University of Reading

# The interactions between messages and stakeholder (dis)identification with messengers: Exploring their moderating impact on the links between perceptions of corporate reputation, organisational (dis)identification, and behavioural outcomes

PhD in Management

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## DECLARATION

I confirm that this is my own work and the use of all material from other sources has been properly and fully acknowledged.

*Anastasiya Saraeva*

## ABSTRACT

The present study responds to calls in the literature to explore and explain why the same message about a company and its activities sometimes results in diverse responses from stakeholders; and why people relate differently to whom they hear the message from. This thesis investigates the role and effects of the message–messenger interaction on perceptions of corporate reputation, organisational (dis)identification, and related behavioural outcomes. As such, key contribution to the literature includes a novel approach to understanding the role and effects of interactions between messages and (dis)identification with messengers on perceptions and behavioural outcomes of reputation. This approach helps to unpack underlying mechanisms of how and why stakeholders relate to messengers and why their behavioural responses are difficult to anticipate.

A theoretical framework is initially built upon key elements of existing reputational models and stakeholder relationships. A moderated model is then developed and empirically tested. This is done by incorporating the interplay between messages (in a positive versus negative framing) and (dis)identification with messengers into the conceptual model. A quasi-experiment is conducted in the context of the Volkswagen emissions scandal and administered to a sample of 735 UK citizens. Data is analysed through the application of structural equation modeling partial least squares. Moderating effects of the message-messenger interactions are tested using Multi-Group Analysis.

The findings demonstrate the particularly strong links between organisational (dis)identification and stakeholder behaviours, which are highlighted as interesting findings that increase understanding related to the impact of the message-messenger interaction on corporate reputation and its associated outcomes. This thesis is subject to a number of limitations, such as the study has been conducted in a specific car manufacturer context and from the perspective of general public, which may challenge the generalisability of the findings to other contexts. Finally, potential research avenues for future research are addressed.

***To my parents***

*Their love and wisdom helped my dream come true*

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*Over the piano was printed a notice: Please do not shoot the pianist. He is doing his best!*

**Oscar Wilde, 1882, "Impressions of America"**

*No one loves the messenger who brings bad news.*

**Sophocles, c. 441 BC, "Antigone"**

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## ABBREVIATIONS

| | |
|---|---|
| **AVE:** | Average Variance Extracted |
| **CB-SEM:** | Covariance-Based Structural Equation Modeling |
| **CCV:** | Company-Centric View |
| **CSR:** | Corporate Social Responsibility |
| **ICCT:** | The International Council on Clean Transportation |
| **MID:** | Identification with the Messenger |
| **MDID:** | Disidentification with the Messenger |
| **MGA:** | Multi-Group Analysis |
| **OLS:** | Ordinary Least Squares |
| **PLS-SEM:** | Partial Least Squares Structural Equation Modeling |
| **RQ:** | Reputation Quotient |
| **SIT:** | Social Identity Theory |
| **SCV:** | Stakeholder-Centric View |
| **SMMT:** | The Society of Motor Manufacturers and Traders |
| **USEPA:** | The United States Environment Protection Agency |
| **VW:** | Volkswagen |
| **WME:** | The World's Most Ethical Companies |

# CHAPTER 1. INTRODUCTION AND OVERVIEW OF THE THESIS

**This chapter summaries the purpose and the nature of the research as well as the research questions and activities. Additionally, it provides the reader with a detailed structure of the thesis. The chapter starts with an introduction to the research problem, in which the author outlines the role and effects of the message–messenger interaction on perceptions of corporate reputation, organisational (dis)identification, and related positive stakeholders' behavioural responses towards organisations. The chosen research context of the Volkswagen emissions scandal is also explained in Section 1.2. The research questions, objectives, tasks, and activities are described in detail in Sections 1.3–1.5 in order to provide the reader with a guide to the rest of the thesis. The chapter concludes with the structure and practical importance of the study (Sections 1.6–1.8).**

## 1.1 Introduction

The aim of this thesis is to investigate the role and effects of the message–messenger interaction in affecting stakeholders' perceptions of corporate reputation, their organisational identification and disidentification (which are referred to as (dis)identification), and related behavioural outcomes. In particular, the moderating impact of a message (its positive or negative framing), delivered by different messengers, which may elicit different reactions in respondents, is explored. In order to achieve this, an empirical study in the context about Volkswagen emissions scandal is conducted.

From a conceptual perspective, this thesis makes a contribution by bringing together the following areas of inquiry: (1) the field of corporate reputation; (2) the area of organisational (dis)identification; (3) the interacting impact of messages and messengers. This thesis is built on the existing literature and knowledge from studies on corporate reputation as well as the literature on organisational (dis)identification, communication, and social and behavioural psychology. The concepts of corporate reputation and organisational (dis)identification will be defined and their impact on stakeholders' intentions and behaviour will be explored.

In line with Gotsi and Wilson (2001) and MacMillan *et al.* (2004), corporate reputation is embedded in relationships between organisations and their stakeholders, where these relationships are characterised by (positive) attitudes, intentions, and supportive behaviours of individuals towards an organisation (MacMillan *et al.*, 2000; Ghobadian *et al.*, 2015). To protect and enhance corporate reputation, boost organisational identification, and reduce disidentification among stakeholders, organisations typically communicate messages, with the aim of anticipating reliably how stakeholders will respond to this information (Dowling, 2006; Van Riel and Fombrun, 2007; Bartels *et al.*, 2010; Bartels *et al.*, 2016). More specifically, it will be suggested that perceptions of messages from different messengers may affect overall individual–company relationships. In particular, it will be argued that the interplay between messages and messengers will moderate the impact of perceptions of corporate reputation and organisational (dis)identification on stakeholders' behaviour.

A conceptual framework is developed through a detailed literature review of existing studies in the fields of corporate reputation, organisational (dis)identification, related stakeholders' behavioural outcomes, and the message–messenger literature. Quantitative data is collected from UK citizens within the proposed contexts of the Volkswagen emissions scandal (the research context will be explained in Section 1.2 of this chapter and in Chapter 6). The present research is aimed at developing and testing a theory, which will explain, first, how perceptions of corporate reputation via different levels of organisational (dis)identification drive behavioural intentions and actual behaviour of stakeholders towards a company, and, second, the role and effects of the message–messenger interaction.

Table 1-1 provides a brief summary of key research findings and related conceptual and practical implications of this thesis.

**Table 1-1. Summary of key research findings and implications**

| | Key finding | Conceptual implications | Practical implications |
|---|---|---|---|
| **REPUTATION/(DIS)IDENTIFICATION MODEL** | Increases in perceptions of corporate reputation lead to increases in stakeholders' supportive intended and actual behaviour. | The results provide additional support to the extant studies on corporate reputation (Fishbein and Ajzen, 1975, 2010; Ponzi *et al.*, 2011; Money *et al.*, 2012). | Individual stakeholder's supportive behaviour (intentions and actual behaviour) depend to a significant extent on whether or not they perceive corporate reputation as positive. It suggests that strategies aimed at improving corporate reputation may significantly increase stakeholders' supportive behaviour towards a company. |
| | Increases in supportive intended behaviour lead to increases in supportive actual behaviour. | The results provide additional support to the extant studies on intentions and behaviour (Fishbein and Ajzen, 1975, 1980, 2010; Kor and Mullan, 2011). | In certain contexts, individuals' intentions may have a small effect on their real behaviour towards the company. It is important to effectively anticipate stakeholders' intentions and develop external proactive ways to help stakeholders to turn intentions into behaviour. |
| | Increases in organisational identification lead to increases in stakeholders' supportive intended and actual behaviour. | The results provide additional support on the links between organisational (dis)identification and stakeholders' supportive behavioural responses (Bhattacharya and Elsbach, 2002; Kreiner and Ashforth, 2004; Lii and Lee, 2012). | Stakeholders are more likely to engage in supportive behaviours when their organisational identification is increasing and/or disidentification is decreasing. It suggests that an increase in actual behaviours would occur if organisational identification increases and disidentification decreases. |
| | Increases in organisational disidentification lead to decreases in stakeholders' supportive intended and actual behaviour. | | |
| | Both organisational identification and disidentification partially mediate the link between perceptions of corporate reputation and stakeholders' supportive intended behaviour. | The results provide new evidence on the mediating role of organisational (dis)identification in the reputational research. | Both organisational identification and disidentification may serve as a buffer in relationships between individuals and companies. Companies should build effective (positive) stakeholder–company relationships, which are aimed at enhancing identification and reducing disidentification among stakeholders. |
| | Increases in perceptions of corporate reputation lead to increases/decreases in organisational identification/disidentification. | The results provide additional support to the extant studies on the links between corporate reputation and organisational (dis)identification (Elsbach and Bhattacharya, 2001; Ahearne *et al.*, 2005). | Companies should enhance/reduce organisational (dis)identification to the extent, which will allow the company to anticipate reliably stakeholders' behaviour. The continuous monitoring of the current levels of organisational (dis)identification among stakeholders is required. |
| **MODERATED REPUTATION/(DIS)IDENTIFICATION MODEL** | The interaction between a positive message and identification with a messenger has a moderating effect on the links within the reputation/(dis)identification model. | The results provide new evidence, suggesting that this interaction may help individuals to develop their relationship with the company. It is also suggested that when there is an alignment between a message and a messenger (positive message comes from a messenger, whom people feel identified with) it may have a strong positive effect on the development of individual–company relationships. | When an interaction (e.g. between a positive message and identification with the messenger) is aligned (in terms of its positive characteristics), the implementation of such an interaction may lead to a positive (desired) outcomes on part of stakeholders. |
| | The interaction between a positive message and disidentification with a messenger has a moderating effect on the links within the reputation/(dis)identification model. | The results provide new evidence, suggesting that this misaligned interaction may positively affect links within the proposed model. It also has a capability to help to enhance the effect corporate reputation has on organisational (dis)identification as well as to better predict supportive behaviour from stakeholders towards the company. | Companies may implement this interaction in situations when a choice of an aligned messenger is difficult. This interaction may still help to increase positive perceptions of the company, which will ultimately trigger increases in organisational identification and behavioural outcomes. |
| | The interaction between a negative message and identification with a messenger has a moderating effect on the links within the reputation/(dis)identification model. | The results provide new evidence, suggesting that message and messenger may be perceived as disconnected (i.e. not aligned), and the outcomes of the interaction effects are fairly difficult to predict. | Companies should carefully assess the current stakeholder's perceptions of corporate reputation as well as the quality of the existing relationship. This interaction may be found confusing by some stakeholders, which will lead to a disruption or prevention of supportive actual behaviour. |

| | | |
|---|---|---|
| The interaction between a negative message and disidentification with a messenger has a moderating effect on the links within the reputation/(dis)identification model. | The results provide new evidence, suggesting that when individuals receive this aligned negative interaction, they tend to demonstrate a large positive effect of corporate reputation on organisational identification, and in turn on supportive intended behaviour. | Companies should evaluate the current level of stakeholders' (dis)identification with the company, since it may help to anticipate how the negative interaction may affect corporate reputation. Those stakeholders who already hold high levels of identification with the company may be positively affected by the negative interaction, and they will be more motivated to protect the company by enacting supportive behaviour. This is particularly important in times of crisis. |

The study offers a comprehensive theoretical framework, which suggests a set of constructs for empirical investigation. The research aims to contribute to knowledge at three main levels: conceptual (theoretical), methodological, and empirical (Summers, 2001).

***<u>Theoretical contributions.</u>*** This thesis offers a succinct conceptual framework (named as *reputation/(dis)identification model*), which brings together a number of elements that have been previously explored in the extant reputation literature. As such, the reputation/(dis)identification model employs two types of organisational identification – (positive) identification and disidentification, which allow to apply the developed model to complex (positive and negative) stakeholder–company relationships. Moreover, theory-building aspects include development of relationships between corporate reputation and behavioural responses, including a critical *mediating* role of organisational (dis)identification.

Furthermore, this thesis offers a *moderated reputation/(dis)identification* model, where a conceptualisation of the message–messenger interplay is developed and employed as a critical moderator. This moderator may help to explain why sometimes perceptions of corporate reputation may not lead to supportive behaviour towards a company. In addition, the moderated model allows the generalisation of the developed theory to various research contexts.

***Empirical contributions.*** The empirical contribution of this thesis includes the testing for *moderating* effects of the message–messenger interaction on the links between perceptions of corporate reputation, organisational (dis)identification, and associated behavioural outcomes. Furthermore, the testing of the reputation/(dis)identification and moderated models is conducted within a *real-life context* of the Volkswagen emissions scandal, which provides significant value to the existing body of the literature and practice. The study also involves the UK citizens as the target population, whose actual behaviour is investigated.

***Methodological contribution.*** From a methodological perspective, the present study contributes to the existing literature using a *quasi-experimental* research design with message–messenger manipulations. Moreover, the present study uses the *PLS-SEM* technique to test the proposed conceptual models. Finally, a specific statistical technique (*Multi-Group Analysis*) is employed to test for moderating effects of the *interaction* (between messages and messengers) within the complex reputation/(dis)identification model. The contributions are discussed in more detail in Chapter 8.

## 1.2 Context of the study

The Volkswagen emissions scandal is used as a context to test what impact the message–messenger interaction might have on individuals' perceptions of corporate reputation, on their levels of organisational (dis)identification, and, in turn, on their supportive intended and actual behaviour towards the company. The research context is discussed in more detail in Chapter 6.

Briefly, the context of the Volkswagen emissions scandal is chosen for a number of reasons. First, the emissions scandal is a very recent world event. The scandal happened in September 2015. The data was collected soon after the scandal (January 2016). This helped to ensure that the scandal and perceptions of Volkswagen were still ‘fresh’ in people’s minds.

Second, the scandal has had a vast impact on people around the world. More specifically, the emissions scandal has enable a large number of discussions (e.g. in the media, social media, etc.) and actions (e.g. protests, supportive petitions, etc.) from individuals towards Volkswagen. Hence, this helped to conduct successful message–messenger manipulations.

Third, considering that Volkswagen suffered a large decrease of corporate reputation (Theharrispoll.com, 2016), the assessment of perceptions, attitudes, intentions, and behaviours of individuals towards Volkswagen is vital and can potentially explain specific reputational outcomes for Volkswagen.

Finally, the Volkswagen scandal involved various stakeholder groups – government institutions, suppliers, partners, general public, and customers, whose cars were subject to high emissions exhausts. Hence, it can be argued that the Volkswagen scandal has had a large-scale impact on various publics all over the world.

Despite the drop in corporate reputation, Volkswagen remains one of most popular car manufacturers in Europe, and in the UK, specifically. For example, 15,976 new Volkswagen vehicles were registered in the UK in 2016, which is 8.68 per cent of the market share (SMMT, 2016). Volkswagen remains the third most popular car manufacturer in the UK (SMMT, 2016). Therefore, the general public of the UK – UK citizens – were chosen as the target population, since they included various publics, who would have different perceptions of and behaviours towards Volkswagen (see Chapter 6 for more detailed information on sampling).

### 1.3 Background to the research problem

For more than two decades the concept of corporate reputation has been widely discussed to be of significant importance to organisations of all kinds (Fryxell *et al.*, 1994; Fombrun, 1996; Deephouse, 2000). There is also an increasing number of practical examples of poor and successful reputation management (i.e. BP, American Airlines, Volkswagen, and Cadbury) that are widely discussed in the news media, social media, academic and business literature. As a result, companies recognise and address the importance to efficiently manage their reputations (Ruth and York, 2004) as well as to effectively communicate about what a company does.

To protect and enhance corporate reputation, organisations typically communicate various pieces of information (here defined as messages), with the aim of anticipating reliably how stakeholders will behave towards the company (Dowling, 2006; Van Riel and Fombrun, 2007; Bartels *et al.*, 2010). Although organisations often assume that stakeholder groups on the whole perceive and act upon a message in a unified and predictable manner; this is not always the case, and organisations then have to deal with unanticipated and often undesired circumstances (Balogun, 2006; Weyman *et al.*, 2006; Ackermann and Eden, 2011). To date, it is not clear in the literature when/how and why some well-intended messages fail to achieve their desired outcomes and harm an organisation instead.

One of the reasons why messages are perceived differently by stakeholders may depend on the entity that communicates the message (here defined as messenger). The existing literature hints at perplexing inconsistency in stakeholder reactions to messengers (Heath *et al.*, 1994; Deephouse, 2000; Dowling, 2006; Money *et al.*, 2012a,b). Research on why stakeholders relate to or dissociate from messages depending on the messenger is not well understood theoretically, and empirical studies are also notably lacking in the literature.

One possible route to investigate this lacuna may lie in the theory derived from social identification studies. Processes of identification are often used to provide a deeper level of understanding of how and why people *relate* to different objects (such as messages, messengers, organisations, and/or other stakeholders), depending on the level of affiliation or *connection* with them (Ashforth and Mael, 1989; Abrams and Hogg, 1990; Tajfel and Turner, 2004). Then, it is suggested that people's feelings of identification towards messengers may largely affect how the message is perceived and in turn this may affect perceptions of corporate reputation and its associated behavioural outcomes.

Interestingly, the majority of studies explore positively perceived messengers (i.e. Basil, 1996; Ruth and York, 2004). However, individuals' may perceive messengers in a negative way via demonstrating their *disconnection* from or even being in *conflict* with certain messengers. The understanding of why people may separate from messengers and how their negative feelings may affect message perceptions is sorely lacking in the literature.

This study offers a novel approach to understanding how and why people relate to or separate from messengers via exploring individuals' *identification* and/or *disidentification* (from now (dis)identification) with messengers. Therefore this thesis seeks to understand whether and how messages and (dis)identification with messengers are intertwined with how people perceive corporate reputation and act upon it.

Looking closely at corporate reputation, it is agreed that reputations typically reflect how key stakeholders and stakeholder groups perceive an organisation over time (Balmer, 1998; Barnett *et al.*, 2006), while building (positive) relationships between stakeholders and organisations (Brønn, 2007; Money *et al*., 2012b; Ghobadian *et al.*, 2015). Placing corporate reputation within stakeholder-company relationships, scholars emphasise the role of organisational identification (Mael and Ashforth, 1992; Ahearne *et al*., 2005; Bhattacharya *et al*., 2009). They suggest that organisational identification can help to explain why individuals engage in stakeholder-company relationships and consider it ‘a key factor in understanding how corporate reputation is co-constructed among stakeholders’ (Remke, 2013: p. 36).

Interestingly, the majority of studies explore positive stakeholder-company relationships. However, it has been observed that some stakeholders exist in negative relationships with companies, where they exhibit feelings of *disidentification* with a company (Elsbach, 1999; Elsbach and Bhattacharya, 2001; Bhattacharya and Elsbach, 2002). Thus, bringing together organisational identification and disidentification to the field of corporate reputation may help to better understand how perceptions of corporate reputation and its associated outcomes develop within stakeholder-company relationships.

Overall, this study integrates the proposed above interactions of messages and (dis)identification with messengers to the context of corporate reputation within positive/negative stakeholder-company relationships (via organisational (dis)identification). As such, the research objective is to explain whether and how the message-messenger interactions may affect stakeholders’ perceptions of corporate reputations, their organisational (dis)identification, and associated behavioural outcomes.

As a result, key contribution to the literature includes a novel approach to understanding the role and effects of interactions between messages and (dis)identification with messengers on perceptions and behavioural outcomes of corporate reputation. This approach helps to unpack underlying mechanisms of how and why stakeholders relate to messengers and why their behavioural responses are diverse.

Tables 1-2 presents a short summary of the research hypotheses and key findings related to the developed reputation/(dis)identification model. Table 1-3 presents a short summary of the research hypotheses and key findings related to the moderated reputation/(dis)identification model as well as hypotheses and key findings related to the moderated model tested within two contexts of an environmental scientists and a Volkswagen driver as two diverse messengers.

**Table 1-2. Summary of research hypotheses and key findings related to the reputation/(dis)identification model**

| Models | Hypotheses | Findings | Support |
|---|---|---|---|
| REPUTATION/(DIS)IDENTIFICATION MODEL | ***Hypothesis 1a:*** Increases in perceptions of corporate reputation lead to increases in stakeholders' supportive intended behaviour towards the company. | The results support the hypothesis that increases in positive perceptions of corporate reputation lead to increases in supportive intended behaviour towards the company. | **+**[1] |
| | ***Hypothesis 1b:*** Increases in perceptions of corporate reputation lead to increases in stakeholders' supportive actual behaviour towards the organisation. | The results support the hypothesis that increases in positive perceptions of corporate reputation lead to increases in supportive actual behaviour towards the company. | **+** |
| | ***Hypothesis 2:*** Increases in stakeholders' supportive intended behaviour towards the company lead to increases in stakeholders' supportive actual behaviour towards the company. | The results support the hypothesis that increases in stakeholders' supportive intended behaviour towards the company leads to increases in stakeholders' supportive actual behaviour towards the company. | **+** |
| | ***Hypothesis 3a:*** Increases in stakeholders' organisational identification lead to increases in stakeholders' supportive intended behaviour towards the company. | The results support the hypothesis that increases in stakeholders' organisational identification lead to increases in stakeholders' supportive intended behaviour towards the company. | **+** |
| | ***Hypothesis 3b:*** Increases in stakeholders' organisational identification lead to increases in stakeholders' supportive actual behaviour towards the company. | The results support the hypothesis that increases in stakeholders' organisational identification lead to increases in stakeholders' supportive actual behaviour towards the company. | **+** |
| | ***Hypothesis 3c:*** Increases in stakeholders' organisational disidentification lead to decreases in stakeholders' supportive intended behaviour towards the company. | The results support the hypothesis that increases in stakeholders' organisational disidentification lead to decreases in stakeholders' supportive intended behaviour towards the company. | **+** |
| | ***Hypothesis 3d:*** Increases in stakeholders' organisational disidentification lead to decreases in stakeholders' supportive actual behaviour towards the company. | The results support the hypothesis that increases in stakeholders' organisational disidentification lead to decreases in stakeholders' supportive actual behaviour towards the company. | **+** |
| | ***Hypothesis 4a:*** Increases in perceptions of corporate reputation lead to increases in stakeholders' organisational identification with the company. | The results support the hypothesis that increases in stakeholders' positive perceptions of corporate reputation lead to increases in stakeholders' organisational identification with the company. | **+** |
| | ***Hypothesis 4b:*** Increases in perceptions of corporate reputation lead to decreases in stakeholders' organisational disidentification with the company. | The results support the hypothesis that increases in stakeholders' positive perceptions of corporate reputation lead to decreases in stakeholders' organisational disidentification with the company. | **+** |
| | ***Hypothesis 4c:*** Organisational identification and disidentification at least partially mediate the relationship between perceptions of corporate reputation and stakeholders supportive intended behaviour towards the company. | The results support the hypothesis that both organisational identification and disidentification partially mediate the relationship between corporate reputation and stakeholders supportive intended behaviour towards the company. | **+** |

[1] Supported hypotheses are labelled '+'
Partially supported hypotheses are labelled '+/–'
Not supported hypotheses are labelled '–'

