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Corporate Social Responsibility, Corporate Reputation and Corporate Image: Testing a Mediational Model

Harun Şeşen[a], Aliye Gündoğdu[b]

[a] *Cyprus International University, Haspolat, Mersin, Turkey*
hsesen@ciu.edu.tr

[b] *European University of Lefke, Gemikonagi, Mersin, Turkey*
gundogdualiye@gmail.com

ABSTRACT

The aim of this research is to investigate whether the banking sector, which is exposed to global competition as a result of the effects of information technologies, can influence its corporate reputation (CR) by performing corporate social responsibility (CSR) activities and corporate image (CI). Data were obtained from a sample of 262 employees from a private bank in Northern Cyprus. AMOS software was used to test the research hypotheses by running a structural equation model. The findings show that, from the perspective of the bank staff, CSR is associated with both CI and CR, and that CI has a mediating role in the effect of CSR on CR. Although the different relationships of each of the variables that are the subject of this research have been previously investigated, the fact that the mediating role of CI in the CSR-CR relationship has not been investigated. Besides, all factors have been evaluated by bank's closest stakeholder "employees", who have the advantage of instantly evaluating signals and giving feedback, makes the research unique.

JEL Classification: M12, M14, M31

Keywords: corporate social responsibility, corporate image, corporate reputation

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I. INTRODUCTION

Social responsibility activities, including philanthropy, volunteerism, environmental awareness and ethical practices, consist of companies' practices towards society in general (Freeman and Dmytriyev, 2017). The Covid-19 pandemic, which has caused social and environmental challenges on a global scale, is forcing companies to be more realistic and authentic in terms of corporate social responsibility (He and Harris, 2020). On the other hand, as a result of the development of technology and informatics, the borders between countries have become insignificant. Therefore, companies have had to protect their own domestic markets and have acquired the right to compete in markets in more distant places (Dell'Atti and Trotta, 2016). In order for companies to strengthen their competitive advantage, they must prevent entry into the market in which they operate and encourage loyalty among their customers. In order to achieve this, their intangible assets are of great importance (Adeosun and Ganiyu, 2013).

Corporate reputation (CR), which is not recorded as an asset in the balance sheet but helps to gain the trust of investors, suppliers and all other stakeholders and affects personnel recruitment, manifests itself as an intangible element that companies should prioritize strategically. Corporate reputation is on the agenda of both businesses and academia. It makes the difference between success and failure, motivating customers to choose the company's products and services instead of those of a competitor (Adeosun and Ganiyu, 2013). The importance of reputation in the eyes of companies has increased, especially with the general trend towards digitalization based on internet access and the transformation of society into a more active and critical structure (Wiedmann, 2017).

From the perspective of stakeholders, the positive or negative impact of the company's activities on its reputation is evaluated on the basis of whether it is compatible with environmental concerns (Brammer and Pavelin, 2006). For this reason, transparent implementation of corporate social responsibility activities (Tangngisalu et al., 2020), doing the right things and being seen doing it (Adeosun and Ganiyu, 2013), in other words, spreading useful signals about the activities carried out is of great importance (Connelly et al., 2011).

After the high-profile collapses in the past, as a result of increased stakeholder expectations that companies make a contribution beyond their economic benefits, companies are also turning to activities that include social and environmental initiatives in an attempt to gain preference and enhance their corporate image (CI) by raising awareness (Pomering and Johnson, 2009). Since having a positive corporate social responsibility (CSR) image will increase corporate reputation (Martínez and Rodríguez del Bosque, 2014), many factors should be taken into account in order to effectively plan and then manage the created corporate image (Flavián et al., 2004).

Although reputation is important for business research, it has assumed particular importance for the banking sector, especially due to the financial crises experienced in the past since it affects the financial investment tendencies in the country, the stability of the financial system and macroeconomic balances. Loss of reputation in the banking sector harms the entire financial system, causing panic by undermining public trust (Dell'Atti and Trotta, 2016). In the difficult conditions experienced in this era, achieving a competitive advantage and sustainable success is only possible with a strong reputation. The creation and development of reputation is possible by creating a positive effect on stakeholders as well as a sense of trust.

