, its clients' names, accurate business practices or business secrets, this section describes the findings on a more general level and does not go into details. More accurate report about the research is, however, conducted to the case company.

4.1 Perceptions of and requirements for responsible investing

This section answers the first research question of the thesis. It first reports on the perceptions of the interviewees on responsible investing in section 4.1.1. and secondly, it discusses the requirements of the interviewees to the asset managers in the field of RI in section 4.1.2. Understanding the perceptions of and requirements for RI is the starting point for planning communication practices.

4.1.1 Perceptions of responsible investing

The thirteen interviewees' perceptions of responsible investing were inconsistent and basically all the interviewees defined it differently. Number of the interviewees could not even define it in the first place and did not understand what its fundamental meaning and purpose were. A couple of the interviewees discussed the investor's responsibility and five out of thirteen interviewees suggested that RI ought to be part of the comprehensive investing practices of the investors. This kind of comprehensive conception of RI included not only the ESG factors that are supported by the PRI but also other factors such as avoidance of short selling and similar kind of dubious investing practices. The quotations below describe this type of perceptions of RI. The quotations of this chapter are directly translated from the interview transcripts by the researcher. The quotations are intentionally left unclassified and unnamed to secure the confidentiality of the interviewees.

"RI probably refers to the style of investing that takes into account for instance the companies' consideration of environment protection and social issues".

"Investors have the power to influence the development of the world. Therefore, they have the responsibility to see where their capital flows to."

"RI also includes the perception of performance. It is not responsible to save the world at the expense of individual investors."

Interviewees had deviant perceptions of the performance of responsible investments. Four out of thirteen interviewees confused RI to ethical investing which is more driven by the values of the investor rather than performance of the stock and impending yield. They did not understand that RI can also be profitable in financial terms even though it takes the ESG factors into consideration. They could not distinguish practices of RI from, for instance, negative screening that can be seen as part of ethical investing. Neither did these four understand that RI brings economic benefits mainly from the risk management. Three out of thirteen interviewees, however, understood the difference between ethical investing and comprehensive RI and preferred the present idea of RI where financial performance is also considered.

Figure 7 shows, that even though the interviewees' perceptions of RI varied significantly, nine out of thirteen regarded RI as a positive trend in the financial world. Two out of thirteen had a neutral attitude towards RI and two out of thirteen interviewees conceived RI sceptically. Figure 7 illustrates whether the interviewees' attitudes toward RI were sceptical, neutral or positive.

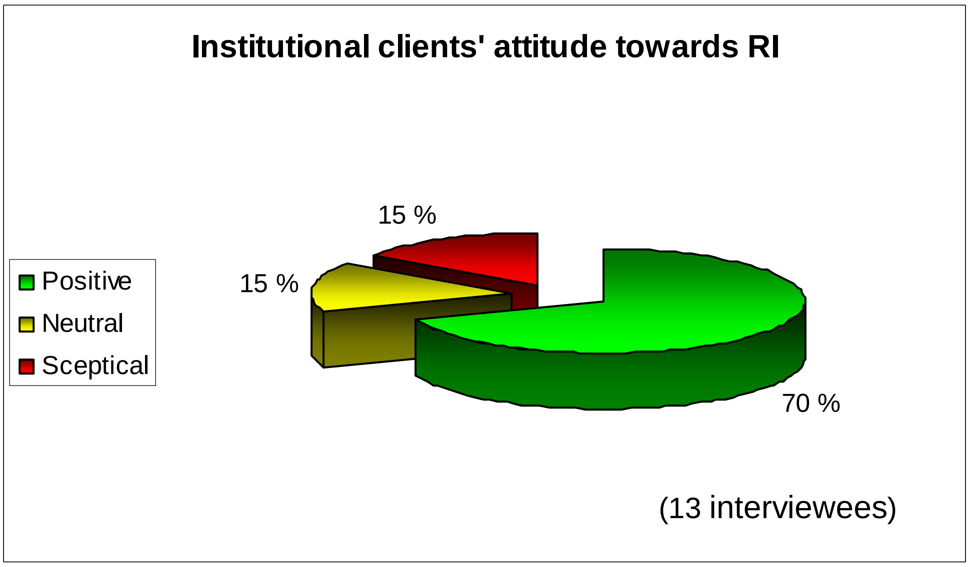

Figure 7. Institutional clients' attitude towards RI

Moreover, all the interviewees, except for one, saw that RI cannot be seen as a temporary trend whose significance does not expand. Quite the contrary, they saw that RI would establish its position in the financial world and gradually it would become a neutral part of comprehensive investing practices.

4.1.2 Requirements for the asset managers in the field of RI

This section discusses the stage of RI within institutions at the time of the research. The research shows that institutions had considered RI in their investing activities and had requirements for the asset managers in the field of RI. However, interviews suggested that the knowledge of the subject was still subtle.

Some institutions had paid attention and considered RI within their institutions more than others. Figure 8 suggests whether there have been discussions about RI within the interviewees' organizations.

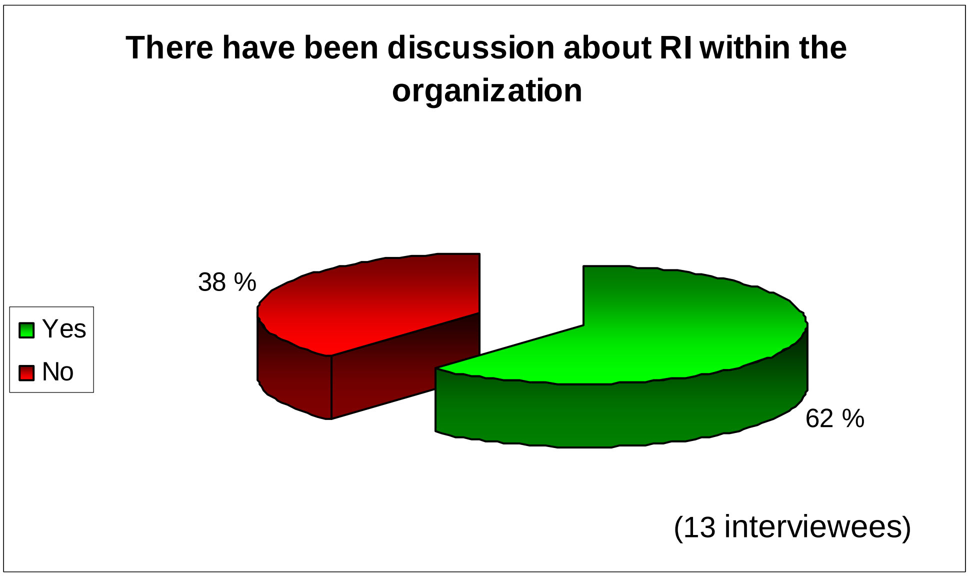

Figure 8. Discussion about RI within organizations

As figure 8 suggests majority of the interviewees had considered RI within their organizations. Roughly eight out of thirteen interviewees told that they had discussed and considered issues of RI inside their organizations. The rest, five out of thirteen interviewees, reported that they had not discussed issues of RI in their organizations. This division is, however, not that clear and unequivocal since some of the interviewees implied that the discussion and knowledge of the theme had been very superficial as referred below in the quotation.