**Table 1-3. Summary of research hypotheses and key findings related to the moderated reputation/(dis)identification model**

| Models | Hypotheses | Findings | Support |
|---|---|---|---|
| MODERATED MODEL | ***Hypothesis 5:*** The interaction between a positively framed message and identification with a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company. | Five paths are moderated:<br>• corporate reputation and organisational identification;<br>• corporate reputation and organisational disidentification;<br>• organisational identification and supportive intended behaviour;<br>• organisational identification and supportive actual behaviour;<br>• organisational disidentification and supportive intended behaviour. | **+/–** |
| | ***Hypothesis 6:*** The interaction between a positively framed message and disidentification with a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company. | Four paths are moderated:<br>• corporate reputation and organisational identification;<br>• organisational identification and supportive intended behaviour;<br>• organisational identification and supportive actual behaviour;<br>• supportive intended behaviour and supportive actual behaviour. | **+/–** |
| | ***Hypothesis 7:*** The interaction between a negatively framed message and identification with a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company. | Three paths are moderated:<br>• corporate reputation and organisational identification;<br>• corporate reputation and organisational disidentification;<br>• organisational identification and supportive intended behaviour. | **+/–** |
| | ***Hypothesis 8:*** The interaction between a negatively framed message and disidentification with a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company. | Six paths are moderated:<br>• corporate reputation and organisational identification;<br>• corporate reputation and organisational disidentification;<br>• corporate reputation and supportive actual behaviour;<br>• organisational identification and supportive intended behaviour;<br>• organisational disidentification and supportive actual behaviour;<br>• supportive intended behaviour and supportive actual behaviour. | **+/–** |

| | | | |
|---|---|---|---|
| **MODERATED MODEL (Environmental scientist context)** | ***Hypothesis 5*:*** The interaction between a positively framed message and identification with an environmental scientist as a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company. | Two paths are moderated:<br>• corporate reputation and organisational disidentification;<br>• organisational disidentification and supportive intended behaviour. | **+/–** |
| | ***Hypothesis 6*:*** The interaction between a positively framed message and disidentification with an environmental scientist as messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company. | Two paths are moderated:<br>• organisational disidentification and supportive actual behaviour;<br>• organisational identification and supportive actual behaviour. | **+/–** |
| | ***Hypothesis 7*:*** The interaction between a negatively framed message and identification with an environmental scientist as messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company. | Four paths are moderated:<br>• corporate reputation and supportive actual behaviour;<br>• corporate reputation and organisational disidentification;<br>• corporate reputation and organisational identification;<br>• organisational identification and supportive intended behaviour. | **+/–** |
| | ***Hypothesis 8*:*** The interaction between a negatively framed message and disidentification with an environmental scientist as messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company. | Five paths are moderated:<br>• corporate reputation and supportive actual behaviour;<br>• corporate reputation and organisational disidentification;<br>• corporate reputation and organisational identification;<br>• organisational disidentification and supportive actual behaviour;<br>• organisational identification and supportive intended behaviour. | **+/–** |
| **MODERATED MODEL (Volkswagen driver context)** | ***Hypothesis 5**:*** The interaction between a positively framed message and identification with a Volkswagen driver as a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company. | Four paths are moderated:<br>• corporate reputation and supportive intended behaviour;<br>• corporate reputation and organisational disidentification;<br>• corporate reputation and organisational identification;<br>• organisational identification and supportive intended behaviour. | **+/–** |
| | ***Hypothesis 6**:*** The interaction between a positively framed message and disidentification with a Volkswagen driver as a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company. | Five paths are moderated:<br>• corporate reputation and organisational disidentification;<br>• corporate reputation and organisational identification;<br>• supportive intended behaviour and supportive actual behaviour;<br>• organisational identification and supportive actual behaviour;<br>• organisational identification and supportive intended behaviour. | **+/–** |
| | ***Hypothesis 7**:*** The interaction between a negatively framed message and identification with a Volkswagen driver as a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company. | One path is moderated:<br>• corporate reputation and organisational disidentification. | **+/–** |
| | ***Hypothesis 8**:*** The interaction between a negatively framed message and disidentification with a Volkswagen driver as a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company. | Three paths are moderated:<br>• corporate reputation and organisational identification;<br>• supportive intended behaviour and supportive actual behaviour;<br>• organisational identification and supportive intended behaviour. | **+/–** |

[*] The set of hypotheses 5-8, tested in the context of the environmental scientist as a messenger, are labelled '*'
[**] The set of hypotheses 5-8, tested in the context of the Volkswagen driver as a messenger, are labelled '**'

### 1.4 Research questions and research tasks

Based on a detailed literature review, presented in Chapters 2 and 3, four key research questions and six tasks that reflect the core objective of this study to explore and explain whether and how the message-messenger interactions affect stakeholders' perceptions of corporate reputation, organisational (dis)identification, and related behavioural outcomes.

***<u>The key research questions are:</u>***

1. How do messages and messengers affect perceptions of corporate reputation and its behavioural outcomes?
2. What is the role of (dis)identification with messengers in how people perceive messages and act upon them?
3. What is the interplay between messages and (dis)identification with messengers in shaping perceptions of corporate reputation and its behavioural outcomes?
4. What is the role of organisational (dis)identification in driving stakeholders' behavioural responses towards an organisation?

To answer the formulated research questions, the following research tasks have been identified:

***<u>Task 1:</u>*** To explore the ways in which messages and messengers, combined and individually, may affect stakeholders' behaviour.

***<u>Task 2:</u>*** To explore and explain how and why people relate to different messengers via their feelings of (dis)identification.

***<u>Task 3:</u>*** To understand the interplay between messages and (dis)identification with messengers that may influence stakeholders' perceptions of reputation and their behaviours.

***<u>Task 4</u>****:* To understand and explain the role of organisational (dis)identification in driving stakeholders' behaviours in response to people's perceptions of corporate reputations.

***Task 5:*** To propose an enhanced theory on how the interplay between messages and messengers might influence stakeholders' perceptions of corporate reputation, organisational (dis)identification, and associated behavioural outcomes.

***Task 6:*** To subject the proposed theory to empirical testing and to outline its conceptual and practical implications for scholars and practitioners.

### 1.5 Research activities

In order to complete five tasks described in the previous section, the following research activities has been carried out:

***(1) Literature review.*** The literature review was based on broadly stated research objectives and on the previous readings of the researcher. It began with an exploration of the area of corporate reputation and organisational (dis)identification, focusing on topics related to the effects of messages and messengers. The field was further expanded to include stakeholder theory, social and behavioural psychology, and relationship marketing and management.

***(2) Research objectives.*** Research objectives were subject to clarification and refinement during the literature review process. Defining objectives led to a more focused literature analysis, including investigation of specific areas of interest – messages, messengers, and their interaction, as well as topics related to research methodology.

***(3) Primary research model and propositions.*** Building upon the existing models and theories in the extant literature, an initial model was built, followed by a set of propositions. Potential measurement instruments were also identified from the literature, with the intention of adoption and adaptation those with a direct applicability to research objectives for inclusion in the quantitative quasi-experiment.

***(4) Quantitative pilot studies.*** Two quantitative pilot studies were undertaken. The first pilot study helped to refine the research context as well as improve the research premise. The second pilot study allowed the clarification of selected measurement instruments, and ensured the reliability of the applied measures. Results of these quantitative examinations were used to finalise and, where necessary, modify the applied measurements for the main data-collection stage. Collected data was also examined to determine whether proposed relationships were identifiable in the context.

***(5) Model refinement and hypothesis-building*.** Results of the pilot study led to a refinement of the proposed research model as well as to an identification of hypotheses to be empirically tested.

***(6) Measurement instruments selection and experiment design revision*.** Results of the pilot studies also assisted in further adaptation of the chosen measurement instruments that were ultimately included in the final questionnaire. Furthermore, the pilot studies results led to refinement of the experiment design.

***(7) Experiment development – questionnaire preparation*.** Following modifications after the pilot studies, experiment materials were prepared, including message contents and the choice of messengers. The questionnaire was revised in accordance with the pilot studies outcomes.

***(8) Statistical instrument selection*.** Appropriate software applications were identified to perform relevant statistical analysis procedures. First, techniques were employed to set up and clean the data set. Specifically, SPSS Statistics 23 provided an efficient platform to enter the data and to prepare the data for further assessment stages. Moreover, the employed statistical software assisted in conducting various tests of normality of all applied measuring instruments. The non-normal nature of the collected data, the limited sample size, numerous experimental groups, and the multifaceted model structure lead to the adoption of the SmartPLS 3 software. This software allowed to build and assess complex measurements and structural models, and to test the proposed research hypotheses.

***(9) Data collection.*** The self-completed online questionnaires were administered in January 2016. The surveys were launched electronically using an online platform offered and distributed by Qualtrics. Data was coded accordingly, and entered into SPSS Statistics 23 for further cleaning and preparation for statistical analysis.

***(10) Analysis, interpretation and reporting of results.*** The data was analysed in a way that would provide meaningful results using the software SmartPLS 3. The results were carefully interpreted and conclusions were drawn, followed by a discussion of theoretical and practical implications.

The research activities described above are presented in detail in Figure 1-1 below. This graphical representation will allow the reader to have a clear picture of the sequence of the research activities undertaken in this research.

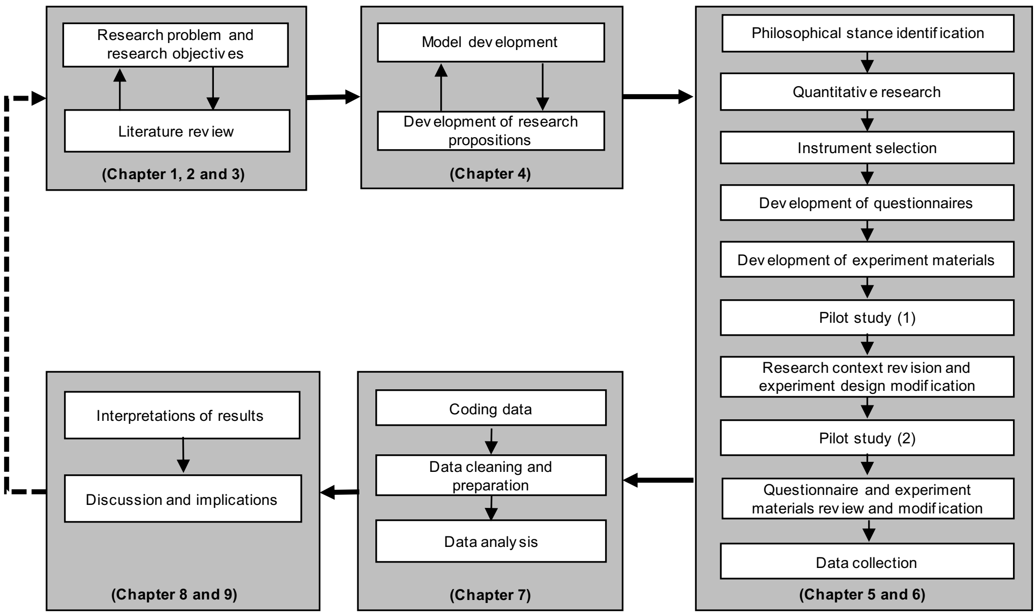


**Figure 1-1. The sequence of research activities undertaken in the study**[1]

Table 1-4 below shows a brief summary of the research stages employed in this study.

[1]Adapted from Sekaran (2010).

**Table 1-4. Summary of the research stages undertaken in this study**

| Study | Time frame | Sample/stages | Thesis chapter/section | Context | Purpose/Key concepts/Outcomes |
|---|---|---|---|---|---|
| ***Pilot study 1*** | August 2014 | Sample n=65<br><br>Stage 1 – qualitative pre-testing phase<br><br>Stage 2 – quantitative phase | Chapter 6: Section 6.11.1 and 6.11.2 | Apple's policy – corporate control over both software and hardware | Purpose: To assess the research context and the experimental materials as well as measurement scales reliability tests.<br><br>Key concepts: Perceptions of corporate reputation, organisational (dis)identification, moderation – message–messenger interaction.<br><br>Outcomes: To reconsider the research context; to revise message content and design; to amend questionnaire design. |
| ***Pilot study 2*** | November 2015 | Sample n=25<br><br>Stage 1 – qualitative pre-testing phase.<br><br>Stage 2 – quantitative phase | Chapter 6: Section 6.11.3 and 6.11.4 | Volkswagen emissions scandal | Purpose: To qualitatively evaluate the prepared questionnaires; to assess the research context and the experimental materials; to finalise the questionnaires and the message design; to evaluate the manipulations.<br><br>Key concepts: Perceptions of corporate reputation, organisational (dis)identification, moderation – message–messenger interaction.<br><br>Outcomes: To revise the design and content of messages; to revise questionnaire design and measurement scale items; to insert attention filters and quotas. |
| ***Main study*** | January 2016 | Sample n=735<br><br>Stage 1 – qualitative pre-testing<br><br>Stage 2 – main data collection | Chapters 7, 8, and 9 | Volkswagen emissions scandal | Purpose: To investigate the role of the message–messenger interaction in affecting stakeholders' perceptions of corporate reputation, their organisational (dis)identification, and behaviour, an empirical research framework was developed and tested.<br><br>Key concepts: Perceptions of corporate reputation, organisational (dis)identification, moderation – message–messenger interaction (positive versus negative; an environmental scientist versus a Volkswagen driver); control groups (age, gender, ability to drive a car).<br><br>Outcomes: To offer a number of conceptual, empirical, and methodological contributions to the body of knowledge as well as a set of practical implications. |

### 1.6 Structure of the thesis

The present chapter provides an introduction to the nature of the research, as well as the research purpose, aims, and objectives. Also, the chapter describes the involved research activities. Finally, here it introduces the structure of the thesis with a brief description of each chapter.

***Chapter 2.*** The second chapter defines the concept of corporate reputation by reviewing relevant academic literature within the corporate reputation field, followed up by the application of a working definition for the present research. Next, the chapter outlines an emerging stakeholder-centric perspective on corporate reputation, where the reviewed literature addresses the role of stakeholder–company relationships in shaping corporate reputation. Moreover, the chapter discusses the importance of organisational identification and disidentification within stakeholder–company relationships. Next, the chapter explores the role and impact of stakeholders' behaviour (intended and actual) within stakeholder-company relationships. Finally, a conceptual reputation/(dis)identification model is proposed by the end of this chapter, which does not yet incorporate the role and effect of the message–messenger interaction.

***Chapter 3.*** The third chapter of the thesis provides an introduction to the concepts of messages and messengers. More specifically, message framings and (dis)identification with the messenger are reviewed. A key outcome of the reviewed literature is a lack of evidence of how individuals relate to different messengers, especially how a message interacts with (dis)identification with a messenger and affect perceptions of corporate reputation, organisational (dis)identification, and related behavioural outcomes. The chapter concludes with the message–messenger matrix.

***Chapter 4.*** This chapter brings together the literature discussed in Chapters 2 and 3. First, the chapter presents a set of hypotheses related to the reputation/(dis)identification model. Second, a moderated model is proposed, where it addresses the role of the message–messenger interaction. The framework incorporates moderating impact of the message–messenger interaction within the reputation/(dis)identification framework, and it finishes with the set of hypotheses related to the moderating interaction.

***Chapter 5.*** The fifth chapter of the thesis addresses the importance of the philosophical stance essentially required prior to conducting a research. As such, the chapter discusses ontology, epistemology, methodology, and method, and outlines the researcher's philosophical assumptions, which ultimately underpinned the present study.

***Chapter 6.*** This chapter describes the research methodology in detail. This includes the research strategies and tactics applied to develop the quasi-experimental design as well as data-collection tool – a questionnaire, and the research premise. The chapter is finished with the detailed discussion of the quantitative techniques that will be applied in the next chapter.

***Chapter 7.*** The seventh chapter of the thesis outlines the data analysis and hypotheses testing. In particular, the chapter starts with the description of the data-collection process as well as post-collection procedures such as data cleaning, decoding, assessment of missing values, outliers, and normality, as well as tests for common method bias. This is followed by the sample demographics. Next, the measurement model is assessed, which includes a set of tests aimed at the evaluation of reliability and validity of the applied measurement scales. The structural model is then assessed and the empirical results are presented, followed up by testing of the hypotheses related to the reputation/(dis)identification model. Next, the chapter addresses tests examining moderating effects of the message–messenger interaction. The chapter concludes with the analysis of the interaction matrix with the outcomes of the remaining research hypotheses related to moderating effects.

***Chapter 8.*** This chapter provides a summary of the main contributions of the present study, followed by the discussion of the research findings and their theoretical and practical implications, referring to the literature outlined in Chapters 2 and 3.

***Chapter 9.*** The final chapter of the thesis provides an overview of the study. It offers a summary of the theoretical implications, followed by the managerial implications of the research findings related to the reputation/(dis)identification and moderated models. The chapter concludes with the limitations and future research opportunities.

### 1.7 Importance of the study

Much of early research on corporate reputation was driven by the idea of reputation as an intangible asset, which could generate economic benefits (Fombrun, 1996; Rindova and Fombrun, 1999; Rindova *et al.*, 2010; Rindova and Martins, 2012). With time, companies started to look at their businesses as complex entities, where generating profits was no longer the only priority. Companies have become, for instance, more socially responsible, while trying to maintain good relationships with their stakeholders.

As a result, recent studies increasingly attribute corporate reputation to positive and reciprocal stakeholder–company relationships (MacMillan *et al.*, 2005; Hillenbrand *et al.*, 2011; Money *et al.*, 2011; Money *et al.*, 2012a; Money *et al.*, 2012b; Hillenbrand *et al.*, 2013). Businesses have proactively spent time and financial resources in order to develop successful and effective reputational strategies aimed at building reputations, and in turn developing positive stakeholder–company relationships.

However, practitioners and scholars have noticed that not all the strategies reach the desired outcomes. In fact, companies usually believe that stakeholders as a whole would perceive and act upon the same message in the same manner. Moreover, the situation is more complicated in instances when people receive the same message about a company from different messengers, and it makes it highly challenging to reliably anticipate stakeholders' behaviour.

First, this thesis addresses the outlined issues, and it adds significant value to the extant literature. Second, this study contributes to researchers and practitioners' current understanding of a stakeholder–company relationship and how it may help to shape corporate reputation. Third, this study addresses the issue of how and why messages about a company and their messengers affect how people perceive corporate reputation and act upon it by considering and testing the role of the message–messenger interaction. The enhanced understanding of how corporate reputations are perceived by stakeholders and what effect the message–messenger interaction might have will allow the management of a company to better plan, implement, and manage various strategies to develop corporate reputation and sustain stakeholder–company relationships.

In practical terms, the message–messenger interaction may be of use for managers and companies in various contexts, especially in crisis. This is because managers could use the message–messenger matrix to guide different strategies within stakeholder–company relationships. Moreover, it will allow them to monitor wider information flows (corporate and non-corporate) that may affect stakeholders, and in turn corporate reputation. A discussion of wider practical implications is outlined in Chapter 9.

## 1.8 Conclusion

Despite the fact that a significant amount of research is trying to understand how corporate reputation is linked to stakeholders' behavioural responses, empirical evidence remains inconclusive. A possible explanation may be that less attention has been paid to more complex relationships between stakeholders and a company, which include not only organisational identification but also organisational disidentification.

Another explanation might lie within a communication domain. Stakeholders are surrounded by various messages that are sent out to enhance reputation, boost organisational identification, and reduce organisational disidentification among stakeholders. Therefore, it is essential to explore not only the effect of messages but also how and why individuals relate to different messengers and how the message–messenger interaction might impact perceptions of corporate reputation, organisational (dis)identification, and behavioural outcomes.

Hence, the intention of the present thesis is to shed light on the existing inconclusive evidence on how and why some well-intended messages aimed at building reputation results in different or even undesired outcomes on part of stakeholders.

This chapter has outlined the research purposes, aims, tasks and objective in order to investigate the outlined research problem. The thesis will follow the structure described in Figure 1-1 above. The next chapter will address and examine the literature related to the concepts of corporate reputation and organisational (dis)identification from a stakeholder-centric viewpoint.

# CHAPTER 2. CORPORATE REPUTATION AND ORGANISATIONAL (DIS)IDENTIFICATION: A STAKEHOLDER-CENTRIC VIEW

**This chapter explores the phenomena of corporate reputation and organisational (dis)identification by investigating the concepts from an emerging perspective – a stakeholder-centric view. Section 2.1 provides an introduction and outlines a structure of the chapter. Section 2.2 discusses the reputation literature in order to provide a working definition of corporate reputation and to identify its key implications for the present study. In Section 2.3, the role and value of organisational identification and disidentification are explored. In Section 2.4, aspects of various stakeholders' outcomes are reviewed with the focus on stakeholders' behavioural responses towards companies. Section 2.5 provides a summary of the existing frameworks relevant to the present study, which can help to explain corporate reputation in the context of this thesis. Finally, Section 2.6 concludes the present chapter.**

## 2.1 Introduction

The phenomenon of corporate reputation is widely accepted to be of significant importance to companies of all kinds (Fombrun, 1996; Bromley, 1998; Dowling, 2002). The analysis of the extant literature shows that there are at least two key approaches to corporate reputation emerging – reputation as an asset and reputation as a perception. While both perspectives have received significant attention in the literature, a number of recent studies focus on the perceptual nature of corporate reputation and explore corporate reputation from an individual stakeholder perceptive (Barnett *et al.*, 2006; Brown *et al.*, 2006; Fombrun, 2012; Money *et al.*, 2012). In particular, scholars are trying to better understand individual differences among stakeholders and their behavioural responses towards companies. For the purposes of this study, a working definition of corporate reputation as a perception is provided based on a comprehensive review of the existing definitions in the broad field of corporate reputation (see Section 2.2).

Considering corporate reputation as stakeholders' perceptions, a growing body of research suggests exploring the concept from an individual stakeholder perspective (stakeholder-centric view – SCV). This SCV approach allows the investigation and explanation of how and why perceptions of corporate reputation result in different stakeholders' behaviour towards a company (Brown *et al.*, 2006; Crane and Ruebottom, 2012; Mishina *et al.*, 2012; Money *et al.*, 2012b). This study employs the SCV perspective, because it will help to explore in more detail individual differences in how stakeholders perceive corporate reputations and why their behaviour sometimes is not easily predictable.

Following the proposed stakeholder approach, it is suggested that corporate reputation is embedded in relationships between stakeholders and organisations (Morgan and Hunt, 1994; MacMillan *et al.*, 2005). However, it is not always clear why perceptions of corporate reputation sometimes lead to unexpected stakeholders' behaviour (Money *et al.*, 2012). A possible answer may lie within organisational identification theory. It is supported that organisational identification (as well as organisational disidentification) can help to explain how relationships between individuals and companies develop (Bhattacharya *et al.*, 2009).

Identification is usually considered a 'key factor in understanding how corporate reputation is co-constructed among stakeholders' (Remke, 2013: p. 36). As a result, organisational identification is also suggested as a critical mediator between perceptions of corporate reputation and stakeholders' behaviour (Mael and Ashforth, 1992; Ahearne *et al.*, 2005).

This chapter will address the discussed issues via exploring the value and role of corporate reputation and organisational (dis)identification within stakeholder–company relationships as well as their related behavioural outcomes. Bringing together corporate reputation and organisational (dis)identification theories and stakeholder theory, a reputation/(dis)identification framework is presented by the end of this chapter.

In particular, Section 2.2 of this chapter discusses the reputation literature, provides a working definition of corporate reputation and identifies key reputational implications for the present study. Section 2.3 addresses the role and value of organisational identification and disidentification. Section 2.4 explores aspects of various stakeholders' behavioural outcomes with the focus on stakeholders' behaviour towards companies. Finally, Section 2.5 provides a summary of the reviewed frameworks relevant to the study, and presents a reputation/(dis)identification conceptual model.

## 2.2 Exploring corporate reputation

Reputation has been addressed by researchers and practitioners for more than two decades (Christian, 1959; Fombrun and van Riel, 1997; Ravasi, 2002; Thevissen, 2002; Wiedmann, 2002; Barnett *et al.*, 2006; Fombrun, 2006). The concept of reputation has attracted the attention of scholars in various disciplines, including general management (Fombrun, 1996; Davies, 2003), strategic management (Weigelt and Camerer, 1988; Hall, 1992; Dowling, 1994; Roberts and Dowling, 1997), marketing (Fombrun and Shanley, 1990; Herbig and Milewicz, 1995; Gray and Balmer, 1998; Weiss *et al.*, 1999), economics (Shapiro, 1982, 1983), sociology (Gold, 1952; Camic, 1992; Rose and Thomsen, 2004), psychology (Fishbein and Ajzen, 1975, 2011; Ashforth and Mael, 1989; Abrams and Hogg, 1990; Hogg and Abrams, 1998), communication (Deephouse, 2000; Wry *et al.*, 2006; Westphal and Deephouse, 2011; Deephouse and Jaskiewicz, 2013), and public relations (Russell and Lamme, 2013; Watson, 2013; Zhu and Chang, 2013; Chng *et al.*, 2015).

