

# Taxis should be trading on integrity and reputation

 By [Thabani Khumalo](#)

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Does reputation matter? If you can ask SA National Taxi Council (Santaco), after its media conference, where it announced its intention to expand to the airline transport, I guess Santaco would say "yes". In today's news-driven and fast changing business environment, building and maintaining a strong corporate reputation is vital.



A strong corporate reputation generates confidence, in the present as well as in the future. Recently, Santaco announced that the taxi industry intends expanding into other transport modes, including buses, trains and even airplanes. The airline was officially unveiled in September and will take to the skies by November.

"We will be launching a low-cost airline," Nkululeko Buthelezi, business development officer for Santaco, told potential investors and reporters in Johannesburg. "I can see some of you rolling your eyes because of how our taxi drivers drive. I can assure you we won't allow our taxi drivers to drive (the planes)," he said.

## Reputation managed as peripheral services

Many events within corporate South Africa have proven that businesses do not manage reputation function as a core corporate strategy discipline, but as a peripheral strategy service. However, businesses expect this service to contribute to their corporate strategies, particularly during crisis and challenging times. Unfortunately, its contribution is not effective because it lacks boardroom and executive management commitment, character and stature. It is not surprising that many businesses are associated with bad habits, namely corruption, elitism, price-fixing, unpatriotic tendencies, exploitation of workers, bad consumer care, greed, and many social and economic ills.

## Taxi industry carries huge growth opportunities, but...

Despite the oppressive, exclusive, exploitative and cruelty of the apartheid era economic laws and policies, the taxi industry flourished and thrived. Today, it is a symbol of Black people's economic power and success. The industry carries huge growth opportunities provided it is nurtured and managed appropriately. However, when it comes to reputation management, the taxi industry is the worst culprit. It is my guess that government, passengers, taxi drivers, business, community members and even some taxi owners know that they have had enough conflicts, violence, ill-discipline, unprofessionalism, and lack of respect for passengers, road taxi fatalities associated with this industry. Hence the industry's wish to expand to low-cost airline transport was received as a joke.

## Good reputation grows business

Companies with strong positive reputations attract investors, retain better employees, enjoy customers and partners' loyalty, generate sustainable earnings and create future growth opportunities. It is therefore important that businesses identify, quantify and manage the risks to their reputations long before a crisis strikes. However, companies seem to pay little or no

attention to reputation management as part of their corporate strategies. They tend to wait until a crisis strikes before allocating resources to minimise damage. This is reactive approach and is called crises management, and not risk management.

## How is reputation managed?

Reputation is a corporation's prevailing overall impression, opinion and memory that people have of an organisation. It derives from assumptions, perceptions, images, messages, and beliefs about what the business is, how it is managed, and what values and principles it stands for. How is reputation managed? Good corporate reputation management involves far more than having effective public relations, communication, social investment and community outreach strategies. It covers all aspects of business principles, policies and practices. It relies on an effective internal and external communication strategy, quality, excellent customer relations, good financial performance, compliance to safety and health standards, good employee relations, responsible handling of environmental and social issues, good citizenship practices, and sound governance principles whose cornerstones are communication, responsibility, respect, accountability, caring, reliability, trust, honesty, transparency and fairness. Above all, employees and partners influence corporate reputation by communicating positive or negative messages about their companies to other people inside and outside the organisation.

## Take reputation to the sky

Taxi industry should be trading on its integrity and reputation. And that will be possible if reputation and image management are made an integral part of its core business strategies. With appropriate reputation management, I am confident that the taxi industry can grow from land to rail, sea and air. As it takes to the sky, Santaco is advised to learn from US billionaire Warren Buffet. He once said, "If you lose money for the firm, I will be very understanding. If you lose reputation for the firm, I will be ruthless."

For now, the sky is the limit for the country's taxi business. Good luck!

## ABOUT THABANI KHUMALO

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