"We have discussed and considered RI within our organization but we are anyhow quite much at the starting point".

In addition, some interviewees from both groups told that in their organizations only one person was responsible for investing activities and in many cases that person also had other responsibilities in her job description as the quotation below suggests.

"Since I am the only person taking care of the investments in our organization I have not had the possibility to talk about issues of RI even though I have wanted to".

Because of that in some organizations sensible discussion about the theme had been impossible. All in all, because of lack of resources as lack of financial resources, lack of personnel and lack of time, personnel responsible for investing practices in institutions had had no possibility to concentrate on and learn more about RI even if they had wanted to. Naturally, in some cases also the lack of interest had lead to the unawareness of the RI as can be seen in the quotation below:

"We have not seen worthwhile to discuss this issue more in depth within our organization".

Figure 9 illustrates whether RI had an effect on institutional clients investing decisions when they choose their asset managers or investments.

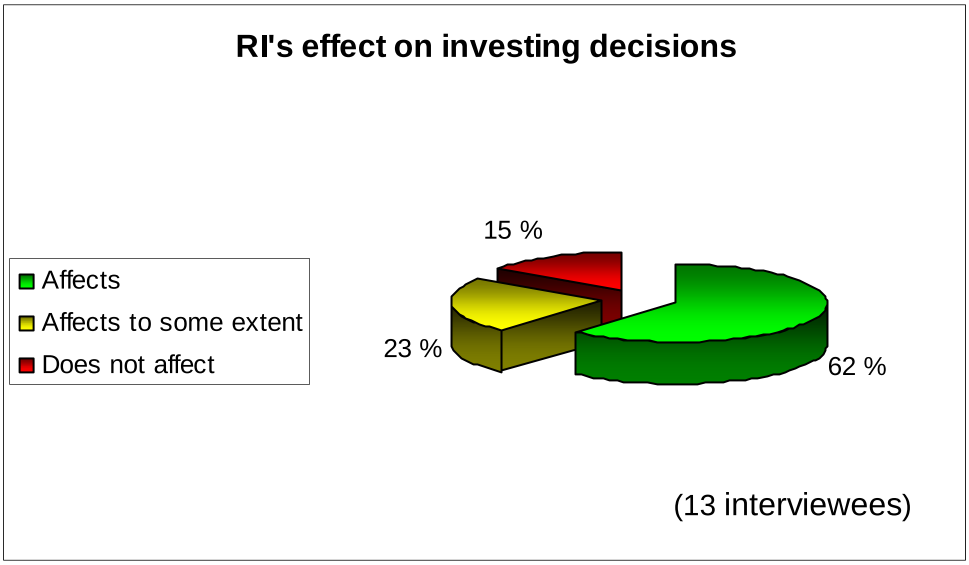

Figure 9. RI has an effect on investing decisions

As figure 9 shows, two out of thirteen institutions had no criteria for RI. Three out of thirteen told that activities of RI affected investment decisions to some extent. Eight out of thirteen reported that asset managers' activities and policies of RI affected clearly on their investing decision. Out of these eight institutions, five had written some kind of RI requirements for the asset managers in their investment guidelines, strategies or other investment plans. The majority of the institutions considered it sufficient that the asset manager had somehow considered policies and principles of RI. Signing the PRI was a good indication of the asset manager's commitment to RI and convinced many of the interviewees about their responsibility. However, nobody had strict requirements for the asset managers on how to consider or practice RI. Lack of resources was the main reason for why institutions had not formulated written guidelines and requirements for RI. Lack of resources was also the main reason for why some institutions were somewhat unaware of the RI. Thus, institutions are to some extent dependent on asset managers' communication and information about RI.

Generally, institutions thought that RI is one of the main components of the asset manager's reputation and trust. All the interviewees of the institutions shared the absolute requirement that the asset manager has to have a good and reliable reputation. Thus, as one of the main parts of the reputation, RI could be seen as a crucial factor for asset managers to implement and communicate properly. Even though many institutions' own conceptions about RI were still somewhat inconsistent and vague they required it from their asset manager. Thus, as discussed in the literature review, when the interviews were conducted, RI had become a must for financial institutions and it was the asset manager's responsibility to concretely communicate and illustrate what RI meant in their company's operations.

To summarize the findings related to research question 1 it became evident that the interviewees' perceptions of RI were very inconsistent and basically they all defined RI differently. Also the perceptions whether RI is financially profitable were deviant. However, most of the interviewees regarded RI a positive phenomenon in the financial world. In addition to that, all except for one saw that RI will establish its position in the future. Majority of the interviewees had discussed RI within their organizations and a great majority reported that RI had an effect on their investing decisions.

4.2 Views of the case company' reputation as a responsible investor and the identity

This section answers the second research question of this thesis. It reports how the interviewees saw the case company's reputation especially as a responsible investor and what was the identity inside the case company according to the personnel that was interviewed.

4.2.1 Reputation as a responsible investor

This section of the thesis presents the institutional clients' perceptions of the case company. The section discusses institutions' uppermost perceptions of the case company, as well as some deeper characteristics that link to theoretical framework of this thesis.

The case company was first and foremost seen as a part of the group of companies in which it was operating. The reputation of the group was seen reliable and responsible. Thus, the reputation of the case company was also favourable in the eyes of the interviewees even though a great deal of the reputation emerged not from the case company itself but from the reputation of the group as the quotation below suggests.

"When I think about the reputation of the case company I must say that I first think about the reputation of the whole group, which is good indeed".

The good reputation of the group had had an influence on the case company as interviewees believed the case company operated according to same principles and policies that apply for the whole group. This idea can be concretized in the excerpt below. Consequently, interviewees believed the case company is a responsible actor and responsible investor, in other words a company that does good deeds, as also described below:

"Since the reputation of the case company is quite good, I also suppose that the practices of RI have been managed well within the case company".

"I believe a company with that reputation also functions according to PRI".

The interviewees pointed out that they as institutional clients would not invest their capital in the companies that were not credible. Aula and Mantere (2008) and Fombrun and Rindova (2000) argue that credibility contains transparency and trust. All the interviewees agreed that the case company had a credible reputation and had been very reliable and also transparent enough. These are crucial characters especially in the often very abstract finance industry. In addition to credible reputation, institutional clients regarded conservative behaviour and the long term investing horizon as favourable features for the asset manager since institutions are often long term investors who invest significant sums of capital and are not willing to take very substantial risks from their asset management. These features that the interviewees favoured befit also the features of the case company. Thus, the case company had great potential to enhance its reputation and popularity among institutional investors.

Four out of thirteen interviewees reported that responsible investing could be seen in the case company’s operations very well in comparison to its competitors. Especially the seminar about responsible investing that the case company had arranged to its institutional clients had made an impression to the audience and convinced the audience that the case company had considered RI in its operations. The rest of the interviewees had no clear opinion about the issue. Some stated that the case company did not stand out from its competitors as a responsible investor. Some again noted that they were not that interested in the RI that they could present an opinion to the issue.