Reputation has also been a central concept in different contexts, including reputation of individuals (Bromley, 2001; Gotsi and Wilson, 2001; Mahon, 2002), reputation of organisations (Radbourne, 2003; Capozzi, 2005;

Brammer and Pavelin, 2006; Brammer *et al.*, 2009; Musteen *et al.*, 2010; Sur and Sirsly, 2013), reputation of industries (Carter and Ruefli, 2006; Winn *et al.*, 2008; Sturm, 2013), and reputation of countries (Kang and Yang, 2010; Reuber and Fischer, 2011; Soleimani *et al.*, 2014).

This thesis focuses and explores the phenomenon of *corporate reputation*. Despite the increasing interest in the construct, corporate reputation still remains a real challenge to define (for academics) and to manage (for practitioners) (Fombrun and van Riel, 1997; Barnett *et al.*, 2006; Walker, 2010; Lange *et al.*, 2011). This may be partially caused by the multidisciplinary nature of the concept. The lack of a widely agreed-upon definition can lead to potential problems when conducting a research. First, it would be difficult to identify a framework or a model, which can help to explain how corporate reputation affects and is affected by its related concepts. Second, it could be problematic to measure and test a concept without its clear definition. Hence, there is a strong need to identify a working definition of corporate reputation. For the purpose of this research, a detailed definitional review was conducted.

**In summary, corporate reputation has been widely explored across various disciplines, such as general management, marketing, strategic management, economics, and social and organisational psychology. The existing literature also provides a number of different approaches to defining and exploring corporate reputation. Further investigation of reputation definitions is required in order to provide a working definition for this thesis.**

**2.2.1 A working definition of corporate reputation.** The review conducted of existing definitions of corporate reputation shows the complexity and versatility of the concept (Fombrun and van Riel, 1997; Wartick, 2002; Berens and van Riel, 2004; Barnett *et al.*, 2006; Walker, 2010; Lange *et al.*, 2011; Chen and Otubanjo, 2013). In order to avoid ambiguity of the concept, some scholars borrow definitions from dictionaries, which provide more abstract definitions (Budd, 1994; Dollinger *et al.*, 1997; Mahon and Wartick, 2003;

Radbourne, 2003; Dowling, 2004a; Zyglidopoulos and Reid, 2006; Heil, 2008). Others develop original discipline-specific definitions (Fombrun and van Riel, 1997; Mahon, 2002; Chun, 2005; Mishina *et al.*, 2012) or include a set of reputational characteristics that focus on antecedents and consequences of corporate reputation (Bromley, 1993; Vendelø, 1998; Balmer, 2001; Helm, 2005; Rindova *et al.*, 2005; Walsh *et al.*, 2009).

For the purposes of this study, a detailed review of the existing *original* definitions of corporate reputation is conducted. The reputation literature is reviewed in a chronological order. This approach is considered appropriate to demonstrate how the understanding of the concept evolved through time (Hillenbrand, 2007; West, 2011).

Table 2-1 presents a short summary of the definitional review (a full table of reputational definitions is presented in Appendix 1). The analysis shows that there are at least two key explanations of corporate reputation emerge from the literature: reputation as an *asset* and reputation as a *perception*. Both approaches are extensively applied in past and present studies on corporate reputation and will be briefly discussed below. Furthermore, Table 2-1 below outlines two emerging perspectives on corporate reputation: company-centric (CCV) versus stakeholder-centric (SCV) views.

***2.2.1.1 Reputation as an asset.*** Starting from the late 1950s, a dominating approach to corporate reputation was to look at reputation from a strategic viewpoint, considering reputation as a corporate asset (e.g. Christian, 1959; MacLeod, 1967; Dunne, 1974). Further studies on corporate reputation focused on strategic and corporate value of reputation (Fombrun and Shanley, 1990; Yoon *et al.*, 1993; Dollinger *et al.*, 1997). Typically, corporate reputation was described as a strategic intangible asset that could have a capability to contribute to current and future profitability and competitive advantage (Shrum and Wuthnow, 1988; Weigelt and Camerer, 1988; Cloninger, 1995) (see Appendix 1).

**Table 2-1. Definitional landscape of corporate reputation**

| Author | Original definition | Reputation as… | Perspective |
|---|---|---|---|
| 1. Fombrun and Shanley (1990: p. 204) | Corporate reputation is the outcome of a competitive process. | Asset | Company-centric |
| 2. Wartick (1992: p. 34) | Corporate reputation is the aggregation of a single stakeholder's perceptions of how well organisational responses are meeting the demands and expectations of many organisational stakeholders. | Perception | Company-centric |
| 3. Bromley (1993: p. 12) | Reputation is a social process as well as a social product; it is collective systems of beliefs and opinions that influence people's actions with regard to persons and things. | Perception | Stakeholder-centric |
| 4. Fombrun (1996: p. 72) | A corporate reputation is a perceptual representation of a company's past actions and future prospects that describes the firm's overall appeal to all of its key constituents when compared with other leading rivals. | Perception | Company-centric |
| 5. Fombrun *et al.* (2000: p. 243) | A collective assessment of a company's ability to provide valued outcomes to a representative group or stakeholders. | Perception | Stakeholder-centric |
| 6. Mahon (2002: p. 439) | Reputation is an asset in relation to (a) a specific context or process, (b) a specific issue, (c) specific stakeholders, and (d) expectations of organisational behaviour based on past actions and situations. | Asset | Company-centric |
| 7. Carmeli and Tishler (2004: p. 1260) | Corporate reputation is a core intangible resource that creates competitive advantage when competitors are not able to match the prestige and esteem it creates, and enables an organisation to attain sustained superior outcomes. | Asset | Company-centric |
| 8. Barnett *et al.* (2006: p. 34) | Corporate reputation is the observers' collective judgements of a corporation based on assessments of the financial, social, and environmental impacts attributed to the corporation over time. | Perception | Company-centric |
| 9. Brown *et al.* (2006: p. 104) | the set of corporate associations that individuals outside an organisation believe are CED [central, enduring, and distinctive] to the organisation | Perception | Stakeholder-centric |
| 10. Helm (2011b: p. 7) | Corporate reputation is a stakeholder's overall evaluation of a firm in respect to its past, present, and future handling of stakeholder relationships that reflects a firm's ability and willingness to meet stakeholders' expectations continuously and describes the firm's overall appeal to all its constituents when compared with other firms. | Perception | Stakeholder-centric |
| 11. Fombrun (2012: p. 100) | A corporate reputation is a collective assessment of a company's attractiveness to a specific group of stakeholders relative to a reference group of companies with which the company competes with. | Perception | Stakeholder-centric |

The discussed notion of corporate reputation as a strategic intangible asset has been further developed through time across various disciplines, such as strategic management (e.g. Teece *et al.*, 1997), general management (e.g. Petrick *et al.*, 1999), and strategic marketing (e.g. Mailath and Samuelson, 2001). Some researchers define corporate reputation as 'a core intangible resource that creates competitive advantage when competitors are not able to match the prestige and esteem it creates, and enables an organisation to attain sustained superior outcomes' (Carmeli and Tishler, 2004: p. 1260). Others see corporate reputation as 'the outcome of a competitive process' (Fombrun and Shanley, 1990: p. 204).

**In summary, the review shows a large proportion of existing studies adopt the understanding of corporate reputation as an asset. Such studies are typically carried out within the fields of strategic management and marketing, and general management.**

Alternative way that is also emerging from the literature is to look at corporate reputation from a perceptual perspective. A number of studies consider reputation as an entity that exists *externally* to companies, and define the concept in terms of stakeholders' *perceptions* (Table 2-1 and Appendix 1).

***2.2.1.2 Reputation as a perception.*** The idea of perceptual nature of reputation is also rooted in early reputational studies. For example, Christian (1959) and Dunne (1974) suggest that corporate reputation is not only an asset, but also an 'impression' and 'mental picture', which are held by stakeholders.

A pioneering attempt to define corporate reputation from a perceptual perspective is made by Wartick (1992), where he looks at reputation as an aggregation of stakeholders' perceptions. More importantly, Wartick also hints at the role of *relationship* between companies and their stakeholders in shaping corporate reputation. Similarly, Bromley (1993) indicates that corporate reputation may have an impact on how stakeholders *behave* towards companies.

Fombrun (1996: p. 72) offers probably one of the most cited definitions of reputation, suggesting that it is 'a perceptual representation of a company's past actions and future prospects that describe the firm's overall appeal to all its key constituents when compared with other leading rivals'. He continues that 'a corporate reputation represents the 'net' affective or emotional reaction … of customers, investors, employees, and the general public' (Fombrun, 1996: p. 37).

This definition is important for several reasons. First, Fombrun, in a similar way to Wartick (1992) and Bromley (1993), empathises the perceptual nature of corporate reputation. This means that reputation is a reflection of people's opinions, feelings, and emotions held of an organisation. This suggests a possible shift from a conceptualisation of reputation as a corporate asset towards perceptual interpretations of the concept. Second, Fombrun's definition refers to the large number of stakeholder groups that a company affects and is affected by, which in turn hints at the bidirectional nature of stakeholder–company relationships (Money *et al.*, 2012). (This argument on the bidirectional relationships will be discussed in more detail further in Section 2.2.3 of this chapter).

However, this definition has some weaknesses. As one might suggest, it is not clear what stakeholders' reactions are based on. Wartick (2002) challenges the notion of the 'collective' assessment. He argues that different stakeholder groups might have different criteria for the evaluation of companies. As a results these criteria cannot be aggregated. Later on, Fombrun (2012) himself argues that the provided definition is misleading, as it comprises both reputational antecedence and consequences within the construct itself.

Moving on, Fombrun *et al.* (2000) outline reputational 'valued outcomes', such as social and environmental responsibility, leadership and vision, and emotional appeal, that are found to be influential. This idea of reputational outcomes is taken further by Barnett *et al.* (2006), who also attempts to provide another definition of corporate reputation, based on a comprehensive analysis of conceptualisations existing in the literature. He suggests that corporate reputation represents 'collective judgments of a corporation based on assessments of the financial, social, and environmental impacts attributed to the corporation over time' (Barnett *et al.*, 2006: p. 34). However, it is yet unclear whether all stakeholder groups will be able to make certain judgements on the issue-specific elements (Fombrun, 2012).

**In summary, early definitions of corporate reputation as a perception suggest that corporate reputation is external to companies, and mainly based on stakeholders' evaluations of core company's outcomes, such as social and environmental responsibility, leadership and vision, and emotional appeal.**

One of the recent definitions of corporate reputation offered by Brown *et al.* (2006: p. 104) refers to reputation as 'the set of corporate associations that individuals outside an organisation believe are CED [central, enduring, and distinctive] to the organisation'. This definition brings several implications for the present research. First, this conceptualisation of corporate reputation suggests that reputation rests within the created reality of stakeholders rather than companies, in other words the reality they believe the company exists in. Second, this suggests that companies might not have a control over corporate reputation. Third, this largely underpins the importance of exploring corporate reputation in more detail from a stakeholder perspective. This argument is also in line with Mahon (2002), who argues that people's evaluations of companies have biases that can be related to their own interpretations. Finally, this definition suggests that corporate activities that are inconsistent, misleading, or not differentiating will not result in individuals' perceptions of a company as CED. As a result, such actions will not contribute to a creation of a positive reputation.

Following Brown *et al.* (2006), corporate associations 'belong' to an individual stakeholder, not to a company. Moreover, corporate reputation, might be influenced by a number of outside members/stakeholders. Therefore, corporate reputation cannot be managed only by a company, rather it rests in individuals' minds, which can be indirectly affected by corporate actions and external actors. Bromley (1993: p. 12) also indicates that corporate reputation as people's perceptions is 'self-validating, in the sense that beliefs derived from one source of opinion are confirmed by another source, even though the sources are not independent and not based on first-hand information'.

It is important to note that some scholars acknowledge that perceptions of companies and, in turn, corporate reputations are not stable, but rather they develop over time (Gotsi and Wilson, 2001; Helm, 2007a; Highhouse *et al.*, 2009b; Helm, 2011b). Furthermore, perceptions of corporate reputation might be affected not only by corporate behaviour and activities through stakeholders' experience (Hillenbrand, 2007; West, 2011) but also by external sources and information (O'Rourke, 2013).

For example, some of the components of reputation, such as financial performance or leadership, are not easily experienced, particularly by the general public. Hence, stakeholders might find their ways towards generating an attitude towards a company without direct experience, by sourcing information externally (Bromley, 1993; Devine and Halpern, 2001; Walsh and Wiedmann, 2004). For instance, Deephouse (2000) argues that reputation and media coexist in the relationships between stakeholders and companies. He suggests that a company possesses a media reputation, which is 'the overall evaluation of a firm presented in the media resulting from the stream of media stories about the firm' (Deephouse, 2000: p. 1097).

Gotsi and Wilson (2001) do not distinguish a specific type or reputation, as Deephouse does. Rather, they see corporate reputation as stakeholders' evaluations of a company, which are 'based on stakeholder's direct experience with the company, any other form of communication and symbolism that provides information about the firm's actions and/or a comparison with the actions of other leading rivals' (Gotsi and Wilson, 2001: p. 29). This definition clearly refers to some *external forces* that might have an impact on stakeholders' perceptions apart from corporate activities. This is also in line with the definition provided by Helm (2011b), in which she argues that stakeholders perceive a company based on individuals' perceptions of how *other* people view the firm.

**In summary, reputation as a perception is affected not only by stakeholders' experiences of what a company does but also by various external forces. For example, stakeholders' perceptions of reputation may be enhanced by how other people view the company or how the media presents the firm.**

***2.2.1.3 A working definition of corporate reputation.*** Having reviewed the current theoretical stance on corporate reputation, a working definition of corporate reputation is now offered to the reader. Building on the contributions of researchers who view reputation from a stakeholder perspective and describe it in terms of stakeholders' perceptions, this thesis defines corporate reputation as follows:

> ***Corporate reputation is overall stakeholders' perceptions of organisations developed overtime, which influence stakeholders' support and engagement with companies*** (Fombrun, 1983; Fombrun, 1996; Weiss *et al.*, 1999; Balmer, 2001; MacMillan *et al.*, 2004; MacMillan *et al.*, 2005; Money and Hillenbrand, 2006; Helm, 2011b; Ponzi *et al.*, 2011; Fombrun, 2012; Fombrun *et al.*, 2015).

**In summary, this section provided a review of existing reputational definitions. The review helped to identify two approaches to define corporate reputation – reputation as an asset and as a perception. Considering the research aim and research questions, a working definition of corporate reputation as a perception was provided.**

A significant part of the extant literature is following the company-centric view on corporate reputation (CCV), placing an organisation at the centre of their research and focusing on organisational benefits of good corporate reputations, such as competitive advantage and stable financial performance (e.g. Yoon *et al.*, 1993; Dollinger *et al.*, 1997; Petrick *et al.*, 1999). On the other hand, theorists working from the stakeholder-centric perspective (SCV) primarily look at how stakeholders view a company and behave towards it, exploring individual differences, such as organisational identification and disidentification, and intended and actual behaviour (e.g. Christiansen and Vendelø, 2003; Walsh and Wiedmann, 2004; Helm, 2005) (see Table 2-1 above for more detail on how nature of corporate reputation is corresponded with CCV and SCV perspectives).

**In summary, the definitional review suggests two approaches to defining corporate reputation (reputation as an asset and reputation as a set of perceptions); both work across various disciplines and are intertwined throughout time. However, a number of recent studies on corporate reputation follow the stakeholder-centric view (SCV) (see Appendix 1). As such, scholars have become more interested in exploring the *relationships* between companies and their stakeholders (MacMillan *et al.*, 2000; MacMillan *et al.*, 2005), where they are trying to better understand the *nature* of stakeholders' perceptions (i.e. why and how they develop and what affects them) (e.g. Johnston and Everett, 2012; Peloza *et al.*, 2012).**

**2.2.2 Towards a stakeholder-centric view on corporate reputation.** To recap, very often studies that focus on reputation as an asset investigate the concept from the CCV view, investigating, for instance, how corporate elements (e.g. mission, leadership, work climate, etc.) affect corporate reputation, or how corporate reputation may affect overall financial performance. Likewise, the perceptual nature of corporate reputation is typically researched from the SCV perspective. SCV scholars are usually interested in deeper understanding of stakeholders' individual differences and stakeholders' behavioural responses. These responses may include stakeholders' intended and actual behaviour towards a company.

***2.2.2.1 Company-centric view on corporate reputation.*** A number of studies consider corporate reputation as an intangible property of an organisation and explore potential organisational benefits driven by reputations (Fombrun, 1996; Roberts and Dowling, 2002) as well as various organisational attributes that may affect reputation-building (Bromley, 2002b; Schnietz and Epstein, 2005; Flatt and Kowalczyk, 2008; Jones *et al.*, 2009). Such an approach can be labelled as a *company-centric view on corporate reputation* (CCV). Typically, CCV refers to corporate reputation as ‘a valuable asset that allows a firm to achieve persistent profitability, or sustained superior financial performance’ (Roberts and Dowling, 2002: p. 1078).

One of the benefits of good corporate reputation for an organisation explored by CCV researchers is the company’s profitability, arguing that a favourable reputation affects and is affected by financial performance (Cloninger, 1995; Miles and Covin, 2000; Kitchen and Laurence, 2003; Carmeli and Tishler, 2004; Neville *et al.*, 2005; Saraeva, 2014). Building upon Roberts and Dowling (2002: p. 1090), it is argued that ‘superior-performing firms have a greater chance of sustaining superior performance over time if they also possess relatively good reputations’.

Moving on, the resource-based theory on corporate reputation, utilised within CCV, considers corporate reputation as an important, valuable, but fragile intangible asset that adds a significant value to a company (Carmeli and Tishler, 2005; Keh and Xie, 2009). CCV scholars see corporate reputation as a *method* of gaining a competitive advantage for an organisation (Dollinger *et al.*, 1997). Furthermore, the CCV approach suggests that a positive reputation helps companies to attract more customers, charge premium prices, attract better applicants, enhance their access to capital markets, and attract investors (Fombrun and Shanley, 1990; Fombrun, 1996; Brooks *et al.*, 2003; Kitchen and Laurence, 2003).

Corporate reputation has also received significant attention in the area of corporate social responsibility (CSR) (Brammer and Millington, 2005; Bartels *et al.*, 2015). ‘Antecedents of a good reputation have been suggested to include embracing CSR standards, philanthropic giving and the development of trusting relationships with stakeholders’ (Hillenbrand and Money, 2007: p. 261).

Interestingly, CCV theorists refer to the importance of stakeholders' perceptions and judgements in the reputation-building process, claiming that 'reputation is the overall quality or character as seen or judged by people' (Johnston, 2002: p. 109). However, CCV provides relatively little information about underlying mechanisms that can explain *how* individuals develop their perceptions of reputation, *what* may affect their judgements and, in turn, *why* their behaviours towards companies are so diverse and in some cases, unanticipated. There are calls in the literature to explore corporate reputation through an individual stakeholder lens (Bhattacharya *et al.*, 1995; Bhattacharya and Elsbach, 2002; MacMillan *et al.*, 2005; Brown *et al.*, 2006; Bhattacharya *et al.*, 2009; Mishina *et al.*, 2012). Considering an individual (i.e. a stakeholder) as the central element in research allows scholars to unpack mechanisms of how, when, and why perceptions of corporate reputation may result in certain behaviour from stakeholders.

**In summary, CCV researchers have expanded reputation theory by adding value to understanding the elements and properties of corporate reputation as well as what benefits a favourable reputation might bring to the company (Mishina *et al.*, 2012). Despite CCV being well established, it provides relatively little information on the underlying mechanisms that can help to explain stakeholders' behaviour towards companies. Hence, it seems crucial to look at corporate reputation from an individual stakeholder perspective (SCV).**

***2.2.2.2 Stakeholder-centric view on corporate reputation.*** Theorists from various disciplines have also been interested in understanding stakeholders and their impact on companies, following what can be described as a *stakeholder-centric view on corporate reputation* (SCV) (Hong and Yang, 2009; Walsh *et al.*, 2009; Helm, 2011c; Abd-El-Salam *et al.*, 2013; Helm and Tolsdorf, 2013; Petrokaite and Stravinskiene, 2013; Walsh *et al.*, 2014; Ali *et al.*, 2015). Much of stakeholder research is based on the seminal study by Freeman (1984, 2010).

Freeman (1984: p. 46) broadly describes stakeholders as 'any group or individual who can affect or is affected by the achievement of the organisation's objectives'. However, some theorists question this definition, asking '*who* and *what* really counts', appealing to a narrower view of stakeholders, the relevance of which is dependent on the core corporate economic interests (Mitchell *et al.*, 1997).

Still stakeholder theory is accepted in the literature as an effective approach to understanding different stakeholders (Donaldson and Preston, 1995; Jones, 1995; Mitchell *et al.*, 1997). Besides, this theory also offers a 'normative and instrumental' basis for managerial implications (Hillenbrand, 2007; West, 2011; Crane and Ruebottom, 2012).

SCV research has incorporated a narrow view of stakeholders in empirical studies, mainly focusing on a single stakeholder group at a time, for example customers (MacMillan *et al.*, 2004; MacMillan *et al.*, 2005; Walsh and Beatty, 2007; Hong and Yang, 2009; Helm and Tolsdorf, 2013), employees (Chun and Davies, 2010; Helm, 2011c; Johnston and Everett, 2012), potential employees (applicants) (Turban and Cable, 2003; Ogunfowora, 2014), the general public (Ledingham *et al.*, 2000; Yang and Grunig, 2005; Raithel and Schwaiger, 2015), and shareholders (Caruana *et al.*, 2006; Helm, 2007b; McMillan-Capehart *et al.*, 2010).

A number of researchers, however, believe that focusing on a single stakeholder group does not allow drawing a complete picture of how corporate reputations develop (Davies *et al.*, 2004; Hillenbrand, 2007). Instead, they suggest investigating two or more stakeholder groups, for example, both employees and customers.

To distinguish between stakeholders is particularly important, since stakeholders and organisations coexist in and co-create various '*relationships*', which may significantly affect corporate reputation (MacMillan *et al.*, 2004; MacMillan *et al.*, 2005; Mishina *et al.*, 2012; Money *et al.*, 2012b; Carroll, 2013a; McCorkindale *et al.*, 2013).

**In summary, the SCV approach to corporate reputation is rooted in stakeholder theory by Freeman (1984, 2010). Following stakeholder theory, it is suggested that stakeholders and companies exist in relationships, where stakeholders affect and are affected by the company.**

The idea of stakeholder–company relationships is supported by the relationships (marketing) literature (Morgan and Hunt, 1994; MacMillan *et al*., 2000; MacMillan *et al*., 2005). There are different views on how to define company–stakeholder relationships (O'Hair *et al.*, 1995; Huang, 1998; Broom *et al.*, 2000; Yang and Grunig, 2005). Morgan and Hunt (1994: p. 20), for example, believe that relationships between companies and their stakeholders are based on 'establishing, developing, and maintaining successful relational exchanges'. At the same time, Huang (1998) specifies the nature of these relationships and emphasises the role of mutual trust, commitment, and influence in organisations and their stakeholders.

Taking further this conceptualisation of the relationships, Broom *et al.* (2000) suggest that relationships between organisations and their stakeholders are characterised by the interaction, exchange, and connection between a company and its publics. This largely corresponds with the original work by Morgan and Hunt (1994). Despite the different approaches to defining relationships, scholars tend to focus on the importance of *mutual exchange* as well as trust in sustaining successful relationships between companies and their stakeholders.

The value of good relationships between companies and their stakeholders is recognised in different areas of business research, including reputation management. Fombrun (1996: p. 57) argues that positive company–stakeholder relationships can foster corporate reputation: 'To acquire a reputation that is positive, enduring, and resilient requires managers to invest heavily in building and maintaining good relationships with their company's constituents'. SCV researchers typically focus on the formation of the relationships between organisations and their stakeholders and on corporate reputation as a ‘product’ of these relationships (Fombrun, 1996; Bhattacharya *et al.*, 2009).

Later, MacMillan *et al.* (2005) suggest that reputation plays an important role in relationships that leads to business success. They explore antecedents of reputation, which derive from direct/indirect experience of those relationships, as well as consequences of reputation in the form of behavioural intent to sustain or terminate existing relationships, which is further supported by Money *et al.* (2012) and Money *et al.* (2014).

