

ENGINEERING & CONSTRUCTION RISK INSTITUTE

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Page
1 of 1

Reputation Risk

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Purpose

The purpose of the Reputation Risk best practice is to provide Sponsors with a guideline for understanding reputation and assessing reputation risk, as well as proposing controls and interventions to mitigate these risks in the context of the Engineering and Construction (E&C) industry.

Introduction

Risk to reputation is nothing new. The 18th century American politician, inventor and author, Benjamin Franklin, first coined the phrase *“It takes many good deeds to build a good reputation, and only one bad one to lose it.”*

However, globalisation and the increasing complexity of business models with international work fronts and supply chains, shareholders’ triple bottom line performance demands, clients’ requirements to push the limits of what is possible at lower cost and less time, increased competition, public platforms for increasingly vocal employees, customers, NGO’s and communities, and significantly more stringent regulatory environments, have intensified organisational exposure to reputation risk. Global news networks, the internet and the emergence of social media have accelerated the rate at which a risk event can cause lasting widespread damage to an organisation’s reputation and made controlling these diverse risk environments more challenging. Within the E&C industry, a number of individual organisations, and in some cases the industry as a whole, have suffered reputation damage in the recent past (see Appendix 2 for case studies). These factors motivated the development of a best practice guideline to address reputation risk.

ECRI Description file – The complete version if this document is located in the Sponsors Resources area of this website and requires a Sponsors Login to access.

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