4.2.2 Identity as a responsible investor

According to the theoretical framework of this thesis the basis for responsible reputation is that the work is performed well within the case company. All of the personnel of the case company that were interviewed shared the view that the management was committed to implementing and developing RI. Codes of conduct of RI were included in the company's business strategies and management processes. Consequently, RI was implemented in the conventional investing practices. Thus, the case company's identity could also be seen as responsible and could therefore transform into responsible reputation. This was also the case to some extent as already discussed in previous section 4.2.1 reputation as responsible investor. However, as the case company's reputation still stemmed greatly from the reputation of the whole group, there was potential to build responsible reputation even more solid. The quotation below illustrates the attitude of the personnel to the implementation process of RI, which could also be regarded the real state of RI implementation within the case company:

"I honestly believe we have made good work in implementing RI in our conventional investing practices".

Even though RI had been implemented to the case company's conventional investing practices clear guidelines directed to employees on how to communicate about it to stakeholders had not been formulated. Even though employees knew quite much about RI and how it was implemented they pointed out that there could be written reports or guidelines about the issue for instance on the intranet. Thus, even though personnel understood RI and were able to communicate about it to stakeholders, there was still potential to harness them to the more extensive reputational communication.

To summarize the second research question it can be stated that the reputation of the case company was seen very good. The reputation also strongly linked to the reputation of the parent group which had influenced the reputation of the case company. Less than half of the interviewees stated that RI could be seen in the case company's operations very well in comparison to competitors. The rest of the interviewees had no clear opinion about the issue or stated that the case company did not stand out from its competitors as a responsible investor. According to interviewees who are employees of the company, RI is well implemented in the case company and thus the responsible identity could transform into responsible reputation. However, clear guidelines on how to communicate about RI had not been formulated.

4.3 Communication practices

This section of the thesis answers the third research question of the study. It reports on the communication practices of the case company especially when it comes to RI.

Generally, communication of the case company had been conventional and understanda. None of the interviewees mentioned negative aspects of the communication practices. On the other hand, the case company's communication practices did not stand out compared to its competitors, neither in a positive nor in a negative light. This study showed that case company's most important stakeholders, its institutional clients encountered the flood of information from which they had to gather the essential. The overall perception of the case company's communication practices is aptly described in the following excerpt:

"The case company's communication practices have been quite ok, not anything special to mention about".

4.3.1 Interpersonal communication

This section presents and elaborates the three most important communication channels for case company's institutional clients. They were e-mail, phone and meetings. Contact persons and institutional clients communicate through these channels. The intercommunication had been customer-oriented and service minded. Especially the contact persons had considered the communicare view in their communication practices.

The most important communication channels for the institutional clients were e-mail, phone and meetings. Especially e-mail was reported to be a natural channel for interactions between institutional clients and the case company as described below.

"E-mail is an easy and painless communication channel".

However, a couple of interviewees brought up the information flood that becomes concrete especially in e-mails. Since e-mails were relatively full of new messages all the time many important messages were ignored or erased. However, regardless of the information flood, e-mails appeared to be the only internet based channel where the clients were truly reachable. Interviewees brought out that they did not want to read messages that are vague and long. Quite the contrary the shorter, more succinct and more interesting the subject and the content are the better. Interviewees also preferred the idea that the e-mail included a brief overview of the content and by pressing the link in the message the receiver was able to find out more information on the issue at hand. All the interviewees also shared the opinion that reports, messages and other sorts of information should become in the electronic form such as through e-mails. Everybody wanted to minimize the amount of written paper reports and other paper brochures as quoted below:

"Letters and other papers only go to wastepaper baskets".

Phone calls and meetings with institutional clients were taken cared by contact persons. Interviewees discussed that it was good that the asset manager's contact persons kept contact and called clients regularly. Regularity of the contacts appeared to be in a good level. Sometimes phone calls were sufficient for the exchange of thoughts and information and there was no need for the appointment. This saved clients' time. Interviewees appreciated it if the contact person understood that sometimes the client was not interested in some issue. In such a case it is important for the contact person to avoid pushing her ideas or products for the client as can be interpreted in the quotation below:

"I like when my contact person calls and understand that we basically have nothing reasonable to talk about. Then we tell a couple of jokes and the phone call last maybe one minute".

Basically for all the interviewees different kinds of meetings were the most important source of information as quoted below. Meetings with the clients could be described as the encounters at the primary level. Individual meetings were the best situations to discuss openly issues that were important for the clients. As regards responsible investing, meetings functioned as situations where to discuss these issues in more depth. When RI was at issue in the meetings the asset managers could teach and consult clients about the current issues concerning RI.

"Meetings are the most important encounters for us".

In addition to bilateral meetings also seminars are one type of conventional meetings in the financial world. Seminars on a certain theme were pleasing to institutional clients. The clients' main knowledge about RI in the case company was particularly acquired in the seminar about RI that was arranged at the beginning of the year 2010. Some interviewees brought up that they appreciated seminars that were factual and succinct. The audience was first and foremost interested in the concreteness of the seminar. One interviewee discussed that as there were so many seminars in the field they easily lose their meanings.

E-mails and especially phones and meetings were in the contact persons' responsibility. All the interviewees were satisfied with the activities of the contact persons. Whether the communication between the client and the contact person was practiced via e-mails, phone or meetings it had functioned well. Many of the interviewees described communication activities of the contact persons customer-oriented and service-minded. According to interviews it was important that clients were able to discuss openly with the contact persons. It could be sensed from the interviews that institutional clients had the trust that if they would need for instance information about some issue, they could easily obtain it and start dialogue with the case company via contact persons.

It became clear that the case company had taken communicare view well into consideration. According to interviewees communication between the case company and the institutional clients had functioned very well and the communication had been two-way communication. Nobody felt that they were not listened to.

Whether the communication channel was e-mail, phone or meeting between the contact person and the institutional client, interviewees brought out some general favourable features for the contact persons. It was important for the contact persons that they are unprompted and proactive. By initiative and pro-activeness interviewees meant that contact persons or the asset manager in general contacted the client on its own initiative and reports or suggests for instance that the changing environment in the financial markets would require reallocation of capital. This type of initiatives could be generally seen too little from the asset managers according to couple of interviewees. Honest and active discussion of how the asset manager saw the clients' investment portfolio is valuable for the client. Despite the activity, the contact persons have to be open to clients' own perceptions and listen to the client. Activity must start from client's needs and contact person had to be aware that communication does not go to imposing, hustling and selling. Consequently contact person had to understand when the client is no more interested and there are no concrete issues to discuss. Meaning that in addition to normal small-talk contact person should not talk empty issues to institutional clients. All in all, in addition to initiative institutional clients appreciated the ability to understand the needs and the state of the interest of the clients and function accordingly. Besides these features interviewees hoped that contact persons could compact and concretize out coming issues to understandable form. It was also definite that they want to hear plain facts and relevant information.

"I do not want to read empty stories and sentences. If the case company sends me stories, I ask myself why. People are able distinguish pointless sentences from concrete facts".

4.3.2 Internet based communication

The findings show that the case company's institutional clients did not use case company's internet pages to seek information. However, they assumed that topical information about RI is available on the internet pages.

Figure 10 shows that seven out of thirteen interviewees reported that they did not use case company's internet sites. Six out of thirteen interviewees had visited sites but very occasionally and randomly. One reason for why institutional clients did not use case company's internet sites was that they simply had no time to dig information from there. Couple of the interviewees also brought up that internet sites were mainly for the private customers. Possibly the most important reason for why institutional clients did not use internet sites very much is that they were able to obtain the needed information easily from the contact persons. Thus, internet sites were the source of information mainly to potential institutional customers.