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The importance of the images conveyed to the consumers of financial institutions has gained a global dimension and has become the key element of success with the widespread use of internet banking (Flavián et al., 2004). Signal theory assumes that the perceptions of stakeholders can be shaped by the signals emitted (Arikan et al., 2016). According to signal theory, when communicating, the sender informs the receiver through its behaviors, and the receiver infers this information (Connelly et al., 2011). Thus, when companies spread signals through CSR activities, stakeholders will understand and respond to those signals, and reputation perceptions will be shaped accordingly (Arikan et al., 2016). Considering that a positive image of an institution in terms of social and environmental awareness can contribute to the formation of its corporate reputation, this research aims to examine the mediating role of corporate image in the relationship between corporate social responsibility activities carried out in the banking sector and its corporate reputation.

Within the scope of the literature, the changes in mentalities and lifestyles as a result of the ongoing global pandemic (He and Harris, 2020) and the sensitivity that occurred in terms of the awareness of social responsibility, this research tries to make two significant contributions. Firstly, the respondents of the research are the employees. Being closest stakeholders with the opportunity to monitor and evaluate the signals and give feedback quickly, employees are treated as the source of data. Secondly, the mediational model, which has not been tested previously, will facilitate the understanding of the role of corporate image in the relationship between corporate social responsibility and corporate reputation.

In the remainder of this paper, first of all, hypotheses are developed by reviewing other studies in the literature on the concepts and a conceptual model is created accordingly. Secondly, the methodology of the research is explained. As the third stage, the model is tested and the results are presented. In the last section, the findings are discussed, while practical and theoretical contributions, limitations and recommendations for further research are also presented.

II. LITERATURE REVIEW

A. Corporate Social Responsibility and Corporate Reputation

Social responsibility consists of a wide range of economic and legal activities performed voluntarily (Carroll, 1979) towards employees, customers, the environment and legal issues (Nguyen and Tu, 2020). By associating it with sustainable development and the core values of businesses, the aim is to create common values for both businesses and society. Social expectations regarding corporate behavior have changed and the concept of CSR has also changed accordingly. It has been observed that the main goal of companies has been transformed from making profit to creating shareable value (Latapí Agudelo et al., 2019).

Carroll (1991) conceptually created a four-part pyramid of CSR consisting of economic, legal, ethical and philanthropic, which must be fulfilled simultaneously. Throughout history, the primary objective of organizations has been to make profit, which is considered within the scope of economic responsibility, and the main focus has been on making profit by producing goods and services that consumers need. The laws and regulations that companies are obliged to comply with while fulfilling their economic

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missions are called their legal responsibilities. The responsibilities of consumers, employees, shareholders and the society to respect the moral rights of stakeholders and to protect these rights fairly have been evaluated as ethical responsibilities. The concept at the top of the pyramid is characterized as the philanthropic responsibility, which the business world can fulfill by contributing to the society financially as well as with human resources, improving the quality of life and meeting the expectation of being a good corporate citizen (Carroll, 1991).

Research shows that profitability is not the only goal of companies (Singh and Misra, 2021). Personnel training, charitable work, ethical investment (Adeosun and Ganiyu, 2013), and social and environmental activities are also other targets (Singh and Misra, 2021). Considering that economic and environmental responsibility affects customer attitudes and satisfaction, which in turn affect corporate reputation (Park, 2019), organizations should act as responsible societal actions and be committed in this regard (Singh and Misra, 2021).

According to stakeholder theory, responsibility is multifaceted. A company is accountable to its employees, customers, suppliers, financiers and communities. It should create value for all stakeholders. However, doing well in the field of corporate social responsibility, such as dealing with social issues, improving public health and environmental conditions, is as important as creating value. On the other hand, it is important that aid to communities is not seen as a means of payment and is not used to conceal wrongdoing (Freeman and Dmytriyev, 2017). The programming and implementation of CSR policies should support core business activities so that they contribute to and benefit the firm's effectiveness in achieving its mission (Burke and Logsdon, 1996) and create long-term sustainability for corporate success while meeting the needs of all suppliers, investors and employees (Tai and Chuang, 2014).

According to signal theory, there are two parties in the positions of sender and receiver consisting of individuals and organizations. One party informs the other party through its behaviors, and the other party interprets this information (Connelly et al., 2011). In this context, when companies spread signals through CSR activities, stakeholders will interpret and respond to them, and reputation perceptions will be shaped in this direction by the right signal being sent to the right stakeholder (Arikan et al., 2016).