**In summary, stakeholder–company relationships are the focus of SCV researchers. These relationships are typically based on mutual trust and exchange between stakeholders and companies.**

Grunig and Huang (2000: p. 35) argue that corporate reputation is interconnected with company–stakeholder relationships because it is affected by corporate behaviour towards stakeholders. However, one may challenge this argument. Since the definition of relationships is based on the *interaction* and *exchange* of both stakeholders and a company, it can be suggested that corporate reputation is influenced not only by the company’s behaviour but also by stakeholders’ behaviour towards the company. Hence, there is a need to focus not on only either corporate attributes *or* stakeholders’ attributes but rather on the two-way nature of the relationships. This idea corresponds with Freeman’s (1984) original work on stakeholders, where he defines them as anyone *who affects* and *is affected* by a company. This can also be seen as a foundation for relationship *reciprocity* (Greenwood, 2007).

The idea of reciprocity in stakeholder–company relationships is well developed in the recent studies, e.g. by Bhattacharya *et al.* (2009) and Money *et al.* (2012b). Following that, reciprocal relationships are based on the underlying rationale of exchanging of initiatives between stakeholders and companies. More specifically, this may include ‘the firm offering something of value to stakeholders and stakeholders offering something of value back to the organisation’ (Money *et al.*, 2012b: p. 8). Bhattacharya *et al.* (2009) suggest that these ‘offerings’ might have tangible or intangible nature. For example, a number of companies exhibit sustainable behaviour and engage their stakeholders in different CSR campaigns (Freeman's idea of stakeholders '*being affected by the organisation*'). As a result, stakeholders may spread positive word-of-mouth about the company on social media (Freeman's idea of stakeholders '*affecting the organisation*').

Fombrun *et al.* (2000) outlines a set of organisational attributes, through which stakeholders may be *affected by* a company (e.g. good leadership, clear vision, high financial performance, etc.) (Ponzi *et al.*, 2011; Fombrun *et al.*, 2015). Moreover, scholars suggest that stakeholders' behaviour towards a company reflect how stakeholders *affect* the company (Money *et al.*, 2012b). As a result, Mahon and Wartick (2003) conclude that corporate reputation is a product of interrelationships and exchanges between companies and their stakeholders across different contexts, which are formed over time.

Following the discussed purposes and attributes of the SCV perspective, the present study employs SCV to explore how stakeholders' perceptions of corporate reputations develop and what affects them within stakeholder-company relationships.

**In summary, this section discussed the place and role of corporate reputation within stakeholder–company relationships. This notion of relationship is grounded in stakeholder theory (Freeman, 1984, 2010). Corporate reputation, in turn, is seen as a 'product' or 'indicator' of relationships, since it reflects stakeholders' perceptions of how a company affects them. Furthermore, stakeholder theory suggests the reciprocal nature of relationships, where stakeholders' behavioural responses are also considered vital in shaping corporate reputation. The present study utilises the SCV perceptive on corporate reputation, because it may help better understand individual differences of how people perceive corporate reputations and act upon them.**

The extant studies address organisational and stakeholders' attributes, which impact their relationships between stakeholders and companies. However, this does not explain how and why stakeholders engage (or do not engage) in relationships with companies. Interestingly, the early work on stakeholder–company relationships by Morgan and Hunt (1994) hints at specific underlying mechanisms (the scholars address the importance of *shared values* between individuals and a company) that might drive stakeholders to stay in relationships with companies.

While the SCV researchers look at 'core' stakeholder groups and their impact on reputation development, they usually suggest treating a stakeholder group as a whole. However, it is crucial to note that stakeholders are different not only across groups but also within a group (Mishina *et al.*, 2012). A number of studies suggest looking at stakeholders' individual differences through a lens of their feelings of *identification* (or *disidentification*) with a company (Dukerich, 1998; Elsbach, 1999).

Organisational identification can help to unpack the underlying mechanisms why and how individual stakeholders might/might not affiliate with a company (Mael and Ashforth, 1992; Dutton *et al.*, 1994). This in turn may provide an insight into what contributes to individuals' perceptions of companies and how it may affect their behaviour in result of their reputational assessments (Bhattacharya *et al.*, 2009).

### 2.3 The role of organisational (dis)identification

Considering relationships between stakeholders and organisations, it is highly critical to explore the underlying psychological processes. It is agreed in the literature that individuals' underlying mechanisms can drive stakeholders to engage in or to terminate their relationships with companies (Bhattacharya *et al*., 2009; Money *et al*., 2012a,b). This is especially important when placing corporate reputation within stakeholder-company relationships.

A possible way of investigating these underlying mechanisms lies within organisational identification theory, in particular stakeholders' organisational identification and disidentification (Sen and Bhattacharya, 2001; Kreiner and

Ashforth, 2004; Ahearne *et al.*, 2005; Ashforth *et al.*, 2008; Bhattacharya *et al.*, 2009).

**2.3.1 The origin of organisational identification.** Stakeholders' perceptions of an organisation (corporate reputation) and their behaviour towards a company can be influenced by their levels of *organisational identification* (Ashforth and Mael, 1989; Mael and Ashforth, 1992; Dutton *et al.*, 1994; Albert *et al.*, 2000). Organisational identification is defined as 'a self-perception based on (1) a sense of active connection between one's identity and the identity of an organisation, and (2) a positive relational categorisation of oneself and the organisation' (Elsbach, 1999: p. 179).

The notion of organisational identification emerged from social psychology and the organisational behaviour literature (Turner, 1975; Tajfel, 1978, 2010; Tajfel and Turner, 1986, 2004; Mael and Ashforth, 1992; Dukerich *et al.*, 1998). Organisational identification is considered a key psychological state, which can help to explain the underlying connection between an individual and a company and, in some cases, even predict the individual's attitude, intentions, and behaviour towards the company (Edwards, 2005).

A plethora of scholars view organisational identification as a cognitive construct, which is based on the 'perception of oneness with or belongingness to' an organisation (Ashforth and Mael, 1989) or sharing 'the same attributes' as the company (Dutton *et al.*, 1994). On the contrary, building upon Kelman (1961), O'Reilly and Chatman (1986) argue that organisational identification has an affective-motivational, rather than cognitive, essence. The scholars believe that organisational identification 'occurs when an individual accepts influence to establish or maintain a satisfying relationship' with a company (O'Reilly and Chatman, 1986: p. 493).

Despite the ongoing debate on the nature of organisational identification, scholars typically include both cognitive and affective components of identification into their contemporary research (Haslam, 2004). In essence, the cognitive facet of the identification process includes individuals' knowledge of an organisation, and affective facet derives from the emotional significance that an individual might assign to the relationship he/she has with the organisation (Tajfel, 1986). Thus, organisational identification reflects '(1) feelings of solidarity with the organisation; (2) support for the organisation; and (3) perception of shared characteristics with other organisational members' (Patchen, 1970: p. 155).

It is suggested that stakeholders' reactions and perceptions depend on the congruence between their own character and companies' identity (Elsbach, 1999). Support for this idea derives from a large body of research on the relationships between organisations and *internal* stakeholders (Ashforth and Mael, 1989; Mael and Ashforth, 1992; Bergami and Bagozzi, 2000). Sen and Bhattacharya (2001) expand this idea, suggesting that *external* stakeholders can develop relationships with a company and, in turn, identify with the company by integrating their own identities with the positive traits and features of the perceived company.

**In summary, this section introduced organisational identification into this study. The concept originates from the social psychology literature, and it reflects stakeholders' perceptions of unity with a company. The notion of organisational identification is critical to this study, since it can help to unpack underlying mechanisms of how people relate to a company, and in turn how they perceive its corporate reputation. Further investigation on the role of organisational identification within stakeholder–company relationships is required.**

**2.3.2 The role of organisational identification within stakeholder–company relationships.** O'Reilly and Chatman (1986: p. 493) claim that organisational identification 'occurs when an individual accepts influence to establish or maintain a satisfying relationship; that is, an individual may feel proud to be a part of a group, respecting its values and accomplishments without adopting them as his or her own'. Bringing together the reciprocity of relationship (Freeman, 1984; Money *et al.*, 2012b) and organisational identification (Mael and Ashforth, 1992; Elsbach, 1999; Ashforth *et al.*, 2008), it can be argued that organisational identification is a psychological stance that can facilitate stakeholders' perceptions of a company and their behaviour towards it (Scott and Lane, 2000; Ahearne *et al.*, 2005). In line with that, Brown *et al.* (2006) and Einwiller *et al.* (2006b) believe that organisational identification is a 'primary representation' of stakeholder–company relationships.

Therefore, levels of organisational identification can determine the nature – the '*quality*' – of relationships between a company and its stakeholders (Bhattacharya *et al.*, 2009) and can help to better predict changes in individuals' behaviour towards the company. As such, organisational identification plays a vital role in reputation-building, since organisational identification can help to explain why stakeholders' perceptions of companies result in certain behaviour.

Recent empirical studies on organisational identification suggest a number of important implications for individual stakeholders and companies. For individuals, for example, organisational identification might lead to increases in self-esteem and perceived status. The literature provides empirical evidence that stakeholders' identification with a company leads to increases in job satisfaction and motivation among employees (Ashforth and Mael, 1989; Meyer *et al.*, 1989; Alpander, 1990; Dutton *et al.*, 1994). In terms of organisational benefits, organisational identification is found to have a positive impact on stakeholders' loyalty (Adler and Adler, 1988), lower staff turnover (Bergami and Bagozzi, 2000), membership-related support (Bhattacharya *et al.*, 1995), commitment (Bergami and Bagozzi, 2000), actual behaviour (Mael and Ashforth, 1992; Bhattacharya and Elsbach, 2002), word-of-mouth (Hong and Yang, 2009), purchase intention (Bhattacharya and Sen, 2003), and recommendations (Ahearne *et al.*, 2005).

Interestingly, some scholars notice that, for the most part, corporate reputation and organisational identification research has investigated positive company–stakeholder relationships (Elsbach and Bhattacharya, 2001; Bhattacharya and

Elsbach, 2002; Kreiner and Ashforth, 2004). However, it is not yet clear 'how individuals define themselves in relation to organisations that embody values or ideals that conflict with those of their own social identities' (Elsbach, 1999: pp. 171–172). Thus, it is important to discuss *negative* relationships between stakeholders and companies and how they impact their 'oneness' with a company, perceptions of corporate reputation, and behavioural responses towards the company.

**In summary, the section discussed the role of organisational identification within stakeholder–company relationships as well as how corporate reputation might affect stakeholders' levels of organisational identification, and possible outcomes of organisational identification within these relationships.**

**2.3.3 Organisational disidentification and negative stakeholder–company relationships.** A large number of studies on organisational identification focus on positive relationships between stakeholders and companies (Ashforth and Mael, 1989; Mael and Ashforth, 1992; Dutton *et al.*, 1994; Stuart, 2002; Dacin and Brown, 2006), where organisational identification (a positive overlap between an individual's identity and that of the company) plays a crucial role. However, some organisational theorists and practitioners move their research beyond this general understanding of organisational identification. Researchers have realised that there are much wider and more complex forms of how individuals attach to organisations (Dukerich *et al.*, 1998; Elsbach, 1999; Pratt, 2000; Ashforth *et al.*, 2008), and tried to answer the following questions: how might a person see him/herself as being completely or partially different from or in conflict with the organisation; what effect would this have on the person as well as on the organisation (Kreiner and Ashforth, 2004: p. 2)?

In support of this, anecdotal evidence suggests that when individuals feel different from a focal company they would try to separate themselves from it. For example, after the Exxon Valdez oil spill in Alaska in 1989, to demonstrate their negative feelings and attitude towards the catastrophe and Exxon's actions, American citizens cut their Exxon credit cards, sent them back to Exxon, and stopped using Exxon's banking services (Lafferty and Goldsmith, 1999). The corporate reputation of Exxon as an oil company as well as a banking service provider was considerably damaged. Individuals who did not want to be even mistakenly 'labelled' as an Exxon identifier (by simply showing a particular credit card), started the process of separation from Exxon's customers by terminating their relationships with the company.

Dukerich *et al.* (1998) and Elsbach (1999) refer to such individuals, who maintain a separation from an organisation, as '*disidentifiers*'. The process of separation from a company is generally referred as *organisational disidentification*. Organisational disidentification is understood as 'self-perception based on (1) a sense of active separation between one's identity and the identity of an organisation, and (2) a negative relational categorisation of oneself and the organisation' (Elsbach and Bhattacharya, 2001: p. 397).

At this point, it is crucial to recognise organisational disidentification as *not* the opposite of organisational identification process. Following Elsbach (1999), the difference between identification and disidentification lies within underlying mechanisms of how individuals perceive organisations. In essence, she argues:

> *Organisational identification appears to be predicted by the perception that at least partial connection to positively viewed dimensions of a complex organisational identity is enhancing to a person's social identity. Organisational disidentification is predicted by the perception that clear disconnection from simple, stereotypically negative organisational identities is enhancing to a person's social identity (Elsbach, 1999: p. 180).*

Following that, organisational disidentification is considered a unique psychological state that exists alongside organisational identification (Kreiner and Ashforth, 2004).

Interestingly, scholars also note that individuals find it often easier to define themselves by *what* they *are not*, rather by *what* they *are* (Elsbach and Bhattacharya, 2001). For instance, a non-smoker would most likely disidentify with a tobacco company because his/her self-defining values as a non-smoker would contradict organisational values of the tobacco company. This particular example is based on the campaign by the California Anti-Tobacco Coalition against one of the largest tobacco producers, Phillip Morris. Billboards with the famous 'Marlboro Man' were depicted with the subtitle 'Bob, I've got emphysema!' (Bhattacharya and Elsbach, 2002).

Following the example above, organisational disidentification might be explained at least partially by a sense of active separation of individuals from organisations (Elsbach, 1999: p. 174). Identification processes include connecting characteristics of one's identity and that of the object (an organisation), while disidentification contains disconnecting aspects. The process of separation from companies might occur in stable organisations as well as in those that experience a crisis. Moreover, individuals might disidentify with a company at different levels. As such, the example about Phillip Morris shows disidentification at the global level. At the same time, individuals might disidentify with specific aspects of the company (e.g. an employee might feel disidentified with the company's work environment).

Elsbach (1999: p. 172) concludes that 'it is not organisations that are obviously in conflict with one's identity that are most likely to produce disidentification, but those that are distinct in important ways and confusingly similar in other ways'. Despite the fact that companies might aim at decreasing disidentification (and increasing identification) in order to develop good stakeholder relationships (Ashforth and Mael, 1989; Albert *et al.*, 2000; Ashforth *et al.*, 2008), 'the paths to that goal and the phenomenology of the experience differ appreciably' (Kreiner and Ashforth, 2004: p. 3).

Although the importance of organisational disidentification seems convincing, there are still very few studies that explain and explore organisational disidentification, specifically its role in stakeholder–company relationships as well as in reputational development. Organisational disidentification is found to have a negative impact on supportive stakeholders' behaviour towards a company (Bhattacharya and Elsbach, 2002), and it has a positive impact on intention to leave the company (Lai *et al.*, 2013). Bhattacharya and Elsbach (2002) argue that if a company's reputation is perceived as negative this would inevitably lead to an increase in organisational disidentification. However, comprehensive support of the impact of corporate reputation on organisational disidentification, which, in turn, may trigger changes in stakeholders' supportive behaviour is sorely lacking in the literature (this is addressed in more detail in Chapter 4).

Overall, this section has reviewed the role and importance of organisational (dis)identification. The discussed theoretical and practical considerations provide a solid grounding for establishing the critical value of both identification and disidentification, especially when exploring how perceptions of corporate reputation impact behavioural outcomes.

**In summary, the section discussed the role of organisational disidentification within stakeholder–company relationships. Despite the value and role of stakeholders' disidentification with a company, there is little support for how corporate reputation might affect organisational disidentification as well as how disidentification might influence stakeholders' behaviour towards the company.**

## 2.4 Stakeholders' behavioural responses

This section is aimed at exploring behaviour of stakeholders as an outcome of perceptions of corporate reputation and organisational (dis)identification. The literature review on corporate reputation and organisational (dis)identification suggests and supports that stakeholders' perceptions and organisational (dis)identification are based on what a company does, how it behaves and treats their stakeholders. (Fombrun, 1996; Grunig and Huang, 2000; Kreiner and Ashforth, 2004; Ahearne *et al.*, 2005). Building upon stakeholder theory

(Freeman, 1984, 2010), stakeholders, likewise, may affect organisations through their various behavioural responses. These stakeholders' responses typically include supportive intentions and behaviour towards the company (Hillenbrand, 2007; West, 2013; Money *et al.*, 2012a,b). This is also in line with the reciprocity principle of stakeholder-company relationships (Greenwood, 2007), which Money et al., (2012b: p. 8) describes as follows: 'the firm offering something of value to stakeholders and stakeholders offering something of value back to the organisation'.

For example, a world-famous retailer, H&M, has been involved in a programme to provide support for women's rights in the world's poorest counties. The company's donation of $9.2 million was aimed at empowering women in the poorest communities (Foundation Centre, 2014). In response to their philanthropic activities, H&M was ranked as one of the most ethical companies (WME, 2016).

A possible way of understanding how and why perceptions of corporate reputation and stakeholders' organisational (dis)identification impact their behavioural responses lies within the theory of reasoned action (Fishbein and Ajzen, 1975, 2011). Following this theory, it can be argued that people's attitudes towards a company typically reflect their perceptions of corporate reputation and individuals' feelings of (dis)identification with the company (Hall, 1992; Fombrun *et al.*, 2000; Ashforth and Mael, 1989). These attitudes can, in turn, enable individuals' *intended* and *actual behaviour* towards the company.

The SCV literature suggests that stakeholders' behavioural responses may have a form of, for example, behavioural intentions to sustain or terminate existing relationships (Morgan and Hunt, 1994; Waddock and Smith, 2000; Waddock, 2001; Post *et al.*, 2002; Money *et al.*, 2011; Money *et al.*, 2012b). These intentions are ultimately based on stakeholders' judgements and perceptions (of corporate reputation) and their feelings of organisational (dis)identification (Ashforth and Mael, 1989; Dutton *et al.*, 1994; Albert *et al.*, 2000; Caruana *et al.*, 2006). Moreover, stakeholders' behaviour towards organisations are increasingly essential, since they are ultimately the driving force behind corporate-level outcomes, such as financial performance and leadership.

Furthermore, some scholars note that perceptions of corporate reputation do not only directly affect stakeholders' behavioural responses. Rather, Mael and Ashforth (1992) along with Ahearne *et al.* (2005) and Hong and Yang (2009) believe that the impact of perceptions of corporate reputation on stakeholders' behavioural responses can also be mediated by stakeholders' identification with the company. The idea of organisational identification as a critical mediator will be discussed further in Chapter 4.

The impact of stakeholders' perceptions of corporate reputation on their behavioural responses towards companies is fairly well developed (Fombrun *et al.*, 2000; Walsh *et al.*, 2006; Hong and Yang, 2009; Walsh *et al.*, 2009; Ponzi *et al*., 2010; Money *et al.*, 2012b). However, there is some discrepancy in the literature and lack of empirical evidence of how both organisational identification and disidentification affect stakeholders' responses.

For instance, Bhattacharya and Elsbach (2002) offer a theoretical justification of effects of organisational disidentification on stakeholders' behaviour, arguing that disidentification leads to distinct patterns of *un*supportive behaviour on part of stakeholders. However, their empirical evidence did not support this notion, and scholars found that disidentification might lead only to discourse (e.g. talking negatively about the company) rather than proactive behaviour (e.g. boycotting, protesting, etc.). Hence, further investigation is highly critical to understanding how perceptions of corporate reputation and organisational (dis)identification may affect stakeholders' behaviour within stakeholder–company relationships.

Still, the extant literature outlines various ways of exploring stakeholders' responses. Some SCV scholars investigate stakeholders' commitment and loyalty towards organisations (Helm, 2007b; Caruana and Ewing, 2010). Others focus on how positive and/or negative reputation affects purchase intentions among customers (Sen and Bhattacharya, 2001; Carroll, 2009; Hong and Yang, 2009). Behavioural intentions as an outcome have been at focus of scholars in various studies (Hillenbrand, 2007; West, 2011), while the investigation of actual behaviour is applied fairly seldom in the extent literature (Mael and Ashforth, 1992; Bartels and Hoogendam, 2011).

This can be partially explained by certain methodological difficulties. For example, it can be highly challenging to measure actual behaviour (due to high costs and time of data collection); thus, a large number of researchers stop at measuring intended behaviour as a main predictor of actual behaviour (Ajzen and Fishbein, 2011).

**Following reciprocity of stakeholder–company relationship, it has been discussed that perceptions of corporate reputation and organisational (dis)identification ultimately lead to certain behavioural responses from stakeholders towards a company. Building upon the theory of reasoned action, it is suggested that stakeholders' perceptions and attitudes lead to specific intended and actual behaviour from stakeholders towards the company. However, further investigation and empirical evidence on stakeholders' behavioural responses is required.**

## 2.5 Presenting a reputation/(dis)identification framework

Bringing together corporate reputation, organisational (dis)identification, and stakeholders' behaviour, this section will present a framework to better understand how perceptions of corporate reputation organisational (dis)identification, and stakeholders' behaviour develop in stakeholder–company relationships.

Figure 2-1 shows how perceptions of corporate reputation affect organisational (dis)identification, which, in turn, impact stakeholders' behaviour.

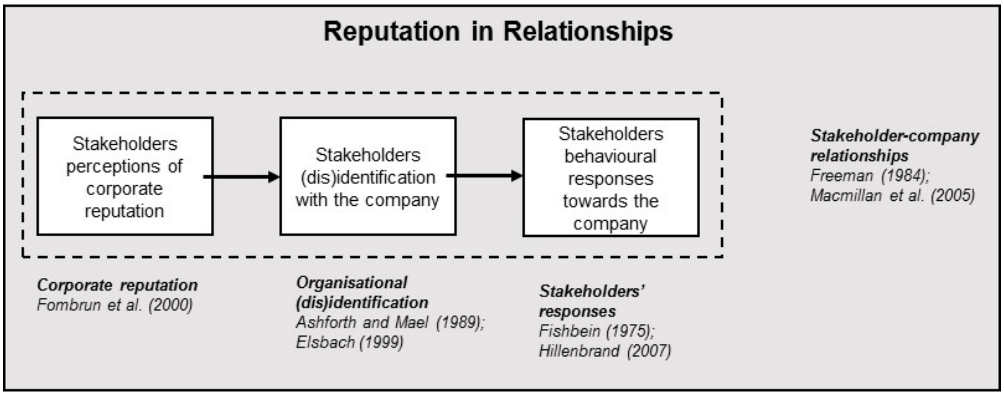


**Figure 2-1. Corporate reputation within stakeholder–company relationships**

Following the figure above, Table 2-2 provides a summary of the theories and models (presented in a chronological order) that are brought together in order to develop a conceptual framework.

**Table 2-2. Frameworks for understanding perceptions of corporate reputation within stakeholder-company relationships**

| Framework | Perceptions of corporate reputation | Organisational (dis)identification | Stakeholder behaviour |
|---|---|---|---|
| **Theory of reasoned action** *Fishbein and Ajzen (1975; 2011)* | Beliefs about an object (i.e. company) | | Feelings towards an object (i.e. company) and intended and actual behaviour towards an object (i.e. company) |
| **Stakeholder theory** *Freeman (1984; 2010)* | How a company affects stakeholders | | How stakeholders affect a company |
| **Organisational identification** *Mael and Ashforth (1989; 1992)* | | Sense of active connection with the company | Feeling of a positive overlap/relationship with the company and intended supportive behaviour towards the company |
| **The expanded model of organisational identification** *Elsbach (1999)* | | Sense of active separation from the company | Feeling of a separation (negative relationships) from the company and intended behaviour towards the company |
| **Reputation quotient** *Fombrun et al. (2000)* | Emotional appeal, products and services, vision and leadership, workplace environment, social and environmental responsibility, financial performance | | Intended supportive behaviour towards a business |
| **Reputation in relationships** *Macmillan et al. (2005)* | Stakeholder perceptions and experiences of business behaviour | | Stakeholder commitment and trust & supportive intended behaviour towards a business |
| **Behavioural schema for relationship development** *Hillenbrand (2007)* | Stakeholders beliefs about a company | | Attitude towards a company & intended behavioural support |

Due to the complexity of the phenomenon and its perceptual and behavioural nature, reputational frameworks and measurement tools vary extensively in the literature. Some models explore corporate specific elements of reputation (Fombrun *et al.*, 2000; Ponzi *et al.*, 2011; Fombrun *et al.*, 2015); others investigate how reputations develop across different stakeholder groups (Davies *et al.*, 2001; Helm, 2007a; Walsh *et al.*, 2009; Helm, 2011c; Walsh *et al.*, 2014). Still, a number of existing reputational models are often criticised for their inability to capture the nature of corporate reputation (Wartick, 2002).