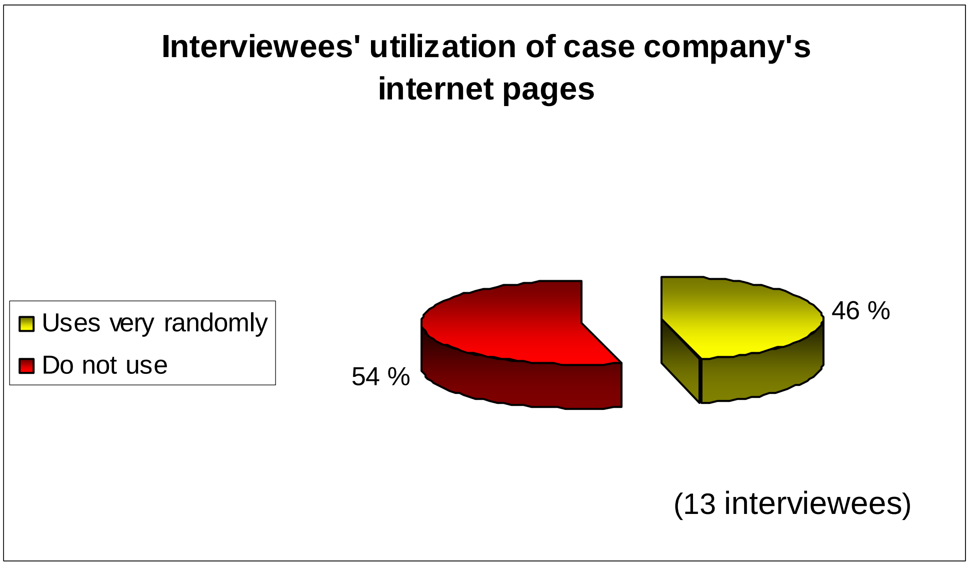

Figure 10. Interviewees' utilization of case company's internet pages

Interviewees who had visited case company's internet sites searched mainly fund reports and other reports from there. However, links to fund reports came with e-mails which was the most common way to find them. So, for many of the interviewees visiting internet sites actually meant reading the reports from the e-mails attachments. A couple of interviewees who had an opinion about the internet sites stated that they are quite ok. However, they could contain more information especially about RI.

Even though institutional clients were not very familiar with the internet sites of the case company and were therefore not able to analyze them they had relatively clear visions of what they should include and what should be found on the internet pages. Extensive information about funds and funds' reports must be found easily enough from the internet pages. It is important that the biggest investment objects can be found in the single fund reports. Generally internet sites should include relevant and concrete information that is easily and logically findable.

"Current issues should be findable on the internet pages".

"A good feature for the internet pages is logicality".

With regards to responsible investing there should be an own field where stakeholders interested in the theme could find information. RI field should include concrete information of what RI actually means, how it is understood and practices in the case company and what concrete and regular actions are being done to practice it. The below excerpt demonstrates one opinion about the RI field on the internet. One way to disclose codes of conducts on RI would be to formulate written reports about the issue. More about written reports will be discussed in the next section.

"There could be a complete field of RI on the case company's internet pages; it should include all the necessary information for the stakeholders they need".

4.3.3 Reporting

This section discusses the reporting of the RI issues. The findings of the study show that fund specific reporting as well as annual RI reports were the most suitable ways of RI reporting.

Interviews included discussions of written reports about RI. According to discussions it became clear that it was not enough to tell what RI meant for the case company and how it was understood. It was also necessary to disclose and report about concrete actions that were done. According to research, the report must base on hard facts and concrete evidence. Asset management is the field where appealing stories and pictures are not convenient. Quite the contrary people in the financial world preferred facts and financials. These kind of measurable variables convinced institutional clients the best.

Seven out of thirteen interviewees agreed that reporting about RI practices would be wise to do fund specifically. Rest of the interviewees had no opinion to the issue or the issue was not discussed. No-one resisted the idea of the fund-specific reporting. In a couple of interviews the discussions lead to the idea that there could be a brief field for RI activities in the fund reports. However, if there was a field for RI activities in the fund reports, it would be important that there are merely succinctly described concrete actions and not any vague clauses. A couple of interviewees emphatically pointed out that fund reports must not include anything unnecessary or anything that does not affect the fund's value.

Companies' annual reports for responsibility had been conventional publications already for some time. Eight out of thirteen interviewees thought that annual reports of RI would be also suitable for asset managers. Two out of thirteen interviewees thought that annual RI reports could maybe be suitable if they included concrete actions. Two out of thirteen interviewees were sceptical about annual RI reports and with one interviewee issue was not discussed. The annual RI report could function as an individual report, or be part of the case company's annual responsibility report or be part of the case company's normal annual report.

4.3.4 Networks

According to interviews image and reputation of the case company, in the eyes of the institutional clients emerged from the direct intercommunications between the client and the case company.

Many of the interviewees suggested that at least they thought that the image that for instance the media mirrored of the company did not have an influence on them. Many of the interviewees also pointed out that they barely discussed unofficially with colleagues or other people about asset managers. Hereby, reputation of the asset manager from the institutional clients' perception stemmed greatly from the intercommunication. Thus meetings and other communication between the case company and the client were in the core of communicating good reputation.

"Financial matters are discussed surprisingly little in the networks, only very seldom the theme of the discussion is the asset manager. Also media has quite insignificant effect on case company's reputation".

"Information and the impression of the case company come from the intercommunication".

"Reputation develops from the own experience, it cannot be based on anything else".

"Independent reports are a good way to interpret the asset manager. They are one element from which the image of the company can be grounded".

"Main information and impressions of the company comes naturally from the interactions. Sometimes information can also be acquired from the financial newspapers".

To summarize the main findings of the third research question it can be stated that institutional clients value interpersonal communication with contact persons. The best communication channels for interpersonal communication were e-mail, phone and different types of meetings. Communication with contact persons had functioned very well and the communication had been two-way communication. According to findings, institutional clients did not use case company's internet pages to seek information even though they assumed that topical information would be available there. They also perceived that fund specific reporting as well as annual RI reports were the most suitable ways to report about RI issues. Institutional clients also stated that the image and reputation of the case company did not emerge from the so called networks but from the direct intercommunication between the client and the case company.

This chapter presented the findings of the study. By briefly summarizing the main trends of the findings it can be stated that even though RI was still somewhat unfamiliar for the institutional clients, they still saw it as a positive thing that will also be a major trend in the future. The case company had a good reputation, but the RI communication was still somewhat weak and did not fully support the reputation of the case company. Institutional clients stated that they valued interpersonal communication over other communication channels and actions about RI were to be reported.

5. Discussion

This chapter discusses and interprets the main findings of the study based mainly on the semi-structured interviews with thirteen institutional clients of the case company and five personnel of the case company. The chapter also discusses the underlying challenge of how to communicate RI to the case company's institutional clients. This will be approached by analyzing the findings using the theoretical framework presented in section 2.5.