Stakeholders measure the relative value of the firm by interpreting uncertain information signals from the firm itself, the media and other monitors. Although such signals are under the control of companies, they are also emitted from external monitors (Fombrun and Shanley, 1990) and cannot be controlled. In recent years, the widespread use of the internet and the growth of social media have made it easier for stakeholders to have knowledge about companies and their products, and to share and spread this knowledge. This situation can have a positive effect on the company while also posing a threat to its reputation (Szwajca, 2017). Changing the reputation perception created by stakeholders is not easy (Cravens and Oliver, 2006).

Reputation is expressed as awareness or presence. Although this definition is used for an individual in everyday language, the expressions used for institutions are also similar; it includes impressions and images about the institution (Barnett et al., 2006). Reputation has attracted the attention of a wide range of academic disciplines and has become a growing focus in business and media (Chun, 2005). Various definitions of corporate reputation are provided in the literature (Eckert, 2017). For example, it is defined as the difference between the market price and book value of a firm (Zabala et

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al., 2005). It consists of the judgments of observers based on their assessment of financial, social and environmental impacts over time (Barnett et al., 2006). It affects the selection of a product to be purchased, the place where the savings will be evaluated, the acceptance of a job offer, and the decision to purchase a service by paying a higher price even it has the same quality (Fombrun, 1996). It is an intangible asset, but it is arguably the most valuable asset that should be managed and maximized (Alsop, 2004).

Corporate reputation has a significant impact on the economic performance of a company, and corporate social responsibility activities are accepted as the main determinant of reputation. An enhanced reputation is not achieved by increasing the size of the firm, but by exhibiting more socially responsible behavior (Dell'Atti et al., 2017). Environmental activities increase the reputation of the company if they correspond to the environmental concerns in the eyes of the stakeholders (Brammer and Pavelin, 2006). Considering the crisis caused by the ongoing epidemic, it is important to deepen the relations between CSR and company reputation (Dell'Atti et al., 2017).

Previous research confirms that customers' perceptions of CSR positively affect corporate reputation (Fatmawati and Fauzan, 2021). Stakeholders admire the organizations that regularly implement social responsibility initiatives, identify themselves with these companies, their loyalty becomes permanent and they become brand ambassadors of the organization. This strengthens the reputation of the company (Javed et al., 2020). In accordance with signal theory and considering previous studies, we have developed the following hypothesis as we think that the reputation of an institution will be positively affected by the signal emitted by the corporate social responsibility activities it carries out.

H1: There is a positive relationship between corporate social responsibility and corporate reputation.

B. Mediating Role of Corporate Image in The Relationship between Corporate Social Responsibility and Corporate Reputation

Corporate image is defined as the visual or picture formed in the mind of the target audience, or the first thing that comes to mind when the company's name is heard or its logo is seen (Gray and Balmer, 1998). In most definitions, it is characterized as what the organization wants its external stakeholders to know and think about the organization. In other words, it means the interior picture projected to the outside audience, and it is claimed that it originates from within the organization, not from the outside (Walker, 2010). It is stated that the general impressions formed in the minds of the target audience by supplying some clues create the corporate image (Shee and Abratt, 1989). A strong image can be created quickly and easily with a coordinated campaign that includes official communication systems such as names, logos, signs and advertisements (Gray and Balmer, 1998).

Image has been included in a vast proportion of the service quality literature and has been used interchangeably for a long time (Chun, 2005). As a result of ongoing research, it is accepted that image and reputation are interrelated concepts (Gray and Balmer, 1998). Both consist of external perceptions, but image is the portrait that the firm creates in the mind of the consumer and reputation is the degree of confidence or distrust in the ability to meet customers' expectations (Nguyen and Leblanc, 2001). Another issue

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that creates an important distinction between image and reputation is time. It is stated that an image can change frequently and can cause a company to be perceived quickly, while establishing a reputation takes time and becomes relatively stable once it is formed (Walker, 2010).