Considering the nature of reputation and its dependence on relationships with stakeholders, Fombrun *et al.* (2000), in collaboration with the market research firm Harris Interactive, developed the Reputation Quotient (RQ), a multi-stakeholder reputation framework. The RQ is built on six reputational dimensions (emotional appeal, products and services, financial performance, vision and leadership, workplace environment, and social responsibility). More importantly, Fombrun *et al.* (2000) identify a second-order reputational factor: emotional and rational appeal, where the former reflects the emotional or affective nature of reputation and the latter addresses the cognitive facet of the phenomenon. Another important advantage of the RQ is its ability to direct the communication process between an organisation and its stakeholders. (This argument is particularly important for the development of the moderated model, which will be addressed in full in Chapters 3 and 4).

Despite the fact that the RQ captures such factors as emotional appeal, which is based on the perceptions and opinions of multi-stakeholder groups, it still demonstrates a set of weaknesses. Arguing that 'reputational attributes may not be operationally defined', Bromley (2002a: p. 38) claims that there is room for personal interpretation of surveys' stories by respondents, which could be different to the meaning imposed by the researchers. MacMillan *et al.* (2005) also argue that the application of the same reputational model to all groups of stakeholders can be problematic. This is because that stakeholder groups are considered to be different in their beliefs and perceptions within a single stakeholder group, which may lead to various behaviour among stakeholders.

Focusing on the individual differences of stakeholders rather than on stakeholder groups, Mael and Ashforth (1992) and later Elsbach and Bhattacharya (1998) and Elsbach (1999) explore the crucial role of organisational (positive) identification and disidentification, which ultimately drive stakeholder–company relationships. As such, organisational (dis)identification is suggested to help to explain how and why good/bad perceptions of corporate reputation develop. A number of studies focus on how organisational identification (positive or disidentification) might affect stakeholders' behavioural responses within stakeholder–company relationships, for example their supportive behaviour towards a company (Bell and Menguc, 2002), advocacy (Bhattacharya and Sen, 2003), turnover intentions (Lai *et al.*, 2013), and supportive behaviour (Elsbach and Bhattacharya, 2001).

**Previously developed models of corporate reputation are integrated into a theoretical framework with the essential reference to stakeholder–company relationships to take the present study forward. This was achieved by drawing a theoretical framework from the theory of reasoned action (Fishbein and Ajzen, 1975, 2011), stakeholder theory (Freeman, 1984, 2010), stakeholder–company relationships (Morgan and Hunt, 1994; MacMillan *et al.*, 2000; MacMillan *et al.*, 2005), perceptions of corporate reputation (Fombrun *et al.*, 2000), organisational (dis)identification (Ashforth and Mael, 1989; Elsbach, 1999), and stakeholders' behaviour towards a company ('behavioural schema') (Hillenbrand, 2007). The integration of the theories was based on the fact that all the reviewed reputational models are incomplete and instead complement each other in order to explain the development of reputation.**

When considered together, the application of this theories provides a solid grounding to explore corporate reputation within stakeholder–company relationships, to evaluate specific elements of corporate reputation, and, in turn, to assess stakeholders' behavioural outcomes. Table 2-2 above suggests that to some extent the provided models reflect the perceptual nature of corporate reputation as well as the role of stakeholders' behaviour towards companies when evaluating corporate reputation. The processes of organisational (dis)identification are critical in exploring stakeholder relationships. Elsbach and Bhattacharya (2001) along with Kreiner and Ashforth (2004) provide interesting insights into the understanding antecedents and consequences of organisational (dis)identification. Furthermore, bringing corporate reputation and organisational (dis)identification theories to the context of stakeholder–company relationships, stakeholders' responses are considered vital indicators of relationship outcomes (Ahearne *et al.*, 2005; Money *et al.*, 2012b). In essence, exploring stakeholders' behaviour seems critical to understanding corporate reputation.

**In summary, it is seen from the discussed models that there is no universal reputational framework that can help to explain corporate reputation from an individual stakeholder perspective. The combination of the existing models can serve as a basis for the development of a more *enhanced* theoretical framework of corporate reputation. Still, some of the suggested conceptualisations are recent and are not or are only partially tested empirically. This research will address the identified gaps in the theory and explore and develop the reputation/(dis)identification framework that can help to explain individual differences in corporate reputation perceptions as well as stakeholders' responses (behavioural outcomes). The applied models and theories will be discussed in more detail in Chapter 4.**

## 2.6 Conclusion

This chapter provided an overview of the current understanding of corporate reputation, organisational (dis)identification, and stakeholders' behavioural responses within stakeholder–company relationships. First, it examined several existing reputational definitions, which helped to offer a working definition for the present study. In addition, two perspectives on reputation have been discussed (CCV and SCV). Second, applying SCV perspective to the current research, it was also suggested that reputation exists in stakeholder–company relationships. Organisational (dis)identification was found to have a critical effect on the relationships. It is suggested that (dis)identification with a company can help to explain the underlying mechanisms of how and why stakeholders engage in these relationships. Finally, the chapter discussed the role of stakeholders' behavioural responses towards companies. The chapter concluded with a presentation of a conceptual framework.

Interestingly, the literature review showed that there is some inconsistency in stakeholders' behaviour when testing the frameworks empirically. As a result, researchers acknowledge that perceptions of companies are not stable and they may also be *externally* affected (Gotsi and Wilson, 2001), which can make it difficult to anticipate reliably stakeholders' responses towards organisation. Some scholars argue that information (i.e. *messages*) about a company might affect individuals' perceptions (Dowling, 2006; Van Riel and Fombrun, 2007). Interestingly, existing research on the effects of messages and their sources (i.e. *messengers*) on stakeholder perceptions hint at perplexing inconsistency in stakeholders' reactions when judging similar messages from different messengers. This thesis seeks to understand whether and how perceptions of corporate reputation, organisational (dis)identification and behavioural outcomes are intertwined with the notion of messages and messengers. The next chapter will address this issue and provide a review of the literature related to the impact of messages and messengers on perceptions of corporate reputation and its outcomes.

# CHAPTER 3. HOW MESSAGES AND MESSENGERS INTERACT TO MODERATE THE LINKS BETWEEN PERCEPTIONS OF CORPORATE REPUTATION, ORGANISATIONAL (DIS)IDENTIFICATION, AND ITS BEHAVIOURAL OUTCOMES

**This chapter outlines the literature related to messages and messengers, and their interaction effects on people's perceptions and behaviour. This chapter starts in Section 3.1 with an introduction and overview of the chapter. Section 3.2 elaborates on the definition and the role of a message and its framing in anticipating people's behaviour. Next, a review of the literature related to the message concept as well as message framing is outlined in order to provide possible ways for exploring the message effects. Section 3.3 reviews the business and psychology literature to identify the notion and role of a messenger in how people perceive the message and act upon it. Next, Section 3.4 explains how a message and messenger may interact. Section 3.5 then outlines the gaps and opportunities to operationalise the message–messenger interaction effects on corporate reputation and stakeholders' responses, and Section 3.6 provides a summary of the chapter.**

## 3.1 Introduction

Bernstein (1984) argues everything a company does sends a specific '*message*' to stakeholders. This study considers reputation as individuals' perceptions and assessment of what a company does, which may be affected by the number of messages and their content people are exposed to (Smidts *et al.*, 2001). In this thesis, the term 'message' is chosen to describe a content of a piece of information, which can be framed in a certain way (this is outlined in full in Section 3.2).

Many studies support the argument that stakeholders perceive messages differently due to individual and socio-cognitive differences (Basil, 1996; Mishina *et al.*, 2012). However, it is still not clear in the literature why the same input (i.e. the same message about an organisation) frequently leads to various consequences (i.e. different behavioural responses from stakeholders).

The process of sharing information between organisations and stakeholders seems to be more complicated in cases, when stakeholders receive messages not only directly from a company but also from a wide range of '*messengers*', which all exist in a complex information environment. In this thesis, the term 'messenger' is chosen to describe an entity that communicates a message directly to the audience (this is outlines in full in Section 3.3).

This chapter focuses on the understanding how and why messages may affect the way observers and participants perceive companies. Next, the role of the interplay between messages and messengers in shaping organisational reputation is reviewed, and why individuals sometimes behave differently after receiving similar messages is outlined. Finally, key contribution to the literature is outlined via addressing the role and effects of interactions between messages and (dis)identification with messengers on perceptions and behavioural outcomes of reputation.

### 3.2 Understanding the role of the message

Ashcraft *et al.* (2009) believe that sharing and exchanging messages are considered crucial – *'key realities'* – in stakeholder–company relationships. The corporate reputation literature provides a range of different approaches to understanding messages and their effects (Maheswaran and Meyers-Levy, 1990; Meyers-Levy and Maheswaran, 2004; Ruth and York, 2004) and to communicating a message (Dowling, 2006; Van Riel and Fombrun, 2007).

However, a definition of a message is sorely lacking. Some scholars understand a message to be a description of organisational reality, as the essence of the organisation, which is communicated to stakeholders (Dowling, 2006; Ashcraft *et al.*, 2009). Varey (2013) describes a message as a combination of various organisational attributes (i.e. organisational behaviour, corporate symbols, brand, products quality, innovativeness, etc.) that define an organisation and are compressed in a verbal or text form.

These two examples of message definitions provided above show that scholars rely heavily on a corporate view of messages. However, such a dependence on a company's elements in exploring messages reflects the nature of *corporate* messages (messages that are communicated by the company), disregarding non-corporate messages. Non-corporate messages might be based not on solely corporate elements but rather on more 'personal' elements (e.g. customers' experience with a company).

Schramm (1973) defines a message as 'whatever content will help people structure or organize some aspects of their environment that are relevant to a situation in which they must act' (Schramm, 1973: p. 38). This definition has a number of implications for the present research. First, it emphasises that a message can serve as a tool to interpret the environment (e.g. a company). In other words, messages can help people to form perceptions of a company and, in turn, its reputation. Second, it outlines that messages that are specifically relevant might have an impact on people. Finally, the definition implies the role of actions in response to the messages. This is particularly important when considering the role and effects of messages on stakeholders' behaviour within stakeholder–company relationships.

Following the discussion on the current definitions of a messages, a working definition of a message is now offered to the reader. This study defines a ***message as a particular content framed in a certain way, which may help to form a perception of what a company does*** (Schramm, 1973; Dowling, 2006; Ashcraft *et al.*, 2009; Varey, 2013).

The impact of messages on people's perceptions and behaviour has been largely explored in business disciplines, particularly in marketing (i.e. advertising) and corporate communication, and less in corporate reputation. Therefore, it is essential to review the extant studies to understand the current theoretical and empirical stance of the message. The next section will briefly review studies in the fields of marketing and communication with a particular aim to understand the use of the term 'message'.

**In summary, this section provided a working definition of a message. This will help to move forward the discussion on how a message may affect people's perceptions and behaviour.**

**3.2.1 Different perspectives on the message.** Theoretical and empirical evidence of message effects are sorely lacking in the reputation literature. Hence, it seems critical to review the studies in the related fields (of marketing and communication) in order to build a foundation for the present study.

In marketing, information (i.e. message) is considered to be a 'product of communication' between a company and its stakeholders (e.g. its customers) (Duncan and Moriarty, 1998), which plays an important role in information processing and sharing across different stakeholder groups. In essence, marketing research is closely linked to social and consumer psychology as well as marketing communication (Childers and Viswanathan, 2000; Jones *et al.*, 2003; Kwon *et al.*, 2015).

Typically, marketers are interested in how messages are processed by individuals, specifically exploring individuals' cognitive processes. For example, Penrice (1995) investigates how different messages affect purchase behaviour. Viswanathan and Childers (1996) and Childers and Viswanathan (2000) explore how a message structure (numeric versus verbal) affects representations about products in consumer memory. Van't Riet *et al.* (2016) focus on how messages, which are formed as marketing claims, affect consumers' acceptance of products.

The studies of message effects within the marketing field are also widely applied in advertising, where researchers explore stakeholders' perceptions of adverts and how they affect and result in individuals' behaviour (MacKenzie and Lutz, 1989). As such, some researchers are interested in how message extremity claims may affect adverts effectiveness (Goldberg and Hartwick, 1990).

**The marketing approach to investigating messages and their effects is mainly focused on how individuals perceive information related to products and services. The marketing approach is useful when exploring how messages affect people's perceptions and behaviour. However, this approach does not provide enough evidence on how messages might affect perceptions of corporate reputation. In addition, it is not yet clear why and how people might relate to messages. Hence, further investigation is required.**

Within the field of corporate communication, scholars investigate how corporate messages (i.e. corporate 'stories') can help to sustain and to develop business (Dowling, 2006; Van Riel and Fombrun, 2007). For example, Gardner (2006) provides empirical evidence that different corporate 'stories' are able to increase persuasiveness among stakeholders. Denning (2004) focuses on storytelling and explains why and how information affects stakeholders' emotions, trust, and confidence in companies. Some scholars focus more on internal communication. For example, Bartels *et al.* (2010) explore and explain whether and how messages about corporate strategy and company goals enhance organisational identification.

Some corporate communication studies explore effects corporate messages on corporate reputation, following CCV approach. For example, Dowling (2006: p. 91) claims that 'corporate stories' are vital to establish and enhance corporate reputation, and their main purpose is 'to inform and create interest in a company'. Similar to Dowling's research, van Riel and Fombrun (2007) offer a framework that focuses on how companies should communicate corporate messages to stakeholders in order to enhance corporate reputation.

The researchers argue that a key to successfully launched corporate messages and, hence, reputation lies within organisational dimensions, such as mission, vision, and organisational behaviour. Finally, Geppert and Lawrence (2008) conclude that messages can be applied as a proxy to understanding corporate reputation.

In order to form a perception of a company, ‘one might wish to know its performance across different dimensions, e.g. social, economic or environmental as well as at different levels, e.g. corporate and interorganisational levels’ (Barnett and Lee, 2012: p. 5). In essence, stakeholders might need information (various messages) about what a company does in order to be able to form a perception of the company’s reputation.

**In summary, corporate communication literature provides a theoretical grounding for investigating *corporate* messages. The outlined studies focus on corporate communication and consider a message as a company’s property. Moreover, corporate communication literature proposes that corporate elements serve as an essential basis for *corporate* messages.**

Interestingly, Smythe *et al.* (1992) state that messages that might affect individual perceptions of companies are a product of *everybody* who represents the company. In line with this, Helm (2011b) refers to reputation as a social construct, which heavily relies on stakeholder’s perceptions of how *other* stakeholders view the company. Hence, corporate reputation can be affected by various messages (of a corporate and non-corporate origin) available to stakeholders (Christiansen and Vendelø, 2003). In line with this, scholars argue that third-party messages, for example from the news media, are found particularly influential (Carroll and McCombs, 2003; Kiousis *et al.*, 2007; Einwiller *et al.*, 2010).

The conducted literature review showed that marketing and communication studies provided a useful approach to understanding the term of ‘message’ in the organisational context. Provided that messages may affect how individuals perceive a company, it is essential to discuss *message framing*, which can make a message content influential. In relation to stakeholder–company relationships, message framing is considered important when the message purpose is to develop and shape stakeholders' opinions of companies (Mahon and Wartick, 2003). That is why it can be argued that message framing can play a critical role in how stakeholders perceive corporate reputation and act upon it.

**3.2.2 Message framing effects.** A number of studies have demonstrated that people's perceptions and behaviour are affected by the manner in which information is *framed* – *negative*, which considers a certain loss, and *positive*, which opens up potential gains (Maheswaran and Meyers-Levy, 1990; Meyers-Levy and Maheswaran, 2004; Ruth and York, 2004; Gerend and Cullen, 2008; Fransen *et al.*, 2010; Van't Riet *et al.*, 2016).

Framing effects have been widely researched by Kahneman and Tversky (1979, 2000) in their prospect theory. The scholars focus on how messages framed in specific ways can affect people's choices. As such, the prospect theory explains how individuals' decision-making is affected by messages, which are framed in *gain* versus *loss* terms. For example, Kahneman and Tversky (1979) find that people tend to make a risky decision when a problem (a message) is negatively framed (in terms of a potential loss of a specific decision). Conversely, people tend to avoid risk when they receive a positive message (framed as a gain).

Building upon the prospect theory, it is argued that negatively framed messages tend to affect individuals more than positive messages, specifically in regards to health, life, or death matters (Fiske, 1980). On the other side, there are studies that are consistent with the opposing view on message framing, arguing that individuals find positively framed messages more persuasive in cases when the information highlights the benefits of engaging in (positive) behaviour (Levin and Gaeth, 1988; Gerend and Cullen, 2008). It is argued that positive and negative messages affect individuals differently according to their sociocognitive characteristics. Despite the ongoing debates among scholars on the effectiveness of message framing, it has been agreed that both framings may lead to significant changes in individuals' behaviour:

> *The reader may be tempted to say – 'So What?' …the answer is that the framing alters the order of opinions and can have subsequent impact on positions, advocacy, and actions (Mahon and Wartick, 2003: pp. 30–31).*

The review of message framing studies show that scholars recognise at least two types of message framing: *positive* versus *negative*. To illustrate that, an example of the debate over the nuclear power in the US will serve the purpose. Supporters of the nuclear power sent a message, arguing that that type of energy would ensure the county's independence from foreign oil-based sources and provide long-term power. On the other hand, opponents also sent a message that the nuclear power was an extremely dangerous source, which could increase potential risks for people as well as the environment. As a result, a message on safety 'remained as a critical framing issue … for nuclear power in the USA to this day' (Mahon and Wartick, 2003: p. 30).

Following Block and Keller (1995), although the preceding studies call for future research to investigate the extent to which negatively and positively framed messages affect individuals' behaviour (Meyerowitz and Chaiken, 1987), it is still less applied to reputational studies.

**In summary, this section outlined two main message framing approaches and their possible effects that have been explored in the extant literature. Although there is evidence that message framing has an impact on people's behaviour, there is still a debate on the effectiveness and appropriateness of either framing. In addition, the literature sorely lacks evidence on message framing effects within real-life contexts (e.g. a number of studies were conducted in laboratory settings (Kahneman and Tversky, 1979).**

**3.2.3 Message and corporate reputation – unintended outcomes.** It is often assumed that the message is one of the most important entities in building reputations (Dowling, 2006), that individuals will receive and act upon the same message in the same way and that their reactions towards companies can be easily predicted (Money *et al.*, 2012a). Likewise, the literature suggests that if a message 'resonates with the values, intuition, and self-interest of key stakeholders, they will reaffirm and update their beliefs' (Dowling, 2006: p. 86). However, this is not always the case, and a message often does not achieve its intended effects.

To illustrate that, Money *et al.* (2014) offer an example of the law on the mandatory use of helmets for cyclists in the state of Victoria, Australia, in 1990. The authorities were concerned about the health and safety of cyclists, specifically the young. Hence, Australian authorities communicated a message on mandatory helmets to all cyclists. Appealing to the importance of the helmet law to the young population, the Victoria state chose to target the *parents* of *primary* school-aged children (Cameron *et al.*, 1994).

As an initial outcome, the number of head injuries in the state reduced. However, the results also showed that there was an unexpected reduction of young cyclists (predominantly from of the *secondary* school age group), who found wearing helmets unfashionable (Cameron *et al.*, 1994). A further investigation carried by De Jong (2012) demonstrated that the use of a helmet could decrease a chance of head injury by about 67 per cent, whereas the decrease in exercise among young people, who gave up cycling owing to the helmet law, was found counterproductive in relation to the overall national health rate.

This example discloses a number of important implications. First, it demonstrates how the same message could lead to unintended consequences on part of stakeholders. Second, the message was targeted at one specific stakeholder group (*parents* of *primary* school-aged children). However, this led to completely unexpected outcomes from another stakeholder group (the *secondary* school age group), who refused to wear helmets. This ultimately led to a drop in the overall nation health rate. Third, such vast responses from individuals suggest that there may be other factors that affected people's behaviour (i.e. the source of the message).

Interestingly, Druckman (2001) offers a study on framing effects, where he claims that message framing is significant in influencing and shaping people's opinions. What is more important, he hints at the perplexing nature of message framing effects and suggests that message effects might be amplified or weakened by the *source* of the message. To date, it is not yet clear why there are unanticipated behavioural consequences from negative/positive messages about companies, when exploring corporate reputation.

Considering stakeholder–company relationships, the SCV literature argues that corporate reputation might 'result from various sources of information, such as the opinions of reference groups, word-of-mouth, publicity, external company-controlled information, and even internal communication' (Smidts *et al.*, 2001: p. 1052). Thus, it seems important to explore these underlying mechanisms, which may impact how a message is perceived based on '*who is telling a story*'.

**In summary, this section outlined potential difficulties when organisations try to anticipate reliably stakeholders' responses to the same message. As such, it is suggested that people do not react to the same message in a unified manner. A possible way to understand the underlying mechanisms of how and why people respond differently to the information might lie within people's attitudes towards the source of the information – the messenger.**

### 3.3 Understanding the role of the messenger

'A messenger always accompanies a message' (O'Rourke, 2013: p. 78). The concept of a *messenger* has been explored by a number of scholars (Basil, 1996; Fombrun, 1996; Callison and Zillmann, 2002; Dowling, 2006; Jin and

Phua, 2014). The existing definitions of messengers as an information source or communicator do not provide a comprehensive explanation of the term. This thesis defines **a messenger as an entity that communicates a message directly to the audience**. The entity can be in a lifeless form (e.g. Facebook page or a company's website) or a person (CEO or a scientist). For example, in their experiment Ruth and York (2004) employed three messengers in its lifeless form: Fortune, the Associated Press, and the Environmental Protection Agency. On the other hand, other scholars use a personal form of a messenger, such as a Harvard-trained lawyer, by Sternthal *et al.* (1978); Earvin 'Magic' Johnson, by Basil (1996); journalists, by Dowling (2004a); and a CEO, by Men (2012).

It has been observed by researchers such as Ruth and York (2004) and Maheswaran and Meyers-Levy (1990) that a messenger can increase levels of message persuasiveness among individuals, and, in turn, affect behavioural responses among stakeholders. Men (2012) suggests that the CEO as a messenger can contribute to the development of reputation via positive perceptions of a focal organisation as well as the CEO's reputation among internal stakeholders (i.e. employees). Similar results were found by Lafferty and Goldsmith (1999) in their study of how a messenger (i.e. its credibility) affects stakeholders' attitudes.

Despite the growing interest in the messenger's role in corporate reputation development within stakeholder–company relationships, the definition of the messenger (or the information source) is lacking in the literature. Instead, scholars simply define a messenger as a source of information and focus more on exploring specific attributes of messengers. As a result, one of most discussed attributes of the messenger is *credibility* (Lafferty and Goldsmith, 1999; Goldsmith *et al.*, 2000; Jones *et al.*, 2003; Kim and Choi, 2009; Hyojin *et al.*, 2010), which is considered to have an impact on attitude change (Petty and Cacioppo, 1986).