In order to be a pioneer in the field of responsible investing and gain the maximum reputational benefits from it the case company ought to implement and communicate its practices of RI suitably. To be able to communicate issues of RI properly it has to consider the three sub questions covered in the previous chapter. Interviewees that is, institutional clients believed RI will be an obvious issue to consider and its significance will only grow in the future. They saw that RI would establish its position in the financial world and gradually it would become a neutral part of comprehensive investing practices. This also supports the previous findings of the academic research presented in the literature review of this thesis. The literature review suggests that RI cannot be seen as a temporary trend whose significance does not expand. As Sethi (2005) argues RI has become a long term must for financial institutions to consider in their investing activities. Therefore, it is definitely worthwhile that the case company re-plans its communication about RI.

While reading this chapter it is worthwhile to notice that since RI was a new issue in the financial world at the time of the research the interviewees were not that aware of the theme. This fact has also had an influence on the findings and managerial implications. Moreover, barely any of the interviewees could provide any concrete suggestions for the question of how responsible investing ought to be communicated. The implications have been gathered according to researchers own consideration and base on interviewees' knowledge and attitudes towards the theme.

Since institutional clients value RI, the case company must highlight it in its communication. Research suggested that institutional clients regard the case company as a responsible investor with a good reputation. Also the personnel of the case company discussed that RI is well implemented in the conventional investing practices. Thus, the foundation of RI communication is in a good state as the case company truly makes good deeds, which is one of the core factors in Aula & Mantere's (2008) Triangle of Good. The challenge lies in good communication which is the second factor of the Triangle of good.

When communicating good deeds it is crucial that the content is understandable to the audience. As Jones (2008) discuss, communication can only work if the audience understands it. However, unlike presented in the literature review, institutional clients do not want to hear stories about responsibility that appeal to emotions. They want to hear plain facts. According to research, reports should not include too much pictures or stories as Kuvaja and Malmelin (2006) suggest. Institutional clients do not have the time and will to read long reports but they value succinct and concrete reports about RI.

According to research institutional clients' limited resources have hindered them to study and consider RI in their investing activities. Therefore, the case company should take the role of the expert in that field. Moreover, since interviewees' understanding about the theme was quite vague and superficial in general, communication ought to concentrate on basic issues in the first place. After the basic facts about RI are known the communication can move on to more detailed issues. The case company ought to communicate as it was a teacher or a consultant for its stakeholders. Hereby, even though communicare view appeared to be self evident for the case company, interviews suggested that dialogue as presented in the literature review by Kuvaja and Malmelin (2008) as merging thoughts, conceptions and opening new dimensions was not possible in that form for the case company. Even though it is crucial and self evident to hear client's perspectives and ideas and intercommunicate accordingly, institutional clients wanted to outsource their investing activities to the asset manager. Thus, the asset manager has to take the role and must be the expert of the field and consult and guide the client in their investments.

Contact persons are responsible for interpersonal communication with institutional clients. Therefore they are in the key position to deliver the message of RI. It is worthwhile that the contact persons strive to be unprompted and proactive. They also ought to be open to clients' own ideas and try to understand the customer. It is also important that contact persons do not impose their services or products to clients. Moreover, it is important that the contact person has the ability to compact the issue at question to succinct and concrete message. Meetings and other communication between the contact person and the client were in the core of communicating good reputation. This notion that information of the case company is mainly absorbed and processed in the primary level is somewhat inconsistent with Bromley's (2000) suggestion presented in the Literature review that most of the information people absorb comes from the secondary and tertiary level. The fact that the reputation is mainly built on the information absorbed in the primary level may derive from the issue that institutions do not speak about their institutions' financial matter very much to third parties.

The conclusion that institutional clients prefer primary levels in information retrieval is also against the network view presented by Aula and Mantere (2008). According to theoretical framework of this thesis reputation comes into existence and develops in the reputation arenas and in networks where the stories circulate. However, according to interviews reputation of the case company in the eyes of the institutional clients does not emerge from the stories in the networks. Instead of these networks such as media, colleagues and other unofficial relationships interviewees discussed that the image and reputation of the case company emerge from the direct intercommunications between the client and the case company. This notion also diminishes the meaning of the factor "good relations" in the theoretical framework presented by Aula and Mantere (2008).

Internet has become the most significant source of information for the large audience. Even though institutional clients do not use internet sites of the case company very much, they assumed information about RI to be found from there. Internet is a communication channel through which the case company can proceed many potential clients or stakeholders that indirectly have an influence on case company's reputation.

All in all, the communication ought to be planned considering the succinctness and the concreteness of the message. So far, the content of the messages has been relatively clear, but also quite normal in comparison to competitors. In addition to succinctness and concreteness messages also ought to be fresh and current. It is also important that communication does not concentrate on short-term advertising and PR- gimmicks but on open communication, which leads to improved long term reputation. With regards to concreteness of the communication, institutional clients wished that the case company could concretely verify and convince its processes of RI so that the stakeholders could truly be convinced and satisfied that the investing processes really are responsible.

6. Conclusions

This chapter concludes the thesis and summarizes the research objectives, methods and findings in five subsections. The first section sums up the purpose, theory and the methods of research. Section 6.2 briefly presents the main findings of the study. Section 6.3 presents the practical implications of the study. Section 6.4 discusses the main limitations of the study and the last section suggests approaches for further research in the field of RI and RI communications.

6.1 Research summary

The purpose of this thesis was to investigate the role of responsible investing (RI) in reputation management. The study aimed to explore the perceptions of the case company's employees and its institutional clients about communicating RI. The case company, an asset manager, had signed the Principles for Responsible Investment (PRI) and was thus committed to implementing practices of RI to its conventional investing operations and had thus faced the challenge of communicating about it. As RI had only recently become a topic that financial institutions cannot neglect, asset managers and other investing institutions worldwide had only recently began searching the theme and started to communicate about it. There was some academic research on RI or rather on Socially Responsible Investing SRI but basically no academic research on the theme of communicating RI. Therefore, the literature review of this thesis was constructed around the foundation of reputation and reputational communication since reputation can be seen parallel to responsible operations (see Aula and Mantere 2008).

The study was especially designed for the case company considering its environment and current communication practices. In order to find answers to the underlying question of how to communicate responsible investing it was first crucial to understand institutional clients' perceptions of RI. Secondly, it was important to understand what institutional clients' views about the case company were and whether these views matched the reality. Only after these two questions were answered it was possible to address the question of communication practices. The three sub questions were

1. What are the institutional clients' perceptions of and requirements for responsible investing?
2. How do institutional clients see the case company as a responsible investor and how does the company's identity match its image among the clients?
3. How do the case company's communication practices support its reputation as a responsible investor?

With the help of these sub questions the challenge of how to communicate RI could be approached.

Since there was neither academic literature nor research about communicating RI, and the concept of RI was fairly new it was first justifiable to present and discuss SRI, RI and PRI so that the reader could understand what the theme being communicated actually meant and what its history was. Secondly, the literature review presented and justified reputation as the main foundation of the thesis and discussed features of reputation so that the reader was able to fully understand its fundamentals. Thirdly, the literature review concentrated on discussing managing and communicating reputation from the RI point of view. The literature review was used to construct the theoretical framework of the thesis. Fundamentally the theoretical framework was revised from Aula and Mantere's (2008) Arena model and The triangle of good. It presented the arenas in which all the communication about RI occurred and discussed the factors of good deeds, good communication and good relations that ought to be considered when managing reputation and communicating RI.