When both concepts are evaluated in terms of the management process, the first aim is to create the desired image in the minds of the target audience, to ensure that the company's field of activity and products are recognized by its name at the first instance and by its target stakeholders. The second goal is to create a superior and strong positive reputation in the minds of key stakeholders by demonstrating consistent performance over time. Considering both the image and reputation of a firm as vital strategic resources imposes responsibilities on senior management in terms of developing and maintaining a recognizable image and positive reputation (Gray and Balmer, 1998). This is because with the actions taken, signs are sent to stakeholders, thus shaping their perceptions (Bahar, 2019). This situation is evaluated within the scope of signal theory and has an important place in the management literature (Connelly et al., 2011).

According to signal theory, companies primarily emit some signals with visual content, and thanks to these signals, an image of such a company exists in the minds of the stakeholders, namely the image of the company. Due to the image formed in the minds of the stakeholders, the sensitivity to the signals coming from the company increases. Fombrun and Shanley (1990) stated that stakeholders should be informed about the company's activities by interpreting the signals from companies, the media and other monitors and measuring the value of the companies, and if they exhibit stable and positive behaviors, they can have a positive impact on reputation perception. Based on the theory and previous studies, the following hypothesis is proposed.

H2: There is a positive relationship between corporate image and corporate reputation.

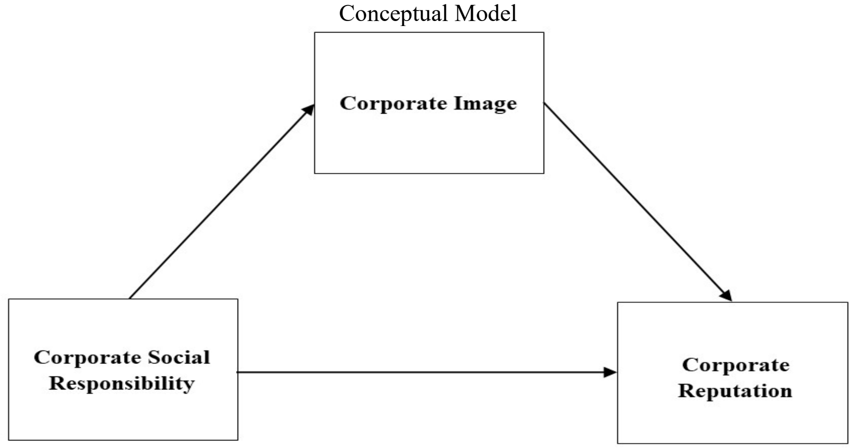
Gray and Balmer (1998) observed that image and reputation are considered critical corporate assets directly linked to successful competition, and it has been argued that the ultimate survival of a firm depends on the development and maintenance of a recognizable image and positive reputation. It has been stated that the identity of a company is transformed into an image in the eyes of the stakeholders through various communication channels, and this reveals its reputation features over time (Gray and Balmer, 1998).

Both corporate image and corporate reputation are considered within the scope of signal theory. However, the image is only a visual image, an element that provides awareness and recognition. It can be created in a short time and communicated to stakeholders in the manner intended by the company. As Walker (2010) stated, it is understood that the image will not be negative unless the organization wants it; in other words, even if it does not have environmental sensitivity, it can display a sensitive image towards its external stakeholders (Walker, 2010). However, corporate reputation is a perceptual representation of the future hopes created by a company's past activities (Fombrun, 1996). Establishing a reputation depends on the positive signals that will be emitted from the company consistently and takes time.

Within the scope of signal theory, the signals about an institution sent to the stakeholders, a sound or image, will create recognition in their memory. When the information signals about the corporate reputation of the corporate social responsibility activities are sent, an image about the company in the minds of the stakeholders will be produced. Since an image will be at the center of attention as a result of the effect of reputation, we think that corporate image will mediate the perception of corporate reputation. A conceptual model of the study is shown in Figure 1. Based on these arguments, we propose the following hypothesis.

H3: Corporate image has a mediator role in the impact of corporate social responsibility on corporate reputation.