**3.3.1 From messenger credibility to specific underlying mechanisms.** Ohanian (1990: p. 41) defines messenger (source) credibility as 'a communicator's positive characteristics that affect the receiver's acceptance of a message'. This definition is originally built on the theory of reasoned action by Fishbein and Ajzen (1975, 2011), who claim that messenger credibility affects the probability of individuals accepting the message. Thus, it is argued that people are more likely to be affected by a message from a highly credible source rather than from a (low) poorly credible source (Craig and McCann, 1978; MacKenzie and Lutz, 1989; Goldberg and Hartwick, 1990). This in turn can lead to substantial changes in individuals' attitudes, intentions, and behaviour.

For example, Craig and McCann (1978) find that highly credible messengers can stimulate individuals to exhibit positive attitudes and behaviour towards an object discussed in the message. As such, in their comprehensive work, MacKenzie and Lutz (1989) support this argument in their investigation of advertiser's credibility effects on individuals' attitudes towards an advert. Later this argument received additional support from a corporate reputation perspective by Goldberg and Hartwick (1990) and Goldsmith *et al.* (2000), where they argue that corporate reputation can be driven by messenger's credibility. In essence, scholars believe that messages provided by highly credible messengers may enhance perceptions of corporate reputation, such that people find those messages more persuasive and informative. In addition, scholars consider messenger's credibility to be an important moderator, capable of enhancing the effects of different messages on people's perceptions, opinions, and behaviour (Miller and Krosnick, 2000; Druckman, 2001).

**In summary, the overview of the literature shows that scholars have been largely focused on credibility of messengers, looking at the messenger effects from a corporate communication perspective (Briñol *et al.*, 2009). A number of studies provide empirical evidence on how messenger credibility may affect people's feelings and behaviour.**

However, while on the whole it seems apparent that credibility of the messenger positively impacts how messages are being received, it is not yet clear from the extant literature why people react differently to the same message. Moreover, it has been observed that people tend to react differently to the same messenger (Money *et al.*, 2014). Hence, the question is: what are the underlying factors that can help to explain why and how people relate to a messenger?

To illustrate that, Jones *et al.* (2003) found that, when people receive a message from a credible source, credibility sometimes does not have any impact on how the message is perceived. Jones *et al.* (2003) explain that an *impression* the messenger may have on an individual can have a more significant impact on the message perception than the messenger's credibility does. This effect was earlier addressed by DeBono and Harnish (1988), who hint at the '*personal relevance'* of messengers.

The literature suggests that when individuals receive the same message from different messengers, people's beliefs and attitudes towards each messenger can 'ultimately influence the persuasive impact' of the message (Ruth and York, 2004: p. 19).It can then be suggested that, apart from messenger's credibility, there are other underlying mechanisms that can affect individuals' perceptions of messengers. As such, perceptions of messengers can depend on the recipients of the message and their views of the world.

For example, Cheong and Morrison (2008) found that consumers are more likely to rely on messages (e.g. about products) generated from fellow consumers than on the same information provided by corporate messengers. Following Basil (1996), individual stakeholders can process messages according to their own assessments of messengers. Hence, the underlying mechanism of these assessments lies within *individual* views of a messenger. Furthermore, Budd (1994) believes that, apart from messenger credibility, more importantly, people rely on their *feelings* towards the messenger.

Scholars agree that stakeholders are defined by different individual and sociocognitive characteristics (Ashforth and Mael, 1989; Mishina *et al.*, 2012).

Besides this, the extant research hints at the importance of a certain *similarity* between the messenger and the audience (Kwon *et al.*, 2015). The similarity can be described as a similarity in values and shared beliefs (DeBono and Harnish, 1988; Basil, 1996; Cheong and Morrison, 2008). This understanding of the similarity is widely applied in social psychology literature, where scholars (e.g. Kelman, 1961; Burke, 1969) use the term ‘identification’. Therefore, it can be suggested that a possible way of exploring the underlying determinants of how individuals perceive messengers may lie in studies related to social identification.

**In summary, this section outlined that the extant literature is mainly focused on credibility of messengers as main characteristic. However, this approach does not explain how and why the same messenger can have very different effects on individuals. A possible way of understanding these underlying factors lies within social identification research.**

**3.3.2 Exploring identification with a messenger.** Interestingly, emerging evidence suggests that individuals tend to react more to a messenger than to the message itself (Budd, 1994; O’Rourke, 2013). Some scholars believe that messengers ‘speak for a reason, and we [stakeholders] often judge their reasons for speaking before analysing what they have to say’ (O’Rourke, 2013: p. 78). However, Briñol *et al.* (2009) argue that the existing literature has not extensively focused on dimensions of messengers other than their credibility.

The idea of individuals’ identification with a messenger has been explored in marketing disciplines, where scholars focus on the likeability or attractiveness of celebrities as messengers in advertising (Petty *et al.*, 1983; DeBono and Harnish, 1988). Specifically, marketing studies focus on comparing and contrasting the effects of attractive and credible messengers in adverts.

For example, Petty *et al.* (1983) found that the physical attractiveness of a messenger is perceived by individuals as ‘a cogent product-relevant argument’

– a factor that helps adverts to be more convincing to the audience. Although both DeBono and Harnish (1988) and Petty *et al.* (1983) hint at the possible effects of individuals' identification with a messenger, the notion of identification with a messenger remains yet unexplored, particularly in the field of corporate reputation.

Identification (with a messenger) in simple terms reflects 'the general process whereby one person takes on the attributes of another' (Jones and Gerard, 1967: p. 714). In order to be able to integrate the concept of identification with a messenger into the proposed reputation framework, it is important to review previous approaches to conceptualisation of the phenomenon of identification and its application to the current organisational context.

Burke (1969) is one of the early theorists to focus on the role of the messenger in communication processes. He built his theory via studying drama and theatre, and he argues that the audience's identification with a character is key to effective communication. Burke finds that identification with a character occurs only when a member of the audience thinks/assumes that there are some shared interests between themselves and the character. This 'connection' can help to establish a 'special' bond between an individual and a character, as well as the actor who plays the character. Hence, when individuals perceive this bond, they are more likely to be affected by the performance.

Burke (1969: p. 46) says that an actor and the audience establish '*rapport*', which can induce the persuasiveness of the message. As such, Burke views identification as key to message persuasiveness. This rapport can also be influenced by the environment: plot (drama) attractiveness, scenario, or acting quality.

From Burke's dramatism approach, it can be concluded that communication of a message with the intent of persuasion and identification are two interconnected concepts. Although Burke investigated different forms of performance and drama, it is not yet clear how identification with the messenger can affect how individuals perceive a message, framed positively/negatively (Cheney, 1983; Basil, 1996). Furthermore, Burke's dramatism does not explain effects of identification with messengers in the organisational context, specifically the context of corporate reputation.

**In summary, Burke's drama theory provides an important insight to the understanding the value of a connection between an individual and a messenger – 'rapport' – and its role in how individuals may perceive messages that are communicated by the messenger. Identification with a messenger is found to be key in how the audience may perceive the message. However, further investigation is required in order to understand the process of identification with the messenger and any possible effects on subsequent behaviour.**

Further insight in understanding identification with messenger is offered by Kelman (1958, 1961) in his social influence theory. Kelman explores identification as one of the influencing elements among compliance and internalisation. His theory of identification is widely applied in communication and advertising studies (Basil, 1996).

Kelman (1961: p. 63) defines identification as a process 'when an individual adopts behaviour derived from another person or a group because this behaviour is associated with a satisfying self-defining relationship to this person or group'. Kelman believes that identification helps to maintain and support *relationships* between an individual and an object. Besides this, Kelman (1961: p. 68) argues that a key characteristic of the influencing object is its attractiveness, which refers to not only physical attractiveness but rather 'the possession of qualities on the part of the agent that make a continued relationship to him particularly desirable'.

Despite the fact that Kelman's theory of identification seems suitable to the concept of a messenger, it does not explain how and why identification takes place in the process of perceiving different messages, nor does it clarify whether there are any other factors that might induce individuals to identify with a messenger. Moreover, Kelman's theory does not provide an explanation of the role of identification with messengers in the context of corporate reputation and its behavioural outcomes.

**In summary, Kelman's theory suggests that individuals who feel identified with an object – a person or a group of people (here – messengers) might adapt their opinions to those that are expressed by the object, since they would attempt to be, as much as possible, like the object (Basil, 1996). Moreover, Kelman underpins the role of relationships between an individual and an object.**

Bandura (1977) offers social learning theory, which later becomes a basis for the social foundations of thought and action (Bandura, 1989, 1991). The theory suggests that identification with a person can influence individuals' behaviour. More specifically, Bandura argues that an individual is more likely to engage in a particular behaviour if s/he feels identified with the model who promotes this behaviour. This is particularly important when discussing the role of messages and messengers in stakeholder–company relationships. It can be suggested that if a person identifies with a messenger, the communicated message (its content) is more likely to affect stakeholders' behaviour. For example, an Amazon customer is more likely to purchase a product based on (positive) reviews of fellow customers posted on the website.

Interestingly, Bandura realises that individuals tend to identify with different objects (i.e. messengers) and adopt the proposed behaviour when the suggested behaviour fits with their perception of their selves. However, Bandura's approach does not explain effects of identification with messengers in a specific organisational context of reputational behavioural consequences.

**In summary, Bandura's ideas on identification can help to explain how an individual's behaviour may be affected or changed when the individual feels a connection with a messenger. As such, individuals who identify with a messenger are more likely to heed the message that is communicated by the messenger.**

The reviewed three approaches build up a foundation for understanding the underlying factors of how individuals may relate to different messengers. The following key observations can be drawn from the review of the literature:

- **Burke's theory suggests that there are important individual underlying mechanisms that impact how people perceive messages, based on 'who is telling a story' (a messenger).**
- **Kelman's theory helps to understand how the process of identification with a messenger can affect message perception as well as people's opinions.**
- **Bandura's theory may help to explain how identification with a messenger ultimately affects individuals' behaviour; this is particularly important for the proposed framework.**

The notion of identification with a messenger is considered a key element that can help to explain changes in individuals' attitudes and behaviour (Bandura, 1977). The discussed theories (Kelman, 1961; Burke, 1969; Bandura, 1977) and various follow-up studies (see Cheney, 1983; Petty *et al.*, 1983; DeBono and Harnish, 1988) on identification with a messenger are critical for message perceptions. This influence of the messenger is supported in the studies by Basil (1996), Brown and de Matviuk (2010), Brown (2009), and Brown *et al.* (2003).

For example, Jones and Gerard (1967: p. 436) outline 'when his [messenger's] values do not coincide with those of his audience, the force of his message is reduced'. They continue with a comprehensive example of a soap company approach:

> *The owner of a soap company tends to be less effective in selling a brand of detergent his company manufactures than someone who can assume the role of the typical housewife (Jones and Gerard, 1967: p. 436).*

This example illustrates a simple process of identification with the messenger. It seems evident that the majority of detergent consumers are housewives. Therefore, they are more likely to buy a product from 'someone like them'.

Research in this field tends to focus more on *positively* perceived or *favourable* objects, such as celebrities (e.g. Basil, 1996). Despite the theoretical foundation of the impact of identification with a messenger on message perceptions as well as people's behaviour, it is still underexplored in the management literature, and specifically in reputation management.

Furthermore, what has also been observed is that in some cases individuals may perceive messengers in a *negative* way. What is sorely lacking in the literature is the possibility that some individuals will define themselves by the separation from a messenger. A possible explanation of such an attitude towards negatively perceived messengers may lie in disidentification theory.

**3.3.3 Exploring disidentification with a messenger.** Disidentification is characterised as a lack of relationship between an individual and a messenger (Steele, 1992). Hence it can be suggested that individuals use the process of disidentification in order to demonstrate their separation or disagreement with a messenger.

The investigation of the effect of disidentification with messengers has been lacking in the literature. Therefore, there are a number of questions yet to be answered: How does disidentification with the messenger affect message perception? What are the underlying processes of disidentification with the messenger that may affect individuals' perceptions of a message as well as their attitudes, intentions, and behaviour?

In order to answer these questions, it is crucial to apply the theory on disidentification processes. The understanding of disidentification with a messenger is linked to research on race discrimination and education, where the processes of disidentification is considered important predictors of unfavourable (anti-social) behaviour among students (Finn, 1989; Steele, 1992; Osborne, 1997). Steele's (1992) definition of disidentification (of students from academic staff) is characterised mainly by the lack of relationship between the two parties. As a result, those students who feel disidentified with the staff may be at high risk of various academic problems, including poor learning progress and being expelled from the school (Osborne, 1997). Following this, disidentification is considered a major factor in explaining unsupportive behaviour (Finn, 1989; Osborne, 1997).

Related to the reputation management literature, Ruth and York (2004) hint at this discrepancy in how a messenger can be perceived; however, they do not explore the phenomenon of disidentification in more detail. Consequently, the consideration of disidentification in how individuals perceive a messenger seems important, because this process can help to explain why some messages are not perceived in an intended way by the audience.

The overview of messages, messengers, and (dis)identification with messengers supports the notion by O'Rourke (2013). He believes that 'a messenger always accompanies a message', and that the message and the messenger are two related entities that could have a substantial impact on individuals and their behaviour (O'Rourke, 2013: p, 79). This leads to a discussion on how a message and a messenger may *interact* in order to achieve intended outcomes.

**In summary, this section outlined the role of disidentification with a messenger. Following anecdotal evidence, it seems essential to explore what effect a message may have when an individual separates from or is in conflict with the messenger. Hence, it is crucial to understand how a message and a messenger (identification and disidentification with) interact with each other and in turn impact people's perceptions and behaviour.**

### 3.4 The interaction between messages and messengers

Messengers that provide information on what a firm does are considered to have a significant impact on shaping stakeholders' opinions about those companies. It is agreed that messengers may not have a particular direct influence but instead have an indirect interaction effect with the related message (Ruth and York, 2004). For example, Goldberg and Hartwick (1990) found that there is an interaction effect between a messenger (i.e. the messenger's credibility) and an advertising message on stakeholders' product evaluations.

There are at least three perspectives emerging from the literature on the interaction between a message and its messenger. The first perspective considers a messenger as an entity independent from the message (Hovland *et al.*, 1953; Chaiken, 1980; Chaiken and Maheswaran, 1994). The scholars who follow this view on the message–messenger interaction claim that a messenger can serve as a foundation for people to make a judgement about a message (Chaiken and Maheswaran, 1994). The second approach to the message–messenger interaction similarly considers a messenger as a separate element. However, scholars who pursue this approach explore different attributes of messengers, which may influence its interaction with a message – messengers' attractiveness, expertise, bias, etc. (Hovland and Weiss, 1951; Maddux and Rogers, 1980; McGinnies and Ward, 1980; Tormala *et al.*, 2007; Ziegler, 2010).

Finally, the third viewpoint on the message–messenger interaction is described by Birnbaum and Stegner (1979) and further developed by Kwon *et al.* (2015). The researchers argue that a messenger and a message are related to each other. In other words, the *interplay* between the message and the messenger is determined by the perceived characteristics of the messenger, which in turn can affect the way that individuals interpret the message and act upon it.

The latter approach to understanding the message–messenger interaction offers a promising grounding for understanding the message–messenger interaction in this thesis for a number of reasons. First, the applied approach does not limit the investigation of the message–messenger interaction only to focusing on the effects of specific messenger's characteristics. Second, the present study follows the SCV perspective, which suggests exploring individual differences in stakeholder perceptions. This study suggests looking at the interaction between the perceived characteristics of a messenger (individuals' (dis)identification with the messenger) and a related message.

To remind the reader, the message literature suggests that there are two dominating types of message framing – positive and negative – and both framings are applied in this study (see Section 3.2.2 for reference). Hence, bringing together the literature on message framing and (dis)identification messenger, the message–messenger interaction may be depictured as a 2×2 matrix.

Figure 3-1 below represents the proposed 2×2 matrix with four proposed message-messenger interactions.

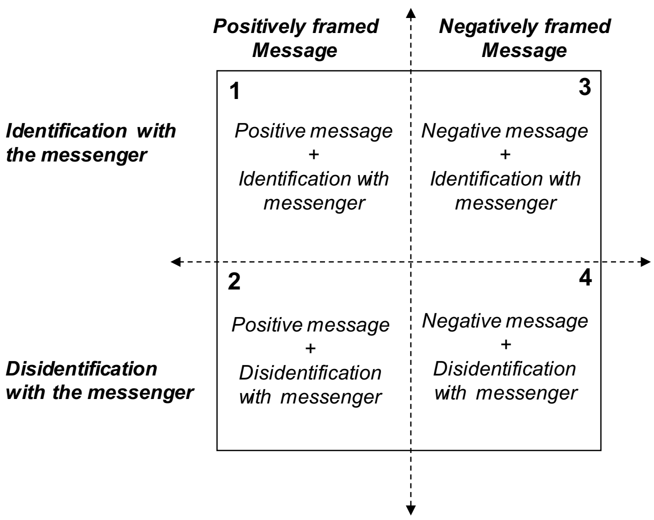


**Figure 3-1. The message–messenger interaction matrix**

### 3.5 Bridging the gap: the message–messenger interaction within the reputation/(dis)identification model

The message–messenger interaction as a new branch of the literature remains underdeveloped, and there is a strong need to better understand stakeholders' behavioural outcomes towards companies (MacMillan *et al.*, 2005; Money *et al.*, 2012a; Money *et al.*, 2012b). Although the literature suggests that positive perceptions of corporate reputation lead to supportive company-favouring outcomes, this is not always the case, especially when stakeholders receive different messages about a company. This gets even more complicated when the interaction between a message and its messenger is incorporated. Hence, stakeholders could be affected by a message based on their feelings towards a messenger (i.e. (dis)identification with a messenger), which will ultimately impact their perceptions of corporate reputation, organisational (dis)identification, and behaviour towards the company.

Interestingly, the discussed approaches to investigating the message–messenger interaction mainly focus on effects of the interaction. What is sorely lacking is the underlying reasons why some interactions are more influential than others. A possible answer might lie within the interaction itself. In the recent reputational research, scholars tend to agree that stakeholders will judge and act upon a message based on the perceived messenger's purpose of communication, his/her intent, or outcomes (Carroll, 2013b, 2013a; O'Rourke, 2013). Other researchers also hint at the 'match' between a messenger and a message (Bricker, 2006).

Thus, this study also suggests that the interactions between messages and messengers (i.e. individuals' feelings of (dis)identification towards messengers) may also possess a characteristic of *alignment* when exploring their effects on individuals' behaviour. Beside this, the investigation into the *effects* of the message–messenger interaction on stakeholders' perceptions of corporate reputation and behavioural outcomes may provide new insights into stakeholder–company relationships as well as how to systematically predict stakeholders' responses towards companies.

Building upon the results of the research by Rindova *et al.* (2005), Vidaver-Cohen (2007) suggests exploring the effect of messages (she refers to them as third-party judgements) as a moderating variable. As for the messenger, typically the credibility of a messenger is also viewed as a moderating entity (Bergin, 1962; Aronson *et al.*, 1963; Goldberg and Hartwick, 1990). This is in line with the original explanations by Fishbein and Ajzen (1975, 2011), who claim that messenger credibility affects the acceptance of the message by the audience. Hence, looking at messengers through the lens of an individual stakeholder perceptions, (dis)identification with the messenger can also be considered as a moderator.

Therefore, following the suggestions in the literature, the proposed interaction between messages and messengers is likely to have a *moderating impact* on the relationships between individual stakeholders' perceptions of a company and their subsequent behavioural responses towards the company. However, further investigation and empirical evidence on these relationships under the effect of the message–messenger moderator is critical.

**In summary, this section outlined a possible way of investigating the interaction between a message (positively or negatively framed) and (dis)identification with a messenger. The proposed four interactions were depicted as a matrix and considered to be a critical moderator within the proposed reputation/(dis)identification model.**

### 3.6 Conclusion

People's perceptions of corporate reputations are impacted by various messages and messengers. The literature suggests that people's feelings towards the messengers – their (dis)identification – may have an impact on how they perceive the message and act upon it. The individual approach to understanding the role of messengers and their interaction with different messages is critical when exploring perceptions of corporate reputation within stakeholder–company relationships.

From a business perspective, the message–messenger interaction is vital, especially when stakeholders are unable to experience certain corporate elements (e.g. financial performance), and they should seek information to be able to form a perception of what a company does. Hence, by understanding the predictive impact of the message–messenger interaction on perceptions of corporate reputation and its associated behavioural outcomes among stakeholders, companies may be able to anticipate reliably stakeholders' behaviour as well as to proactively develop reputational strategies and effectively manage the outcomes. A better understanding of the individual differences in the message–messenger interaction and how it works in a business context are one of the intended conceptual contributions of this doctoral thesis.

This chapter has provided an overview of the current perspectives on the role of messages, messengers, and their interactions drawn from the extant literature. It identified traditional approaches to message framings, as well as recently developed approaches, to explore individual differences in perceptions of messengers. The chapter concluded with the discussion of the gaps in the literature about the message–messenger interaction and its impact on perceptions of corporate reputation, organisational (dis)identification, and associated stakeholders' behaviour.

The next chapter will bring together existing and relevant frameworks to the message–messenger interaction in order to complete the proposed reputation/(dis)identification model as well as to develop the resulting research hypotheses.

# CHAPTER 4. DEVELOPMENT OF A RESEARCH MODEL AND RESEARCH HYPOTHESES

**This chapter brings together the concepts discussed in the previous chapters and outlines a conceptual framework and research hypotheses. The chapter begins with the introduction and an overview of Chapter 4. Next, Section 4.2 encompasses the integration of the discussed concepts of corporate reputation, organisational (dis)identification, and behavioural outcomes into a provisional reputation/(dis)identification model. The section is finished with a set of propositions and research hypotheses related to the reputation/(dis)identification model. Section 4.3 focuses on the integration of the moderating impacts of the message–messenger interaction into the provisional moderated model and their associated research hypotheses. Section 4.4 provides the finalised research model and a complete set of research hypotheses. Finally, Section 4.5 draws conclusions.**

## 4.1 Introduction

This chapter aims to develop an empirical research model, building upon the extended literature review in Chapters 2 and 3 above, in particular:

- To develop an empirical reputation/(dis)identification model that incorporates and examines perceptions of corporate reputation, organisational (dis)identification, and related behavioural outcomes from the SCV perspective;
- To explore and explain how and why individual differences in perceptions of corporate reputation, organisational (dis)identification, and its outcomes vary under the effects of the message–messenger interaction.

This chapter is presented in two stages. First, a reputation/(dis)identification model is proposed. The reputation/(dis)identification model includes a conceptualisation of corporate reputation from the SCV perspective, which is integrated into the behavioural representation of the relationships between a company and its stakeholders. More specifically, it will be argued that stakeholders' perceptions of corporate reputation affect the development of the intended and actual supportive behaviour towards the company. Alongside this, it will be proposed that perceptions of corporate reputation are mediated by stakeholders' organisational (dis)identification with the company. The reputation/(dis)identification model is constructed upon key components of the existing frameworks, drawn from the various theories, including the following:

- Corporate reputation (Fombrun *et al.*, 2000);
- Stakeholder theory (Freeman, 1984, 2010);
- Reputation in relationships (MacMillan *et al.*, 2005);
- Organisational (dis)identification (Ashforth and Mael, 1989; Elsbach, 1999; Kreiner and Ashforth, 2004);
- Theory of reasoned action (Fishbein and Ajzen, 1975, 2011);
- Behavioural schema (Hillenbrand, 2007).

Second, a moderating matrix is developed, by which it will be proposed that the interaction between messages and messengers can explain individual differences in the proposed relationships within the reputation/(dis)identification model. The research hypotheses will be developed based on the links between the discussed concepts within the proposed conceptual model. The theoretical justification for each of the proposed hypotheses is grounded in theories and related models reviewed in Chapters 2 and 3.

To guide the reader, the research framework, first presented in Chapter 1, is represented in Figure 4-1 below, which highlights the relevant areas of the thesis structure related to this chapter.