The research conducted in this thesis was a case study and qualitative in nature. Empirical data was collected through research interviews and examination of communication materials. The main data was collected by interviewing thirteen institutional clients of the case company. Complementary data was collected with five internal interviews and evaluation of communication materials. The interviews were constructed on the basis of three sub questions of the thesis.

6.2 Main findings

The main findings of the study showed that many institutional clients had difficulties to define RI. Some confused it with more value based ethical investing but a couple of interviewees also understood the distinction between responsible investing and ethical investing. Most of the interviewees regarded RI as a positive phenomenon in the financial world and basically all of them believed RI would establish its position in the financial world and gradually it would become a neutral part of comprehensive investing practices.

Most of the institutional clients had some kind of criteria for RI when choosing their asset managers. However, only a few of them had formulated these requirements in the written form. Nobody could define what the precise requirements for RI for their asset managers were. Majority of the institutional clients considered sufficient that the asset manager had somehow considered policies and principles of RI. Lack of resources was the main reason for why many institutions had not formulated written guidelines and requirements for RI and why they were not aware of the concept. A good reputation and a reputation of a trustful actor were the main criteria in choosing the asset manager for institutional clients. And as RI could be seen as a crucial component of the asset manager's reputation, it could not be neglected. Thus, RI had become a must for financial institutions and it was the asset managers' responsibility to concretely communicate and illustrate what the RI means in their company's operations.

The case company was seen as reliable and responsible company. Good reputation of the company stemmed greatly from the reputation of the parent group. Little less than half of the interviewees stated that RI could be seen in the case company's operations.

Basically, the rest of the institutional clients reported that the case company did not especially stand out from its competitors as a responsible investor.

The reality of the case company as a responsible investor was interpreted from the internal interviews. All the personnel interviewed agreed that the management was committed to promoting and implementing practices of RI in their decision making processes and implemented it in the business strategies. Moreover, employees were also aware of RI and knew what it meant in their work. Thus, it could be seen that RI had been truly implemented in the conventional investing practices inside the case company and the case company had thus potential to build reputation even more solid.

Communication practices and the content of the communication of the case company had been conventional and understandable. However, case company’s communication practices did not stand out from its competitors. Interviewees, that is, institutional clients encountered the flood of information which is worthwhile to notice when planning communication practices.

The most important communication channels for the institutional clients were e-mail, phone and meetings. E-mail was reported to be the most natural channel between the case company and the institutional clients even though it was also the channel where the biggest information flood takes place. Everybody also wanted to minimize the amount of written paper reports and other paper brochures. Phone calls and meetings that usually take place between the client and the contact person had been comfortable for the interviewees and the regularity had also been satisfying. Meetings were the most important source of information for the institutional clients. As regards to responsible investing, meetings function greatly as situations where to discuss these issues in more depth.

Institutional clients did not use much internet as their source of information. This was mainly because they could obtain the needed information from their contact persons. Another reason for why institutional clients did not use internet when finding some information was that they simply had no time to dig information from there. Therefore, internet pages should be planned considering potential clients and other stakeholders that use case company's internet pages more. However, interviewees had clear visions of what should be found on the case company's internet pages. With regards to responsible investing there should be an own field where stakeholders interested in the theme could find information. RI field should include concrete information of what RI actually means, how it is understood and practices in the case company and what concrete and regular actions are being done to practice it.

Reporting RI appeared to be an issue that the case company has to consider. It is not enough to tell what RI means for the case company and how it is understood. It is also necessary to disclose and report about concrete actions that are done. Majority of the institutional clients hoped for fund specific reporting about RI. Also annual RI reports were supported by the interviewees.

According to interviews reputation of the case company in the eyes of institutional clients did not emerge from the stories in the networks. Instead of these networks such as media, colleagues and other unofficial relationships interviewees discussed that the image and reputation of the case company comes from the direct intercommunications between the client and the case company. Thus, reputation developed in the reputational arena in intercommunication. Thus meetings and other communication between the case company and the client were in the core of communicating good reputation.

6.3 Implications

In order to be a pioneer in the field of RI and gain the maximum reputational benefits from it the case company ought to implement and communicate its practices of RI suitably. Considering the fact that RI was a relatively new concept in the financial world it was easy to understand that the case company's stakeholders, in this case especially institutional clients were not that aware of the theme. Consequently, the case company ought to consider the knowledge and interest of the institutional clients and communicate accordingly. Thus, communication should concentrate on basic issues in the first place. It is also important that in case when institutional clients are the audience, communication must be ad hoc. Moreover, the features that institutional clients valued were crucial to consider in communication processes and all this communication should talk clients' language.

It would be advisable that the case company took the role of the teacher or the consultant in the field of RI. The reason for that is the institutional clients' unawareness to RI mainly due to the lack of resources. Thus asset manager's task would be to guide and provide information about RI, and provide solutions to clients' and other stakeholders' questions and problems.

After the communication of basic issues about RI it would be worthwhile for the case company to tell about the way how RI is implemented to the case company's investing practices. It is worthwhile to reveal its RI practices to some extent since stakeholders want to hear what RI means to the company.

The overall communication ought to be planned considering the succinctness and the concreteness of the message. They should also be fresh and current and concentrate on open communication, not on short-term PR-gimmicks. Contact persons are greatly in responsible for delivering this kind of message to stakeholders. Important for contact persons is, that they strive to be unprompted and proactive. It is also important that they are open to clients' own ideas and try to understand the customer, and do not impose their services.

Concrete information comes in the form of reports. Firstly, reports include issues of what RI means and what it means for the case company. Secondly, reports include concrete actions of what have been made to follow the description of policies. Generally, it is worthwhile that the reports are being published according to predetermined regular intervals.

Internet was one of the communication channels that required concrete improvements. Firstly, the case company should improve the general expression of its internet field and strive to distinguish itself from the group's internet pages. This required modifications in both structure and content of the case company's internet field. Secondly, with regards to RI there should be an own field where stakeholders interested in the theme could find information.

Even though research suggests that the reputation emerged in the reputational arenas in the intercommunication between the client and the contact person and not in the networks, it is however worthwhile to consider these networks as well. Companionships with third parties are however an important issue to consider in building a solid overall reputation.

6.4 Limitations of the study

This section discusses the limitations of this thesis. It briefly considers challenges in studying the topic and takes a critical look at the research process. The limitations presented here are reasonable to consider when reading the findings and implications of this study even though they do not diminish the trustworthiness of the study.

The topic of the thesis was very challenging as there was not much research conducted on it. The concept of RI was relatively new and developing and academic literature covering the concept was scarce. When it comes to communicating RI, there was no academic literature or research to be found. Therefore, this thesis utilized academic literature from other disciplines and related concepts, mainly reputation management, as the foundation.

As the theme and development of RI was relatively new and recent at the time of the interviews also the interviewees were quite unaware of the issue. This naturally had an effect on findings and recommendations of this thesis as their insights to the theme were quite superficial. Moreover, interviewees could barely provide concrete suggestions of how to communicate RI suitably.