Figure 1
Conceptual Model



III. METHODS

A. Sample

The universe of the research consists of a total of 295 employees of a private bank operating in the Turkish Republic of Northern Cyprus. There are 21 banks operating in the sector in Northern Cyprus (Kirikkaleli et al., 2020) and 11 of them are local banks. The banking sector has an 88 billion Turkish Liras actives and it serves as one of the biggest service industries of the country (The Central Bank of TRNC, 2022). After a serious crisis in 2000, banking legislation and risk management were restructured in the sector and company reputation and image became important to compete, that's why, we selected the banking industry and a private bank as the research universe and sample.

Within the scope of the research, 295 employees, who are the whole universe, were given a questionnaire and 280 people were returned (the participation rate was 94%). In order to increase participation and reduce anxiety among employees, surveys were delivered in sealed envelopes and they were asked to be left in closed envelopes in the survey boxes specially prepared for all branches to collect the surveys. Participants are people working in the positions of branch manager, cashier, sales consultant and customer representative of the bank. When the returned questionnaires were examined, the forms that were noticed to be filled in incorrectly and incompletely were eliminated, and as a result, it was determined that 262 of the questionnaires were suitable for use. Information on the participants' demographic characteristics is presented in Table 1.

Table 1
Respondents' demographic profiles (N = 262)

	Frequency	Respondents (%)
Gender		
Female	166	71.6
Male	96	28.4
Age (years)		
18-30	86	32.7
31-40	120	45.7
41-50	53	20.4
51-60	2	0.7
61 or more	1	0.3
Tenure		
0-2 years	77	29.3
3-5 years	31	11.8
6-10 years	94	35.8
11-15 years	34	13.0
16-20 years	16	6.1
21 years or more	10	3.8

Table 1 shows that 71.6% of participants were female and 28.4% were male; 32.7% were between the ages of 18-30, 45.7% were between the ages of 31-40, 20.4% were between the ages of 41-50, 0.7% were between the ages of 51-60, and 0.3% were aged 61 or over. Of the respondents, 29.3% had been working 0-2 years in the bank, 11.8% for 3-5 years, 35.8% for 6-10 years, 13% for 11-15 years, 6.1% for a period of 16-20 years, and 3.8% had been working in the bank for more than 21 years.

B. Data Collection Tools

Data collection tools included a questionnaire consisting of four parts: The first part consisted of personal information and the other parts included three scales. All items ranged from 1 ("strongly disagree") to 5 ("strongly agree") using a 5-point Likert scale.
Corporate Social Responsibility: To measure the perception of corporate social responsibility, the stakeholder-based social responsibility scale of Martinez et al. (2013) was used. Among the options on the five-dimension and twenty-two-item scale are "My bank treats its customers honestly", "My bank strives to survive and ensure long-term success", "My bank is interested in respecting and protecting nature".
Corporate Reputation: The scale developed by Fombrun et al. (2000) was used to measure the perception of corporate reputation. The scale has seven dimensions and consists of twenty-four questions. The items include "My bank is well managed", "My bank is a bank I can trust" and "My bank is environmentally responsible".

Corporate Image: The scale developed by Nguyen and Leblanc (2001) was used to measure corporate image. It consists of five dimensions and twenty-two questions like: "My bank closely follows the technology in its sector", "I have always had good impressions about my bank" and "My bank is a financially strong company".

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IV. FINDINGS

A. Validity and Reliability

Indicator reliability (Cronbach's alpha) and internal consistency were calculated in order to verify the reliability and the validity of the scales. Table 2 presents the results.

Table 2
Reliability and Validity Results

Variables	CR	AVE	Cronbach's alpha
Corporate social responsibility	0.953	0.844	0.951
Corporate reputation	0.911	0.768	0.962
Corporate image	0.916	0.753	0.924

The Average Variance Extracted (AVE) values of the latent variables shown in Table 2 are 0.844, 0.768, and 0.753, respectively. If AVE scores are not less than 0.5, the latent variable is considered to have convergent validity (Cheung and Wang, 2017). Thus, these AVE scores indicate significant convergent validity. Indicator reliability (Cronbach's alpha) and internal consistency (CR) values greater than the threshold of 0.7 indicate that the scales are reliable (Hair et al., 2014). The results in Table 2 indicate the strong reliability and consistency of the scales.

