



Paul Kok

Reputation and public opinion

Public opinion is becoming increasingly influential in business practice, to the point that it defines board agendas. Staff also worry whether their organization is capable of making decisions that take adequate account of public opinion. Public opinion may have an impact on a company's decision-making processes or be felt in the public's reaction to decisions after they were made and made public. In situations where public opinion has not been given enough weight, a company can suffer serious damage to its reputation. Resultant measures, such as crisis management, lawsuits, public surveys, agreements with regulators, media relations, and advertising may be inevitable and turn out to be a costly affair.

Employees view themselves as having a share in public opinion, and experience disappointment when decisions are made without any consideration as to what the public may think. Naturally, that puts a strain on their loyalty to the organization.

Boardroom decisions should respect and recognize the importance of public opinion, alongside control, finance, management and legal aspects. Apart from these four dimensions, public opinion clearly deserves to be considered as a fifth factor in executive decision-making.

A recent survey, conducted by the Dutch payment traffic platform (*Platform Betalingsverkeer*), revealed that two-thirds of the 1,259 respondents are against the use of bank payment data for commercial purposes - 55-66% even objected strongly against such practices.

This is an extremely sensitive issue, which has already led to the precipitated downfall of other commercial initiatives. Public response to the announcement by various banks that they intended to make more use of customer data, clearly proved different from what was anticipated.

In many cases, public opinion on any issue is already common knowledge, thanks to the abundant attention from both regular and social media. Take for instance issues such as mobility, remuneration of managers, bonuses, compliance, and corporate social responsibility.

It is of crucial importance that the constellation of people involved in decision-making within an organization will be prepared to give due consideration to what the public think, and that they are duly supported in this process.

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