The interpretation of the findings was also challenging itself. As the topic being studied was new and current, and interviewees’ knowledge about the topic was quite superficial, also their perceptions and comments in the interviews varied to some extent. Therefore, unequivocal conclusions were challenging to make.

The issue that the research was done to the case company from the basis of its needs had a significant influence on the thesis. As the case company needed and required findings and recommendations that are concrete was partially in contradiction to the requirements for the more academic Master’s thesis. However, the formulation of separate report to the case company diminished this problem.

One of the greatest challenges concerning the thesis was the issue that the case company wanted to have this research done revealing as little information as possible concerning itself, its clients, and findings and recommendations of the research. This is due to the fact that findings and recommendations about the developing field of RI and RI communication are valuable information for the competitors of the case company. Thus, this thesis has exposed the findings and recommendations of the research in a more general level and has not gone to very details in providing suggestions for the case company. Moreover, identity of the case company and the interviewees were not exposed.

6.5 Suggestions for further research

This section discusses suggestions for further research on RI and RI communication. As there is very limited amount of research on this topic so far, there are various new directions for further research. However, this section presents only some of the questions that arose during the course of the thesis process.

One of the main questions and dilemmas around RI that was also discussed in the thesis is whether RI is financially profitable or not. Even though recent studies suggest that it is financially beneficial, there is no clear evidence to prove that. Therefore, new research on this issue would be needed since it could be held a corner stone for all the other activities around RI. From the communications perspective it would be crucial to have credible evidence for this question since it decides whether the basis of the communication activities is that RI brings value added in financial terms or that RI brings value added by bringing common good to the company's environment and stakeholders. For the investors, who are the audience of asset managers' communication, the difference is decisive.

This thesis has discussed improved reputation as the main driving force to implement and communicate RI suitably. The main axiom has been that improved reputation brings value added to the asset manager. Therefore, it is recommended to put resources on communication practices. However, it is impossible to measure the real effect of improved communication practices or improved reputation to the company's financial success. Therefore, it would be very beneficial, albeit extremely challenging, to develop some kind of tangible measures that could provide indicative answers to the question of the extent that the improved communication practices and reputation influence on financial success.

As has been discussed in this thesis, the research about communicating RI has been conducted at the time when practices of RI had only just become to attention of larger audiences and the general awareness of the theme has been slight. This has had an effect on recommendations of this thesis. It is presumable that in a couple of year's time audience's and, particularly in this thesis, institutional clients' awareness of the theme will be significantly greater. Therefore, it would be sensible to conduct a similar study of research again in a few years time and investigate whether the perceptions have changed and whether the recommendations on how to communicate responsible investing have changed and to which extent.

As some asset managers have now launched and are launching their communications about RI, others are still somewhat ignorant about the theme. It would be interesting to see the future of these two groups. It could be possible to conduct a study where these two groups are recognized and compare their financial success with each other and relate it to communication practices about RI. This kind of data collection could expose whether communicating RI to improve reputation actually is sensible or not, and whether the companies have succeeded in their communication practices.

References

Aaltonen, P., Ikävalko, H., Mantere, S., Teikari, V., Ventä, M. & Währn, H. (2001). *Tiellä strategiasta toimintaan.* Espoo: Helsinki University of Technology Research Report.

Arrington, G. (1999). Socially Conscious Investments by Private Pension Plans. *Employee Benefits Journal,* 3, 13-16.

Ashforth, B.E. and Gibbs, B.W. (1989) Social identity and the organization. *Academy of Management Review,* 14 (1), 20-39.

Aula, P. & Mantere, S. (2008). *Strategic Reputation Management.* New York: Routledge.

Aula, P. (2000) *Organisaation kaaos vai kaaoksen organisaatio: Dynaamisen organisaatioviestinnän teoria*. Helsinki: Loki-kirjat.

Basso, A & Funari, S. (2003). Measuring the performance of ethical mutual funds: a DEA approach. *The Journal of the Operational Research Society,* 54 (5), 521.

Bauer, R., Derwall, J., Otten, R., 2007, The Ethical Mutual Fund Performance Debate: New Evidence from Canada, *Journal of Business Ethics*, 70, 111-124.

Berry, J. & Keller, E. (2003). *The influentials: One American in Ten Tells the Other nine How to Vote, Where to Eat, and What to Buy*. New York: Free Press

Boutin-Dufresne, F. & Savaria, P. (2004). Corporate social responsibility and financial risk. *Journal of Investing,* 13 (1), 57.

Bromley, D.B (2000). Psychological aspects of corporate identity, image and reputation. *Corporate Reputation Review,* 3(3), 240-252.

Bryman, A. & Bell, E. (2003). *Business Research Methods*. UK: Oxford University Press.

Cappella, J.N. (1981). Mutual influence in expressive behaviour: Adult-adult and infant-adult dyadic interaction. *Psychological Bulletin,* 89: 101-132.

Carrol, A. (2008) ‘A History of Corporate Social Responsibility: Concepts and Practices. *The Oxford Handbook of Corporate Social Responsibility*. Oxford, UK: Oxford University Press. 24–40.

CFA Institute Centre for Financial Market Integrity.Environmental, (2008) Social, and Governance Factors at Listed Companies: A Manual for Investors.

Colle, S. & York, J. (2008). Why Wine is not Glue? The Unresolved Problem of Negative Screening in Socially Responsible Investing. *Journal of Business Ethics*, 85, 83-95.

Daymon, C. (2002). *Qualitative Methods in Public Relations and Marketing Communications.* KY, USA: Routledge.

Dowling, G.R. (1986). Managing your corporate images. *Industrial Marketing Management*, 15, 109-115.

Du, S. (2001). Maximizing Business Returns to Corporate Social Responsibility (CSR): The Role of CSR Communication. *International Journal of Management* Reviews 12.1, 8-19.

EDHEC-Risk Institute. (2010) Adoption of Green Investing by Institutional Investors: A European Survey.

Entine, J. (2003). The myth of social investing: a critique of its practice and consequences for corporate social performance research. *Organization & Environment*, 16 (3), 352.

Ereaut, G. (2007). *What is qualitative research?* QSR international Pty Ltd, UK.

Fombrun, C.J. (1996). *Reputation: Realizing Value from the Corporate Image*, Boston: Harvard Business School Press.

Fombrun, C.J. and Rindova , V.P.(2000). The road to transparency: reputation management at Royal Dutch/Shell. In book Schultz, M., Hatch, M.J. and Larsen, M.H.: *The Expressive Organization*. Oxford University Press, Oxford. 76-96

Gagnon, M. and Michael, J. (2003) “Employee strategic alignment at a wood manufacturer: an exploratory analysis using lean manufacturing”, *Forest Products Journal*, 53 (10), 24-29.

Ghauri, P. & Grønhaug, K. (2005). *Research Methods in Business Studies*, *A Practical Guide*. 3rd Edition. UK: Pearson Education Limited

Gilmore, J. and Pine, B. (1999). *The Experience Economy: Work Is Theatre and Every Business a Stage*. Boston, MA: Harvard Business School Press.

Gray, E.R. and Balmer, J.M.T. (1998) Managing Corporate Image and Corporate Reputation, London: Long Range Planning.