To test the construct validity of the measurement model, confirmatory factor analysis (CFA) was conducted in which all latent variables are correlated to each other. The results of CFA showed that the measurement model has an acceptable fit (CMIN / df = 2.381, GFI = 0.901, AGFI = 0.898, CFI = 0.911, RMSEA = 0.0403, NFI = 0.895). For an acceptable fit CMIN / df should be lower than 4, fit indices must be higher than 0.85 and RMSEA should be lower than 0.06 (Byrne, 2013; Schumaker and Lomax, 1996; Tabachnick and Fidell, 2013). The results of the validity and reliability tests indicate that the measurement model variables are valid and reliable.

B. Correlation Analysis

The normal distribution of the data was tested with Skewness and Kurtosis values. Tabachnick and Fidell (2013) stated that data have a normal distribution when the Skewness and Kurtosis values are between - 1.5 and + 1.5. The mean, standard deviation, correlation values of the variables and the skewness and kurtosis values are listed in Table 3. The results indicate a normal distribution; thus, we used the Pearson correlation values in the correlation analysis.

Table 3
Mean, Standard Deviation, Correlation and Reliability Values

Variables	Mean	SD	1.	2.	3.
1. Corporate social responsibility	3.90	0.73	-		
2. Corporate reputation	3.89	0.77	0.65^{**}	-	
3. Corporate image	4.04	0.79	0.70^{**}	0.68^{**}	-
Skewness	-	-	-0.552	-0.620	-0.713
Kurtosis	-	-	-0.052	-0.132	0.002

$^{**}p<.01$

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Table 3 shows that corporate social responsibility is significantly correlated with corporate reputation ($r = 0.65$, $p < 0.05$) and corporate image ($r = 0.71$, $p < 0.05$). Furthermore, there is a significant correlation between corporate reputation and corporate image ($r = 0.68$, $p < 0.05$). In general, correlation coefficients above 0.70 can increase the probability of collinearity in a regression (Tabachnick and Fidell, 2013). In our study, the correlations between the variables were below this threshold, which showed that there is no significant probability of collinearity.

C. Hypotheses Testing

The research hypotheses were tested with AMOS 16.0 software by running a structural equation model using the 2000 re-sampling option with the bootstrap technique. The model is shown on Figure 2 and the regression results are given in Table 4.

Figure 2
Structural Model Results

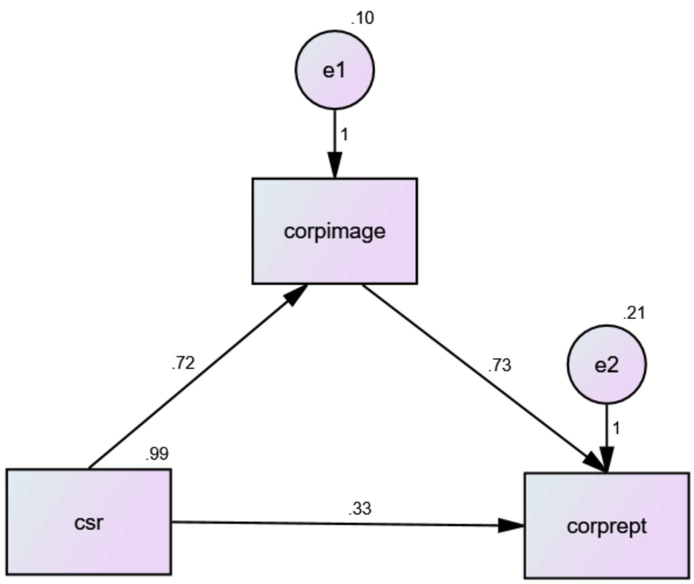

Table 4 shows that corporate social responsibility ($\beta = 0.329^{***}$, SE = 0.089, 95% CI= [0.113, 0.514], $p < 0.05$) and corporate image ($\beta = 0.732^{***}$, SE = 0.112, 95% CI= [0.504, 0.987], $p < 0.05$) significantly and positively affect corporate reputation.

The results show that the indirect impact of corporate social responsibility on corporate reputation is significant. Therefore, corporate image is found to mediate the relationship between corporate social responsibility and corporate reputation ($\beta = 0.530^{**}$, SE = 0.098, $p < 0.05$, 95% BCA CI = [0.365, 0.707]. The mediating impact in the model indicates a significant partial mediation role. These findings support Hypothesis 1,2, and 3. The overall fit of the model was acceptable (CMIN / df = 2.201, GFI = 0.977, AGFI = 0.955, CFI = 0.981, RMSEA = 0.0366, NFI = 0.925) (Byrne, 2013; Tabachnick and Fidell, 2013).