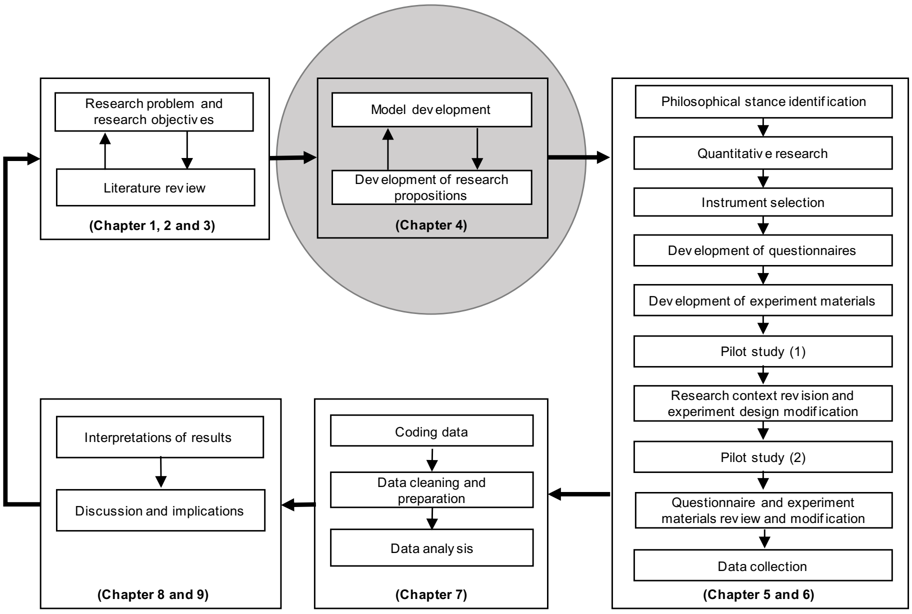


**Figure 4-1. Framework for research design outlines areas addressed in Chapter 4**

## 4.2 A provisional reputation/(dis)identification model

The framework presented below in Figure 4-2 is contextualised to the present study on corporate reputation in order to integrate and incorporate constructs and relevant paths. All the proposed links between concepts will be examined for the development of the research hypotheses.

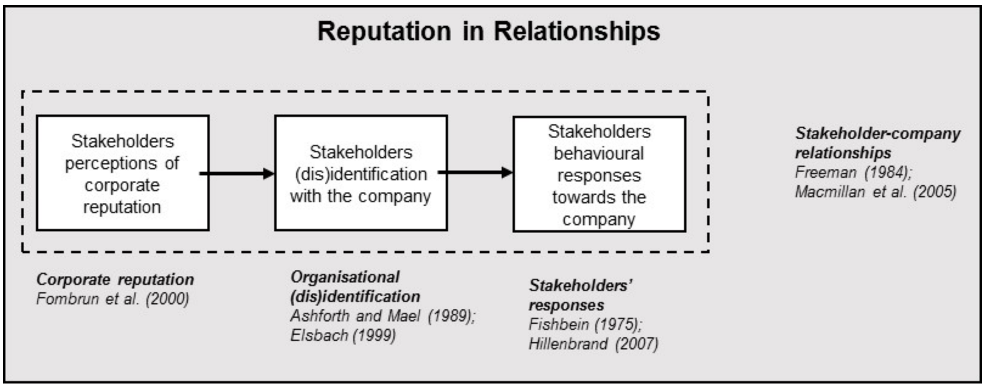


**Figure 4-2. Corporate reputation within stakeholder–company relationships**[1]

[1] This framework was first presented in Chapter 2.

Following the contextualisation of the provisional research model, a depicted reputation/(dis)identification model is presented below in Figure 4-3. This provides the reader with a more detailed representation of the proposed causal links between the investigated constructs.

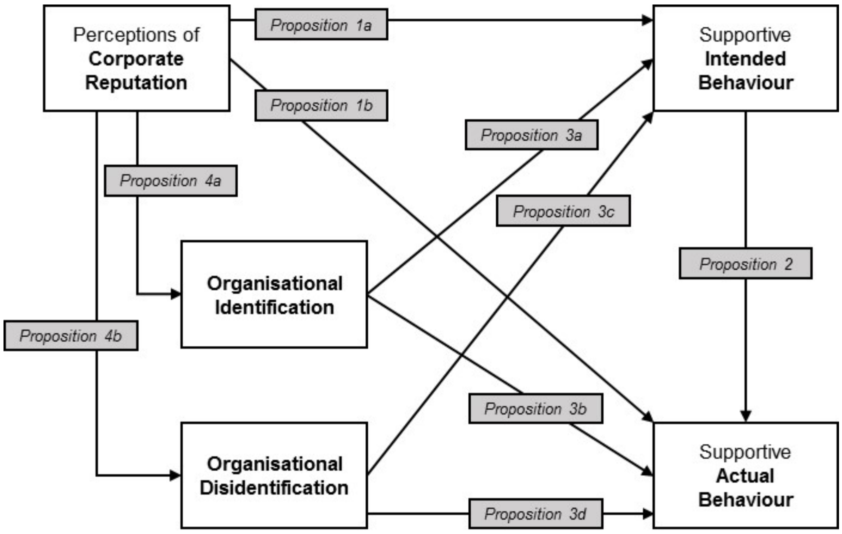


**Figure 4-3. A provisional reputation/(dis)identification model**

The links between the constructs are labelled in a sequence of the proposition development, from **Proposition 1a** to **Proposition 4b**. As such, Propositions 1a and 2b relate to the relationship between perception of corporate reputation and its behavioural outcomes. Next, Proposition 2 reflects the link between intentions (intended behaviour) and actual behaviour. Propositions 3a–3d describe the relationships between organisational (dis)identification and behavioural outcomes.

Finally, Propositions 4a and 4b focus on the link between perceptions of corporate reputation and organisational (dis)identification. The reputation/(dis)identification model is underpinned by theoretical and empirical studies from the business and psychology literature. While some of the proposed links between the constructs have previously been explored in different studies, to the knowledge of the author they have not been brought together into a framework as above.

**4.2.1 Propositions 1 and 2: perceptions of corporate reputation are related to behavioural outcomes within stakeholder–company relationships.** This section will discuss propositions and hypotheses related to potential causal relationships between the constructs of Corporate Reputation, Intended Behaviour, and Actual Behaviour.

***4.2.1.1 Perceptions of corporate reputation.*** As discussed in Chapter 2, corporate reputation in its perceptual nature is embedded in the relationship between stakeholders and a company (Money *et al.*, 2012b). Considering different perspectives on corporate reputation, the SCV literature suggests that corporate reputation is intertwined with attitudes and perceptions of individuals towards an organisation.

To illustrate that, Money and Hillenbrand (2006: p. 4) argue that corporate reputation is recognised as 'perceptual construct in term of perceptions of a company's past actions as well as attitudinal constructs in terms of firm's appeal'. Hence, looking at corporate reputation through a relationship lens, perceptions of corporate reputation are connected to stakeholders' responses towards a company.

This argument is grounded in the theory of reasoned action by Fishbein and Ajzen (1975, 2011). The theory suggests that there are positive relationships between beliefs, attitudes, and behaviour towards an object. Following that, attitude formation is based on certain beliefs held by individuals about an object. This in turn will lead to behavioural intentions (Hillenbrand, 2007). Therefore, in the present study corporate reputation is outlined as an attitudinal construct, which is based on how stakeholder evaluate a company, and it may, in turn, affect stakeholders' behaviour.

Looking closely at the concept of corporate reputation, Fombrun *et al.* (2000) deconstruct the construct into two key factors: *emotional* and *rational* appeals. The latter factor of evaluation of corporate reputation is based on cognitive evaluations of how stakeholders view a company in relation to its financial performance, leadership, corporate social and environmental responsibility, etc. The former factor reflects what individuals feel towards the company or, in other words, stakeholders' overall emotional attraction towards the company, which contains elements of admiration, respect, and trust. Consequently, the conceptualisation of corporate reputation offered by Fombrun *et al.* (2000) fits the purposes of the present study well.

***4.2.1.2 Linking perceptions of corporate reputation to stakeholders' intended behaviour***. Fishbein and Ajzen (1975) suggest that attitudes represent an individual's probability that s/he will exhibit a certain behavioural response (Allport, 1935). Following this, perceptions of corporate reputation – emotional appeal (RQ) – are a dimension based on positive beliefs about relational side of corporate reputation, which may ultimately lead to supportive behavioural outcomes. When exploring stakeholder behavioural outcomes, the literature provides evidence that individuals' perceptions of corporate reputation can lead to an increase in stakeholders' supportive responses (MacMillan *et al.*, 2005; Walsh *et al.*, 2006; Hong and Yang, 2009; Walsh *et al.*, 2009; Money *et al.*, 2012b).

For example, Walsh *et al.* (2009) explore corporate reputation from a specific group of stakeholders – customers. The researchers support the argument that corporate reputation is positively associated with supportive (company-favouring) outcomes. Specifically, Walsh *et al.* (2009) see corporate reputation as a 'quality promise' to customers, which can ultimately lead to customers' loyalty. Furthermore, they argue that 'it is likely that companies with a good reputation can create a goodwill reservoir for themselves, which can involve customers acting as advocates of the company' (Walsh *et al.*, 2009: p. 194).

Shamma and Hassan (2009) also address the link between corporate reputation and stakeholder responses. They argue that it is important to look beyond customer-focused outcomes in relation to stakeholders' perceptions of corporate reputation. As such, they explore effects of intentions to seek employment and intentions to invest as well as customer-focused intentions to re-purchase/purchase and to communicate positive word-of-mouth. Interestingly, they do not find a significant relationship between perceptions of corporate reputation and non-customer intentions.

A few years later, Newburry (2010) provide comprehensive empirical evidence supporting the argument that there is a positive link between perceptions of corporate reputation and stakeholders' behavioural intentions, which include intentions to invest, seek employment, and purchase products/services. Similar results are supported by Ponzi *et al.* (2011).

Einwiller *et al.* (2010) offer additional evidence on how affective and cognitive components of corporate reputation affect behavioural responses of stakeholders towards a company. They find that emotional components (i.e. emotional appeal), specifically, are considered crucial, and they have a strong influence on individuals' intended behaviour (such as purchase intentions, intention to apply for a job, etc.).

On the other hand, cognitive components (i.e. financial performance, leadership – all in relational appeal by Fombrun *et al.* (2000) are regarded as less important, as they are not found to have a particular direct or indirect impact on stakeholders' behavioural responses (Einwiller *et al.*, 2010).

Walsh *et al.* (2006) explore the impact of the corporate reputation of an energy supplier on customers' switching intentions. The scholars argue that, when consumers positively perceive corporate reputation, they are less likely to switch from their current energy provider. Interestingly, the findings by Walsh *et al.* (2006) do not support the proposed link between corporate reputation and intended behaviour.

In summary, there is significant theoretical and empirical support to argue that positive perceptions of reputation may result in stakeholders' supportive intended behaviour, which they express through maintaining existing or building new relationships with a focal company.

This leads to the following hypothesis:

**<u>Hypothesis 1a</u>: Increases in perceptions of corporate reputation lead to increases in stakeholders' supportive intended behaviour towards the company.**

*This hypothesis is built on the extensive reputational literature (Walsh et al., 2009; Newberry, 2010; Ponzi et al., 2011; Money et al., 2012b; Fombrun et al., 2015). Given that corporate reputation are attitudes held by stakeholders as represented by emotional and relational appeals, it is expected there to be a positive relationship between corporate reputation and supportive intended behaviour (Fishbein and Ajzen, 2010).*

***<u>4.2.1.3 Linking perceptions of corporate reputation to stakeholders' actual behaviour</u>***. Despite the importance of effects of corporate reputation on behavioural responses within stakeholder–company relationships, many studies stop at the prediction of behavioural intentions (Yoon *et al.*, 1993; Caruana *et al.*, 2005; MacMillan *et al.*, 2005; Money *et al.*, 2012). This may be because actual behaviour data is challenging to collect, and it is typically costly and time-consuming.

Psychology literature provides comprehensive evidence on the role of both intentions (intended behaviour) and behaviour (actual behaviour) (Fishbein and Ajzen, 1975; Ajzen and Fishbein, 1980, 2011). For instance, McEachan *et al.* (2011) support the predictive capability of intentions on actual behaviour, where they show a positive relationship between intended and actual behaviour. Hence, it seems important to investigate actual behaviour as a reputational consequence within stakeholder–company relationships.

There is a limited amount of empirical and conceptual evidence in the reputation literature supporting the notion of the relationship between corporate reputation and actual supportive behaviour towards a company. Typically, researchers refer to behavioural outcomes as intended behaviour (Walsh *et al.*, 2006; Walsh *et al.*, 2009; West, 2011). However, Finch *et al.* (2015: p. 182) claim that 'relationships must be linked with behaviour'. Hence, actual behaviour can be considered a distinct construct. Despite the fact that scholars typically try to predict stakeholders' behaviour based on individuals' intentions, real (i.e. actual) behaviour still remains a key indicator of how people perceive a company and act towards it (Ajzen, 2015).

Following the discussed theories, the reasoned action and planned behaviour, as well as relationship behavioural schema (Fishbein and Ajzen, 1975, 2011; Hillenbrand, 2007), it is proposed that perceptions of a positive organisational reputation can result in stakeholders' supportive actual behaviour. Moreover, individuals' supportive intended behaviour can predict their supportive actual behavioural responses. This leads to the following hypotheses:

**<u>Hypothesis 1b</u>: Increases in perceptions of corporate reputation lead to increases in stakeholders' supportive actual behaviour towards the company.**

*The literature suggests that stakeholders' actual behaviour is a driving force behind a company's performance (Bloemer, de Ruyter and Wetzels, 1999; Bhattacharya et al., 2008; Money et al., 2012a,b; Finch et al., 2015). This research is focused on the previously untested relationship between perceptions of corporate reputation as represented by emotional and relational appeals, and individuals' actual behaviour, which represents individuals support towards a company. Thus, it is expected there to be a positive relationship between perceptions of corporate reputation and supportive actual behaviour.*

**<u>Hypothesis 2</u>: Increases in stakeholders' supportive intended behaviour lead to increases in stakeholders' supportive actual behaviour.**

*This hypothesis is built on the extensive psychology literature (Fishbein and Ajzen, 1975, 2011, Hillenbrand, 2007; De Cannière, De Pelsmacker, and Geuens, 2009; McEachan et al., 2011; Ajzen, 2015). Provided that actual behaviour represents individuals' support for a company, it is expected there to be a positive relationship between intended and actual behaviours.*

**4.2.2 Propositions 3a–b: Organisational identification is related to behavioural outcomes within stakeholder–company relationships.** Bhattacharya *et al.* (2009) see organisational identification as a quality indicator of stakeholder–company relationships. Based on the SIT and organisational identification theory, it is agreed that the relationships between stakeholders and companies are more likely to be stronger when individuals exhibit high levels of identification with the company (Ahearne *et al.*, 2005; Bhattacharya *et al.*, 2009).

One of the pioneering studies on how organisational identification affects stakeholder responses towards companies is offered by Mael and Ashforth (1992). In their empirical study on college alumni and their alma mater, the researchers investigate whether and how alumni identification with the college affects individual supportive intended and actual behaviour. 'Alumni identification with their alma mater will predict such behaviours as making financial contributions to the alma mater, advising offspring and others to attend the alma mater, and participating in alumni and general institutional functions' (Mael and Ashforth, 1992: p. 109).

In line with Mael and Ashforth (1992), Ahearne *et al.* (2005), provide evidence on organisational identification effects within customer–company relationships. They distinguish two potential streams of identification outcomes – self-interest and company-interest consequences. The former are customer-focused outcomes, which involve high customer product utilisation, whereas the latter is focused on activities that would benefit an organisation as a whole. Ahearne *et al.* (2005) outline that organisational identification is a key underlying psychological variable that determines specific individual outcomes.

Overall there is substantial evidence that organisational identification impacts stakeholders' behavioural responses towards a company (Morgan and Hunt, 1994; Waddock and Smith, 2000; Waddock, 2001; Post *et al.*, 2002; Bhattacharya *et al.*, 2009; Keh and Xie, 2009; Kim *et al.*, 2010; Lii and Lee, 2012). Although stakeholders' behaviours are related to a company or a specific organisational action, these behavioural outcomes are conceptualised as stakeholder-level consequences because they exist and are measured at the individual level (Bhattacharya *et al.*, 2009: p. 265).

Following stakeholder–company relationship theory (Morgan and Hunt, 1994; MacMillan *et al.*, 2005; Money *et al.*, 2012b), these stakeholder behaviours occur when a company provides its stakeholders with certain benefits (e.g.

producing high-quality products or engaging in environmentally and socially responsible behaviour), and stakeholders 'wish to reciprocate in kind' (Bhattacharya *et al.*, 2009). As a result, individuals, who feel identified with a company tend to develop long-term relationships with the company based on their commitment and support towards the company (Elsbach and Bhattacharya, 2001). Following Mael and Ashforth (1992), Bhattacharya *et al.* (2009), and Ahearne *et al.* (2005), it is proposed that organisational identification can result in stakeholders' supportive intended and actual behaviour.

This leads to the following hypotheses:

**<u>Hypothesis 3a</u>: Increases in stakeholders' organisational identification lead to increases in stakeholders' supportive intended behaviour towards the company.**

*This hypothesis is built on the extensive literature on organisational identification (Ashforth and Mael, 1989; Mael and Ashforth, 1992; Dutton et al., 1994; Elsbach 1999; Bergami and Bagozzi, 2000; Elsbach and Bhattacharya, 2001; Bhattacharya and Elsbach, 2002; Bhattacharya and Sen, 2003; Ahearne et al., 2005; Hong and Yang, 2009; Bhattacharya et al., 2009; Agawal et al., 2015). Following theory of organisational identification, when stakeholders feel identified with a company, they are more likely to exhibit intended behaviour that will benefit the company. Provided that intended behaviour represents individuals' supportive intentions towards a company, it is expected there to be a positive relationship between organisational identification and intended behaviour.*

**<u>Hypothesis 3b</u>: Increases in stakeholders' organisational identification lead to increases in stakeholders' supportive actual behaviour towards the company.**

*This hypothesis is built on the extensive literature on organisational identification (Ashforth and Mael, 1989; Mael and Ashforth, 1992; Bartels and Hoogendam, 2011). This research is focused on limited empirical evidence on the relationship between organisational identification and individuals' actual behaviour. Provided that actual behaviour represents individuals' support for a company, it is expected there to be a positive relationship between organisational identification and actual behaviour.*

**4.2.3 Propositions 3c–d: Organisational disidentification is related to behavioural outcomes within stakeholder–company relationships.** The studies discussed above on individual stakeholders' responses towards a company based on their levels of organisational identification assumes that there is a positive 'connection' between a stakeholder and a company. Yet those studies did not discuss the possibility that some stakeholders might find themselves to be *separated* or in *conflict* with some companies. This process is addressed as organisational disidentification (Dukerich *et al.*, 1998; Elsbach, 1999; Kreiner and Ashforth, 2004).

Following comprehensive qualitative and quantitative analyses by Elsbach and Bhattacharya's (2001), organisational disidentification may lead to counter-organisational actions as well as criticism. These outcomes are perceived by stakeholders as responses that would emphasise their separation or disagreement with what a company does.

Given that, it can be argued that organisational disidentification would decrease stakeholders' willingness to support the company. Bhattacharya and Elsbach (2002) further develop and explore the phenomenon of organisational disidentification, and propose that individuals who feel disidentified with a company exhibit a distinct pattern of behaviour (e.g. talking negatively about the company). However, they find that disidentifiers initiate only discourse, rather than actual behaviour.

Considering limited evidence on organisational disidentification consequences, it is promising to argue that organisational disidentification may be negatively related to supportive behaviour towards the company. In other words, those individuals who maintain a separation from a company – or in a negative relationship with the company (Dukerich *et al.*, 1998; Elsbach, 1999) – may be less likely to exhibit supportive intended and actual behaviour with a focal organisation.

This leads to the following hypotheses:

**Hypothesis 3c: Increases in stakeholders' organisational disidentification lead to decreases in stakeholders' supportive intended behaviour towards the company.**

*This hypothesis is built on the extensive literature on organisational disidentification (Dukerich et al., 1998; Elsbach 1999; Elsbach and Bhattacharya, 2001; Bhattacharya and Elsbach, 2002; Kreiner and Ashforth, 2004). Following theory of organisational disidentification, when stakeholders feel disidentified with a company, they are less likely to exhibit intended behaviour that will benefit the company. Provided that intended behaviour represents individuals' supportive intentions towards a company, it is expected there to be a negative relationship between organisational disidentification and intended behaviour.*

**Hypothesis 3d: Increases in stakeholders' organisational disidentification lead to decreases in stakeholders' supportive actual behaviour towards the company.**

*It has been suggested that stakeholders' actual behaviour is considered a crucial factor behind a company's overall performance (e.g. Bhattacharya et al., 2008; Money et al., 2012a,b; Finch et al., 2015). This research is focused on the previously untested relationship between organisational disidentification and individuals' actual behaviour, which represents individuals support towards a company. It is expected there to be a negative relationship between organisational disidentification and actual behaviour.*

**4.2.4 Proposition 4: Perceptions of corporate reputation are related to stakeholders' organisational (dis)identification within stakeholder–company relationships.** This section will discuss propositions and hypotheses related to potential causal relationships between the constructs of Corporate Reputation, Organisational Identification, and Organisational Disidentification.

***4.2.4.1 Linking perceptions of corporate reputation to organisational identification.*** Dutton *et al.* (1994) argue that stakeholders tend to (positively) identify with a company based on how they perceive the company (Bhattacharya and Sen, 2003). Hence, corporate reputation can be considered a key element, which can help to predict organisational identification (Keh and Xie, 2009). As such, corporate reputation reflects a company's attractiveness in the eyes of its stakeholders (Bergami and Bagozzi, 2000), which in turn can be considered a 'motivation' to identify with a company. In other words, building upon SIT (Tajfel and Turner, 1986), individuals tend to identify with positively perceived objects (i.e. a company). That is, considering a positive corporate reputation, individual stakeholders might identify with that company to a greater extent. A qualitative study by Elsbach and Bhattacharya (2001) shows that corporate reputation impacts individuals' willingness to identify with a company.

Ahearne *et al.* (2005) provide evidence that an external image of a company, which is related to corporate reputation (see Brown *et al.* (2006) for more detail), plays a critical role in boosting organisational identification. This is also supported by Mael and Ashforth (1992), who argue that reputation (defined as 'organisational prestige') predicts high levels of organisational identification.

This leads to the following hypotheses:

**Hypothesis 4a: Increases in perceptions of corporate reputation lead to increases in stakeholders' organisational identification with the company.**

*This hypothesis is built on the extensive literature on corporate reputation and organisational identification (Mael and Ashforth, 1992; Dutton et al., 1994; Elsbach and Bhattacharya, 2001; Bhattacharya and Elsbach, 2002; Bhattacharya and Sen, 2003; Ahearne et al., 2005; Hong and Yang, 2009; Agawal et al., 2015). It is agreed that positive corporate reputation reflects stakeholders' desires for self-enhancement (Dutton et al., 1994). As a result, corporate reputation is agreed to be positively associated with organisational identification.*

***4.2.4.2 Linking perceptions of corporate reputation to organisational disidentification.*** Corporate reputation is said to be positively related to organisational identification (Kreiner and Ashforth, 2004). It can be also suggested that perceived corporate reputation can affect stakeholders who feel disidentified with the company (Elsbach, 1999; Bhattacharya and Elsbach, 2002; Kreiner and Ashforth, 2004).

In their study, Bhattacharya and Elsbach (2002) argue that corporate reputation is significantly related to organisational identification and disidentification. In other words, both identifiers and disidentifiers with a company find their perceptions of corporate reputation essential for developing or maintaining their affiliation or separation with the company (Elsbach and Bhattacharya, 2001; Bhattacharya and Elsbach, 2002).

Kreiner and Ashforth (2004) investigate the impact of corporate reputation on organisational disidentification. They argue that positively perceived corporate reputation is more likely to prevent or decrease organisational disidentification. As such, they consider corporate reputation as a ‘social resource’ that would contribute to individuals’ feelings of confidence in what a company can do in the future.

Interestingly, when analysing effects of corporate reputation on organisational disidentification, Kreiner and Ashforth (2004) find that a positively perceived reputation can predict disidentification. As such, individuals who positively perceive a company’s corporate reputation are more likely to decrease their levels of disidentification with the company.