Gregory, A., Whittaker, J. (2007). Performance and Performance Persistence of ‘Ethical’ Unit Trusts in the UK, *Journal of Business Finance and Accounting*, 34:7/8, 1327-1344.

Grunig, J. (ed.) (1992). *Excellence in Public Relations and Communication Management*. Mahwah, NJ: Lawrence Erlbaum Associates.

Habermas, Jürgen (2004): *Julkisuuden rakennemuutos*. *Tutkimus yhdestä kansalaisyhteiskunnan kategoriasta*. Tampere: Vastapaino.

Hawken, P. (2004) *Socially Responsible Investing: How the SRI Industry has Failed to Respond to People Who Want to Invest with Conscience and What can be Done to Change It*. Natural Capital Institute.

Haywood, R. (2005). *Corporate Reputation, the Brand & the Bottom Line: Powerful, Proven Communications Strategies for Maximizing Values.* Sterling, VA: Kogan Page.

Hirsjärvi, S. & Hurme, H. (2001). *Tutkimushaastattelu – Teemahaastattelun teoria ja käytäntö*. Helsinki: Helsinki University Press.

Hämäläinen, V. & Maula, H. (2004). *Strategiaviestintä.* Keuruu: Otavan kirjapaino Oy.

Jones, P. (2008). *Communicating strategy*. Hampshire: Gower Publishing Ltd.

Juholin, E. and Kuutti, H. (2003) *Mediapeli –anatomia ja keinot*. Helsinki: Inforviestintä.

Kreander, N., Gray, R.H., Power, D.M., Sinclair, C.D., 2005, Evaluating the Performance of Ethical and Non-ethical Funds: A Matched Pair Analysis, *Journal of Business Finance and Accounting,* 32:7/8, 1465-1493.

Krone, K., Jablin, F.M., & Putnam, L.L.(1987) “Communication theory and organizational communication: multiple perspectives”, in: F.M Jablin et al.(eds), *Hanbook of Organizational Communication*, pp. 18-69, Newbury Park, CA: Sage Publications.

Kuvaja, S. & Malmelin, K. (2008). *Vastuullinen yritysviestintä. Kilpailuetua vuoropuhelusta*. Helsinki: Edita Prima Oy.

Kuyng-ran, K. (2006) Corporate Communications and Reputation Building. *Conference Papers – International Communication Association*, Annual Meeting, p. 1-23.

Levy, D., R. Kaplan (2008) ‘Corporate Social Responsibility and Theories of Global Governance: Strategic Contestation in Global Issue Areas’, in A. Crane, A. McWilliams, D. Matten, J. Moon and D.S. Siegel (eds.), *The Oxford Handbook of Corporate Social Responsibilit.y* Oxford, UK: Oxford University Press: 432-483.

Matten, J. Moon and D.S. Siegel (eds.), *The Oxford Handbook of Corporate Social Responsibility* Oxford, UK: Oxford University Press: 227-51.

MacLeod, M. (2009). Emerging Investor Networks and the Construction of Corporate Social Responsibility. *Journal of Corporate Citizenship*, 34, 69-96.

Mayer, R., Davis, J.,& Schoorman, F. (1995). An integrative model of organizational trust. *Academy of Management Review*, 20, 709-730.

Maykut, P. & Morehouse, R. (1994). *Beginning qualitative research. A philosophic and practical guide*. Falmer Press.

Maylor, H. & Blackmon, K. (2005). *Researching Business and Management*. NY: Palgrave Macmillan.

Morris, S.A. (1997). Internal effects of stakeholder management devices. *Journal of Business Ethics*, 16, 413-424

Poiesz, T.B.C. (1988) The image concept: its place in consumer psychology and its potential for other psychological areas. *Journal of Economic Psychology,* 10, 457-472.

Pratt, M.G. and Foreman, P.O. (2000) Classifying managerial responses to multiple organizational identities. *Academy of Management Review,* 25 (1), 18-42.

Pulkkinen, J. (2003). *An analysis of the communication structures in the research on information and communication technology integration in education in the years 2000-2001.* Oulu University.

Robson, A. & Wakefield, S. (2007). Socially Responsible Investing in “High-Net-Worth” Asset Management Firms in Canada: An Exploratory Study. *Electronic Journal of Business Ethics and Organization Studies,* 12 (1), 29-34.

Rossouw, G.J. & Sison, A.J. (2006). *Global Perspectives on Ethics of Corporate Governance*. Palgrave Macmillan.

Santos, F.M. & Eisenhardt, K.M. (2005). Organizational boundaries and theories of organization. *Organization Science,* 16, 491-508.

Sethi, S. (2005). Investing in Socially Responsible Companies is a Must for Public Pension Funds – Because There is no Better Alternative. *Journal of Business Ethics,* 56, 99-129.

Siltaoja, M. (2006). *The relationship between corporate social responsibility and corporate reputation from a value-laden viewpoint: an empirical study in a Finnish newspaper context.* Jyväskylä: University of Jyväskylä.

Smythe, J., Dorward, C. & Reback, J. (1992) *Corporate Reputation. Managing the New Strategic Asset.* London: Century Business.

Social Investment Forum Industry Research Program (2006). 2005 Report on Socially Responsible Investing Trends in the United States: 10-year Review.

Stacey, R. (1991). *The Chaos Frontier*: Creative Strategic Control for Business. Oxford: Butterworth-Heinemann.

UNEP FI and Mercer (2007). *Demystifying Responsible Investment Performance. A review of key academic and broker research on ESG factors.*

Van Riel, B.M. & Fombrun, J. (2007). *Essentials of Corporate Communication. Implementing practices for effective reputation management.* New York: Routledge.

Yin, R. (2003). Case Study Research: Design and Methods. 3rd edition. USA: Sage

Yin, R. (2009). *Case Study Research, Design and Methods*. 4th edition. USA: Sage

Internet:

Buffet, W. *Quote*. Retrieved June 13, 2011 from www.quotedb.com.
The Principles. Retrieved April 15, 2010 from unpri.org.
Vastuuta sijoittamiseen. Retrieved June 15, 2010 from www.evl.fi/sijoittaminen.
What is si? Retrieved May 15,2010 from www.sustainableinvesting.net.

Appendices

Appendix 1 – Abbreviations

ESG	Environmental, Social and Corporate Goverance
CSR	Corporate Social Responsibility
PRI	Principles for Responsible Investments
RI	Responsible Investing
SI	Sustainable Investing
SRI	Socially Responsible Investing

Appendix 2 – Interview framework

Institutional clients' perceptions and requirements on responsible investing:

How do you understand responsible investing?
How can responsible investing be seen in your organization?
How have you considered the field of RI in your organization?
What kind of requirements do you have for responsible investing?

Institutional clients' perceptions of the case company as responsible investor:

Is responsible investing to be seen in the case company's activities?
How do you see the case company's reputation as a responsible investor?

The case company's communication practices supporting its reputation as responsible investor:

Which communication channels do you prefer?

Which communication channels do you use with the case company?
How does responsible investing shows in these channels?
What can you say about interactivity of the communication with the case company?
What are features of goof internet pages for you?
How do the case company’s internet pages correspond to these features?
Has the regularity of the communication been suitable?
What else would you like to say about communication activities with the case company?