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Table 4
Bootstrap Results

Effects	**Unstandardized**		
Direct Impacts	**Beta**	**SE**	**LLCI-ULLC**
CSR → CR	0.329^{***}	0.089	0.113, 0.514
CSR → CI	0.724^{***}	0.025	0.685, 0.760
CI → CR	0.732^{***}	0.112	0.504, 0.987
Indirect Impact (CSR → CI → CR)	0.530^{***}	0.098	0.365, 0.707

V. DISCUSSION AND CONCLUSION

In this study, the relationship between corporate social responsibility and corporate reputation was discussed and the mediating role of corporate image in this relationship was analyzed. In order to determine the perception about the variables in this relationship, according to signal theory, employees were preferred as the respondents of the study since they are the closest stakeholders of the institution. Connelly et al. (2011) indicated that if a signal emitted from inside cannot be observed by outsiders, it becomes difficult to communicate; therefore, internal stakeholders can potentially inform outsiders about these actions. The results revealed that CSR positively affects corporate reputation and corporate image has a mediating effect in this relationship.

Some of the findings in the literature show that corporate image and corporate reputation are critical assets that are directly related to the success of a company in terms of its competitiveness and its survival is only is possible if it has a recognizable image and a positive reputation (Gray and Balmer, 1998). Firms with higher levels of charitable spending have better reputations, and there are significant differences in this relationship across industries (Brammer and Millington, 2005).

It is understood that having a strong reputation is almost more important than having economic power. This situation has gained even greater importance in this period when the world is experiencing a global pandemic. The fact that social and environmental activities have been carried out and the information about these activities has been disseminated successfully attracts the attention of stakeholders and creates awareness about the company. On the other hand, the trust in the company increases and the reputation of the company is also positively affected.

The evaluation of the results of the hypothesis tests reveals that the social responsibility activities of the bank greatly affect its corporate reputation and this supports hypothesis 1. This finding is parallel with those of some previous studies (e.g., Javed et al., 2020; Aguilera-Caracuel and Guerrero-Villegas, 2017; Dell'Atti et al., 2017; Tkalac Verčič and Sinčić Ćorić, 2018). Reputation is the feeling of trust created by any institution towards itself, its products or services. It requires a long time since it depends on the customer's experience. The findings support the idea that the CSR activities, by sending strong positive signals to stakeholders, will improve the corporate reputation.

The results indicated that the signals sent by the bank regarding CSR activities to its customers, shareholders, employees, society, legal and ethical issues have a significant positive impact on its image. This finding supports the previous research (e.g., Virvilaite and Daubaraite, 2011; Al Mubarak et al., 2019; Kim et al., 2020). Considering that an image is a concept that can be consciously or unconsciously placed in the memory of people, it is seen that when a person chooses a company or its products and services that he/she knows, instead of the products and services of a company that he/she has never

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heard of or seen before, he/she is more likely to make a decision more easily and make his/her choice in that direction. Thus, the results show that CSR activities will increase the possibly that customers will consciously choose the bank services.

Hypothesis 2 tested the effect of corporate image on corporate reputation. The results indicated that innovation, reliability, performance and employer image positively affect the corporate reputation of the bank. These results are in line with the research of Nguyen and Leblanc (2001). The realities created by companies are somehow consciously or unconsciously embedded in people's consciousness. In the long term, consciousness rises with the reminding messages of the company. Even if people have no experience with a company, an image may form in the minds of stakeholders as a result of signals sent through advertisements or similar information sources (Nguyen and Leblanc, 2001). The results support the notion that a positive image of the bank in the minds of people will strengthen its reputation.

Lastly, our research findings show that corporate image plays a mediating role in the formation of corporate reputation, which is based on experience and requires a long time, as it will have a place in people's memory about any company and will lead them to experience it when the time comes, even if it is just an image or a superficial statement. From this point of view, if a company creates a positive image with signals that reflect its legal and ethical behaviors and social and environmental sensitivity at regular intervals, it will gain the trust of the target audience in terms of social responsibility and its reputation will be positively affected; in other words, the image will mediate the formation of reputation.

A. Theoretical Contributions

In this research, the measurement of CSR perception was carried out on a stakeholder basis. It contributes to the literature by evaluating the social and environmental activities as well as the legal and ethical issues for the shareholders, employees, customers and all stakeholders of the corporation, from the perspective of its closest stakeholder. This employee centered approach for measuring the study variables is a significant contribution for CSR theory.

This study helps us to understand the relationship between CSR and CR based on signal theory. The results of the study make valuable contributions to the signal theory. The fact that the environmentally-friendly and/or philanthropic activities of the bank as the sending party are positively perceived by its employees, who are the receiving parties, and that the bank's reputation is positively affected, show that employees may play an important role in transmitting the signals to external stakeholders. Therefore, the significant role of employees, who are internal stakeholders, in transferring positive signals from organizations to external stakeholders contributes to the theory.

In addition, research into the mediating role of CI on the relationship between CSR and CR also contributes to the literature. The results show that creating a charitable image with the signals sent consciously can create the desired effect on the target audience and may mediate the creation of a positive reputation in this way facilitating the understanding that with the rapid effect of the image, the time for the formation of reputation can be shortened.

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B. Managerial Implications

Due to the Covid-19 epidemic, the economy has shrunk and social life has changed globally. Environmental awareness and, accordingly, expectations of charitable behavior have increased. The use of social media has become more common, meaning that the speed at which signals spread has increased. In these conditions, surviving, let alone competing, has begun to coerce companies to change. The situation has become even more difficult for the banking sector, the main pillar of the economy, where digital transactions are at the forefront.

Under these circumstances, it is necessary for the bank management to make strategic decisions to protect and strengthen its corporate reputation, which is its most important intellectual capital, and to rearrange its budget accordingly, in order to survive, compete and carry its success to a sustainable level. Care should be taken to ensure that the strategic decisions it takes are aimed at protecting the interests of the stakeholders while also protecting the company.

The perception of an institution's existence by external observers is possible with signals such as a color, an image, a sound, a news article, etc. that are emitted from the institution. Since these signals will create the image of the institution and affect the trust in the institution over time, care should be taken to send positive signals that make a difference. On the other hand, it should not be forgotten that its image will be positively affected if the signals of need coming from the society, both social and environmental, are evaluated well, and by using the right channel at the right time within the budget limits.

The continuity of the CSR activities carried out should be ensured, legal and ethical regulations should be complied with, should be sensitive to the society and the environment, and should be in line with the expectations of the stakeholders in social and cultural terms. Care should be taken to ensure that the activities are observable by external stakeholders, are catchy and have content that will positively affect the reputation of the institution.

It should be considered that signals that cannot be observed by external stakeholders can be transmitted with the contribution of internal stakeholders, so, positive internal activities those supporting the image of the bank in the eyes of employees can strengthen the corporate reputation of the organization. In this context, in practices that directly target employees in terms of social responsibility, it should be ensured that the working environment is well-organized and safe, career opportunities are not limited, personnel training is continued without interruption, and that there is no discrimination or abuse among personnel.

C. Study Limitations and Recommendations for Future Studies

The onset and continuation of the pandemic shortly after the survey information was collected applied a constraint on continuing with a wider stakeholder group, and our research was limited to employees who were internal stakeholders only. In new studies, it is suggested that the same relationship should be investigated for a wider stakeholder group, including customers, potential customers, and non-governmental organizations that aim at social and environmental awareness, based on stakeholder theory.

Considering that the greatest supporter of a corporation's reputation is its

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employees, it is recommended that the relationship between the effect of corporate social responsibility on corporate reputation realized through corporate image is investigated, including organizational commitment. It is recommended that the “leadership” variable be included in the same relationship and that the effect of leadership’s moderation on this relationship is measured.

The findings of the study are limited to the banking sector, which is thought to shed light on the whole economy in terms of having an important share of the country’s economy, and a privately owned bank, which is at the top of the sector. It is recommended that future research is applied to private and public banks to obtain comparative results.

To conclude, with the application of signal theory, this study showed that the CSR activities of the bank positively affect both its image and corporate reputation and that corporate image acts as a mediator in this relationship.

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