Following this discussion, a further analysis of how corporate reputation can influence organisational disidentification is still required owing to limited evidence in the reputation literature. However, building upon limited empirical evidence, it can be suggested that positively perceived corporate reputation is negatively related to organisational disidentification.

This leads to the following hypotheses:

**<u>Hypothesis 4b</u>: Increases in perceptions of corporate reputation lead to decreases in stakeholders' organisational disidentification with the company.**

*This hypothesis is built on the extensive literature on corporate reputation and organisational disidentification (Mael and Ashforth, 1992; Elsbach and Bhattacharya, 2001; Bhattacharya and Elsbach, 2002; Kreiner and Ashforth, 2004; Ashforth et al., 2008; 2013). It is agreed that positive corporate reputation is more likely to protect stakeholders from feelings of disidentification, since reputation may act as a source of goodwill. As a result, corporate reputation is expected to be negatively associated with organisational disidentification.*

***<u>4.2.4.3 Mediating role of organisational (dis)identification.</u>*** Finally, placing organisational (dis)identification within the reputation/(dis)identification framework, it is crucial to explore the relationships between all the constructs. In their ground-breaking empirical work, Mael and Ashforth (1992) find that organisational identification at least partially mediates the relationship between corporate reputation and supportive behavioural outcomes.

This argument is further developed in the literature, where it has been supported that organisational identification can also act as an important mediator between perceptions of corporate reputation and associated behavioural outcomes. While some studies find that organisational identification is a partial mediator (Mael and Ashforth, 1992), others provide empirical support suggesting that the relationship between corporate reputation and its outcomes is fully mediated by organisational identification (Ahearne *et al.*, 2005; Hong and Yang, 2009).

Interestingly, there is no specific evidence on the mediating role of organisational disidentification. Considering organisational disidentification as a related concept, it may also be treated as a mediating variable along with organisational identification. Hence, building upon Mael and Ashforth (1992), both organisational identification and disidentification may at least partially mediate the relationship between perceptions of corporate reputation and its outcomes.

This leads to the following hypothesis:

**Hypothesis 4c: Both organisational identification and disidentification at least partially mediate the relationship between perceptions of corporate reputation and stakeholders intended behaviour.**

*The organisational identification literature suggests that organisational identification can serve as a mediator between perceptions of corporate reputation and intended behaviour of stakeholders (Mael and Ashforth, 1992; Ahearne et al., 2005; Hong and Yang, 2009). This research is focused on the previously untested relationship between perceptions of corporate reputation and individuals' intended behaviour, which is mediated by both organisational identification and disidentification.*

Considering two mediating constructs, there is a need to evaluate a complex mediation (Hair *et al.*, 2016b). This means that a traditional approach for testing for mediation offered by Baron and Kenny (1986) may not be appropriate, because it does not help to account for the total indirect effect of the proposed two mediators. Furthermore, calculating separately indirect effects may be biased owing to the fact that two mediating variables could be correlated. In order to establish mediation with two mediating variables, specific indirect effects, direct effects, and total indirect effects are to be evaluated (Hair *et al.*, 2016b). More information regarding the mediation analysis of organisational identification and disidentification is provided in Chapters 6 and 7.

### 4.3 Moderating impacts of the message–messenger interaction within the reputation/(dis)identification model

Chapter 3 discussed the interaction between messages and messengers and its potential impact on perceptions of corporate reputation, organisational (dis)identification, and related behavioural outcomes. Following message framing theory as well as (dis)identification theory, four combinations of the message–messenger interplay (i.e. positive message from a messenger who people feel highly disidentified with) were proposed. The message–messenger interaction can be formed and depicted as a 2×2 matrix, considering two types of message framing (positive versus negative) and two types of identification (positive) identification and disidentification) with a messenger (Figure 4-4). This provides four groups for empirical research, which are yet to be discussed on how each of the message–messenger combinations will affect individuals' perceptions and behaviour.

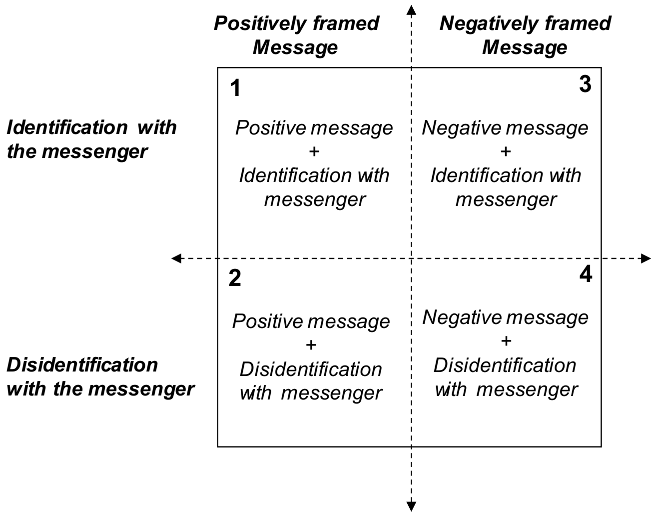


**Figure 4-4. The message–messenger interaction matrix**[1]

Due to the fairly recent development of the proposed area of research, there is lack of empirical evidence on the effects of the interaction between messages and messengers. As such, reputational research is somewhat limited and the development of specific hypotheses on the moderating impact of the message–messenger interplay is challenging. However, there are studies that explore messages and messengers as two separate constructs. In regards to the message impact, a number of scholars (e.g. Ruth and York, 2004) focus on the message framing effects and how the framings may affect people's perceptions. As for the messenger effect, the literature mainly focuses on credibility of messenger and how this can affect the persuasiveness of a message (Goldberg and Hartwick, 1990; Goldsmith *et al.*,

[1] First presented in Chapter 3.

2000). The interaction between messages and messengers is much less developed in the business and management literature (Jones *et al.*, 2003).

Considering the existing evidence on the message and messenger influence, they may have an effect at different stages within stakeholder–company relationship. As such the message–messenger interaction can affect how people perceive a corporate reputation, their levels of (dis)identification with a company and how they respond to the company in unique ways based on a specific message–messenger combination. Provided that the message–messenger interplay is to be incorporated into the proposed reputation/(dis)identification model outlined above in Figure 4-3, such that the message–messenger interaction will serve as a potential moderator of all the links. Development of the research hypotheses on the message-messenger moderating effects will not focus on specific relationships within the model. On the contrary, this study is aimed at how the message–messenger interplay affects the overall reputation/(dis)identification model. Each of the four interactions will be evaluated separately in terms of their potential moderating impact on the relationships proposed within the model (Figure 4-5).

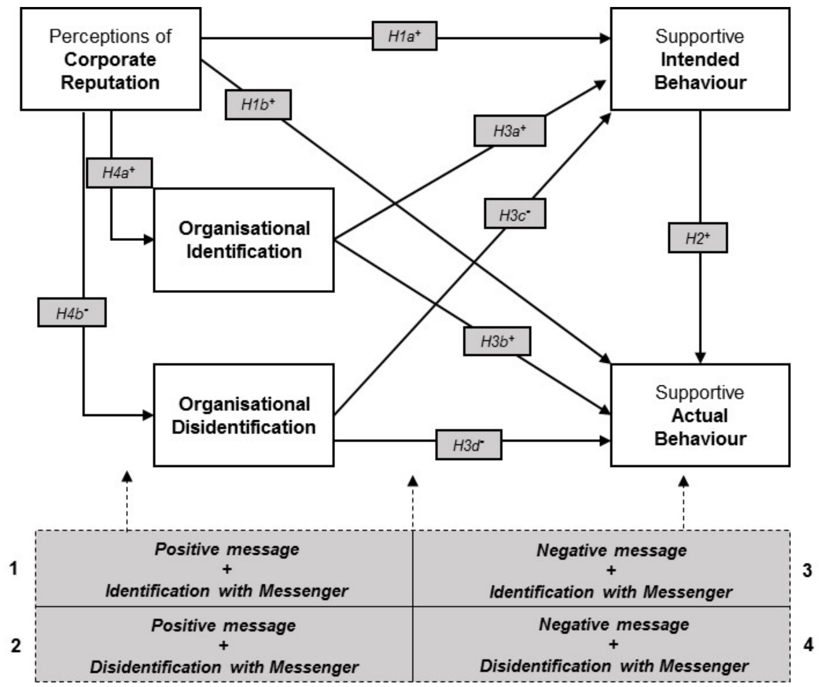


**Figure 4-5. The moderating impact of the message–messenger interaction within the reputation/(dis)identification model**

Figure 4-5 shows four quadrants of the moderating interaction. Quadrant (1) includes the interaction between positively framed messages from a messenger whom people feel identified with. Quadrant (2) contains a positive message, which comes from a messenger whom people feel disidentified with. Next, quadrant (3) shows a combination between a negative message and a messenger whom people identify with. Finally, quadrant (4) includes the interaction between a negatively framed message and a messenger whom people feel disidentified with. The four hypotheses will be developed for each quadrant of the interaction.

**4.3.1 Exploring simple moderating effects of messages and messengers.** The extant literature argues that corporate reputation as a product of company–stakeholder relationships exists in stakeholders' cognitions, which can be affected by information about the company (Yang and Cha, 2015). The impact of positive information – a positively framed message – on people's perceptions, intentions and behaviour has been widely explored in the psychology literature (Meyerowitz and Chaiken, 1987; Rothman *et al.*, 1993; Block and Keller, 1995), and considerably less in the business domain (Maheswaran and Meyers-Levy, 1990; Mahon and Wartick, 2003; Ruth and York, 2004; Kwon *et al.*, 2015). Before hypothesising the effects of the message–messenger interactions, it is important to look independently at message framing effects versus messenger (dis)identification) effects.

***4.3.1.1 Moderating effects of message framings.*** There is a debate in the literature over which framing (positive versus negative) has a large impact on people (Maheswaran and Meyers-Levy, 1990). Looking at evidence regarding positive messages, Levin and Gaeth (1988) argue that people find positive information more persuasive than negative. This is also partially supported by Maheswaran and Meyers-Levy (1990), who investigate message framing effects. They suggest that when people have a *casual* interest in a particular issue, described in a message, a positive frame could have more impact than a negative frame. Causality of interest means that people do not feel particularly strong about (i.e. identified or disidentified with) a company. On the other hand, when people feel a strong connection to a message (as well as a strong connection to a company), negative information may be found to be more influential. This is also supported by van Riel and van Bruggen (2002). They argue that individuals are more likely to perceive the content of messages when it is appealing and favourable to them. As such, when individuals perceive corporate reputation as favourable they are more likely to be affected by a positive message.

The effect of negatively framed messages on people's perceptions, intentions, and behaviour has also been explored (Einwiller *et al.*, 2010; Fennis and Stroebe, 2014). A number of studies suggest that negatively framed messages (thereby considering previously cited studies) may have a greater impact on people's behaviour, arguing that negative information might lead to reactance and most negative responses (Fukada, 1986; Witte, 1994; Bushman, 1998).

Bhattacharya and Sen (2003) argue that negatively framed messages are more salient to individuals compared to positive messages (Peeters and Czapinski, 1990; Taylor, 1991). They conclude that negatively framed messages can affect how people perceive a company as well as individuals' behaviours (Einwiller *et al.*, 2006a; Einwiller *et al.*, 2006b).

The business literature suggests that negative frame effects are diverse owing to individuals' affiliations to companies (Einwiller *et al.*, 2006a; Einwiller *et al.*, 2010). In other words, individuals who feel identified with a company would either ignore negative messages or would be more motivated to protect and preserve their beliefs about the company. Those individuals who feel disidentified with the company are more likely to incorporate this negative information into their perceptions, intentions, and *un*supportive behaviour.

Following Jones *et al.* (2003) argument, it can be suggested that a positively framed message alone (without its messenger) can increase individuals' identification with a company, and in turn positive intentions, based on a positively perceived corporate reputation of the focal company. On the other hand, negatively framed message could have the opposite effect – they might increase disidentification and prevent individuals from enacting supportive behaviour.

***4.3.1.2 Moderating effects of (dis)identification with a messenger.*** The literature is sorely lacking evidence for messenger effects, such that it is not yet clear how identification and disidentification with a messenger could impact people's perceptions of corporate reputation, their organisational (dis)identification, and associated behaviour. In order to develop related hypotheses, evidence from the literature on messenger credibility should be addressed.

There are several studies that investigate how messengers' characteristics (i.e. credibility) affect message perception (Petty and Cacioppo, 1986; DeBono and Harnish, 1988). As such, it has been suggested that highly credible messengers have a positive impact on the message acceptance, while low credible sources may not have a noticeable impact (Chaiken and Maheswaran, 1994).

Overall, emperical evidence on the high and low credibility of messengers is straightforward: highly credible sources are more influential than low credible ones. Effects of identification and disidentification with a messenger seem more complex to hypothesise. Building upon Burke (1969) and Kelman (1961), it is suggested that when individuals exhibit positive identification with a messenger they may be more affected by the message that the messenger provides. The anecdotal evidence on drama performance, provided by Burke (1969), supports this argument.

On the other hand, when people feel highly disconnected (or disidentified) with a messenger the message might not have a significant effect on an individual. Here, Jones and Gerard (1967) provide additional support for the claim. The scholars argue that a manager (of a soap manufacturer) would not be well received in soap adverts, considering that housewives (who are considered main customers as well as the target audience) would experience high levels of separation from the manager.

Having discussed the effects of separately messages and messengers, it is crucial now to develop hypotheses related to moderating effects of the interaction between messages and messengers.

**4.3.2 Hypotheses related to quadrant (1) – the interaction between a positive message and identification with a messenger.** Bringing together evidence on message framing, (dis)identification with messenger, and limited research on their interaction, a set of hypotheses related to the interaction will be proposed.

Starting from quadrant (1) (see Figure 4-5 above), the interaction between a *positive* message and *identification* with a messenger is explored. To remind the reader, identification with a messenger means that an individual feels an active connection with a messenger and shares the same values about particular matters.

Therefore, when an individual receives a positive message about a focal company from a messenger that they feel identified with (*high* identification with a messenger), the positive message can have a significant *positive effect*, such that this (positive) interaction might contribute to positive perceptions of the company (corporate reputation), which, in turn, may boost organisational identification and contribute to individuals' supportive behavioural outcomes.

This is in line with the study on the interaction between messenger's credibility and a message (Jones *et al.*, 2003). Scholars argue that when individuals receive a positive message from a credible source, this interaction would have a significant positive impact on their supportive behaviour. Similarly, McGinnies (1973) reports that when a messenger is highly credible a message has a high impact on people's opinions.

In cases when people do not feel particularly identified with a messenger (*low* identification with a messenger) who sends a positive message about a company, the message–messenger interaction may not have such a strong impact on individual–company relationships. That is, individuals may not exhibit strong supportive behaviour towards a company, while this interaction (between a positive message and low identification with a messenger) might decrease their negative affiliation with the company (their organisational disidentification).

The lack of theoretical and empirical evidence does not help to provide hypotheses related to specific paths.

Drawing on this leads to the following hypothesis:

**<u>Hypothesis 5</u>: The interaction between a positively framed message and identification with a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company.**

*More specifically, the impact of perceptions of corporate reputation and organisational (dis)identification on the behavioural outcomes (intended and actual behaviours) is greater, when the interaction between a positively framed message and identification with a messenger is high than when it is low (McGinnies, 1973; Jones et al., 2003).*

**4.3.3 Hypotheses related to quadrant (2) – the interaction between a positive message and disidentification with a messenger.** Quadrant (2) contains the interaction between a *positive* message and *disidentification* with a messenger. To remind the reader, disidentification with a messenger means that individual holds a sense of separation from a messenger. Following that, the interaction between a positive message and disidentification with a messenger may have a certain '*conflicting*' impact on how individuals perceive the message and act upon it.

This conflicting impact may arise in a case, for example, when an individual receives a positive message from a messenger whom s/he feels highly disidentified with. As a result, the individual may feel confused by the lack of '*fit*' between the message and its messenger. Hence, the individual would not comprehend why the messenger, which is separated from the individual's self (or in conflict with it), sends a positive message about a company s/he feels positive about. Therefore, the impact of such an interaction is difficult to predict.

Still, following existing evidence on messenger credibility and message framing effects (Sternthal *et al.*, 1978; Maheswaran and Meyers-Levy, 1990), it can be proposed that when an individual's feelings towards a company are fairly strong and positive (positive perceptions of corporate reputation), this interplay (between a message and a *high* disidentification with messenger) may still increase levels of organisational identification and help to enact supportive behavioural outcomes.

Hence, the interaction between a positive message and high disidentification with a messenger could be interpreted by individuals as an incentive to support the focal company, such that, despite the perceive difference with the messenger, the company is still portrayed in a positive light.

On the other hand, when a positive message comes from a messenger, which people feel less disidentified with (*low* disidentification with a messenger), this may not lead to substantial increases in supportive behavioural outcomes (as it is proposed for the high disidentification interaction).

The lack of theoretical and empirical evidence does not let to provide hypotheses related to specific paths.

This leads to the following hypothesis:

**<u>Hypothesis 6</u>: The interaction between a positively framed message and disidentification with a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company.**

*More specifically, the impact of perceptions of corporate reputation and organisational (dis)identification on the behavioural outcomes (intended and actual behaviours) is greater, when the interaction between a positively framed message and disidentification with a messenger is low than when it is high (Sternthal et al., 1978; maheswaran and Meyers-Levy, 1990).*

**4.3.4 Hypotheses related to quadrant (3) – the interaction between a negative message and identification with a messenger.** Having reviewed the effects of positive messages, a negative frame may also have a very distinct impact on individuals (see Section 4.3.1), especially considering their feelings of (dis)identification with its messenger.

The third interaction between a negative message and identification with a messenger could have a large effect on people's perceptions of corporate reputation, organisational (dis)identification, and behavioural outcomes. Following Jones *et al.* (2003: p. 183), they argue that when individuals find a messenger's 'attractiveness, trustworthiness, and expertise' (that is, messenger's credibility) to be high, a negative message 'could lead to the most negative responses'. Hence, following this logic, when individuals identify (*high* identification) with a messenger who sends a negative message about a company, this may lead to decreases in organisational identification and/or increases in organisational disidentification.

However, when looking at the interaction between a negatively framed message and a messenger whom people are less identified with, this may have a different effect on how people perceive information and act upon it. As such, in a case when individuals are low in their identification with the messenger, the negative message might motivate people to *protect* the company (as well as their feelings towards it) though increasing their organisational identification and supportive behaviour.

The lack of theoretical and empirical evidence does not let provide hypotheses related to specific paths.

Drawing upon this leads to the following hypothesis:

**Hypothesis 7: The interaction between a negatively framed message and identification with a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company.**

*More specifically, the impact of perceptions of corporate reputation and organisational (dis)identification on the behavioural outcomes (intended and actual behaviours) is greater, when the interaction between a negatively framed message and identification with a messenger is high than when it is low (Jones et al., 2003; Einwiller et al., 2006b).*

**4.3.5 Hypotheses related to quadrant (4) – the interaction between a negative message and disidentification with a messenger.** Finally, quadrant (4) includes the interaction between a negatively framed message and disidentification with a messenger. As Einwiller *et al.* (2006b) claim, negative information could motivate people to stand up to protect their positive beliefs about a company.

More specifically, people who identify with a company would exhibit greater support for a company in response to negative information. Following that, it can be assumed that when people feel disidentified with the company negative messages are assumed to increase their feeling of separation from the company, as well as decrease their willingness to support it.

When assessing the interaction between a negative message and disidentification with a messenger, it seems probable that this interaction could be perceived as overall negative. Therefore, building upon Einwiller *et al.*

(2006b), when individuals feel strongly disidentified with a messenger (*high* disidentification with a messenger), the effect of the negative message may be amplified. In other words, this *negative interaction* would motivate individuals to *protect* the company by increasing organisational identification towards the company and enacting supportive – *defensive* – behaviour. Hence, it can be argued that this negative interaction will have a *reverse* effect on the positive stakeholder–company relationship, such that, in response to this interaction, stakeholders would demonstrate a greater support for the company.

When considering *low* disidentification with a messenger, the message effect may be less evident. As such, less strong feelings towards the messenger may to a greater extent fail to impact the message perception; therefore, the negative message alone may contribute to increases in already existing organisational disidentification as well as prevent individuals from enacting supportive behaviour.

The lack of theoretical and empirical evidence does not help to provide hypotheses related to specific paths.

Drawing upon this leads to the following hypothesis:

**<u>Hypothesis 8</u>: The interaction between a negatively framed message and disidentification with a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company.**

*More specifically, the impact of perceptions of corporate reputation and organisational (dis)identification on the behavioural outcomes (intended and actual behaviours) is greater, when the interaction between a negatively framed message and disidentification with a messenger is high then when it is low (Jones et al., 2003; Einwiller et al., 2006b).*

## 4.4 Summary of research hypotheses and finalised theoretical framework

In order to provide a comprehensive overview of the developed theoretical framework (both reputation/(dis)identification and moderated models) and associated research hypotheses, an illustration of the model (Figure 4-6) is presented below.

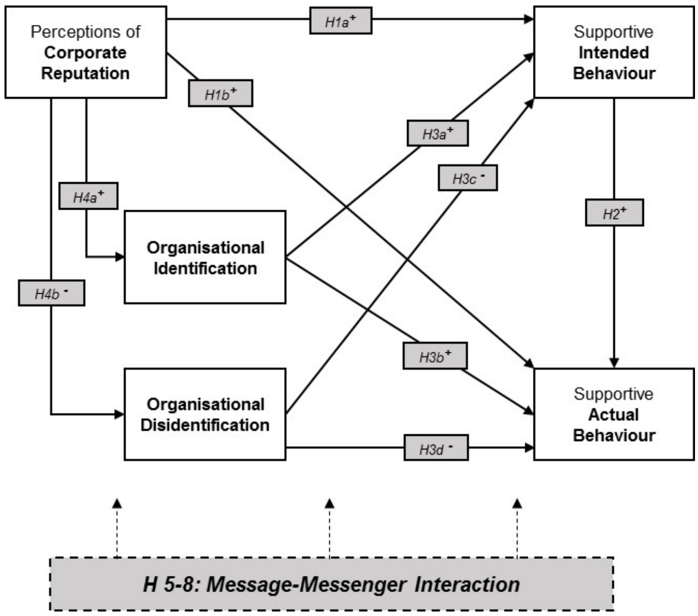


**Figure 4-6. The moderated reputation/(dis)identification framework and research hypotheses**

A complete list of research hypotheses related to the reputation/(dis)identification and moderated models is presented in Table 4-1 below.

## 4.5 Conclusion

This chapter has presented a theoretical framework to explore perceptions of corporate reputation within stakeholder–company relationships as well as the moderating impact of the interaction between messages and messengers.

Drawing upon existing models in the fields of management, marketing, reputation management, and psychology outlined in Chapter 2, a conceptual reputation/(dis)identification framework is developed that proposes that individuals' perceptions of corporate reputation could affect their levels of organisational (dis)identification and ultimately impact behavioural responses towards the company.

**Table 4-1. The list of research hypotheses**

| Model | Related research hypotheses |
|---|---|
| ***REPUTATION/(DIS)IDENTIFICAITON MODEL*** | **Hypothesis 1a:** Increases in perceptions of corporate reputation lead to increases in stakeholders' supportive intended behaviour towards the company. |
| | **Hypothesis 1b:** Increases in perceptions of corporate reputation lead to increases in stakeholders' supportive actual behaviour towards the company. |
| | **Hypothesis 2:** Increases in stakeholders' supportive intended behaviour lead to increases in stakeholders' supportive actual behaviour. |
| | **Hypothesis 3a:** Increases in stakeholders' organisational identification lead to increases in stakeholders' supportive intended behaviour towards the company. |
| | **Hypothesis 3b:** Increases in stakeholders' organisational identification lead to increases in stakeholders' supportive actual behaviour towards the company. |
| | **Hypothesis 3c:** Increases in stakeholders' organisational disidentification lead to decreases in stakeholders' supportive intended behaviour towards the company. |
| | **Hypothesis 3d:** Increases in stakeholders' organisational disidentification lead to decreases in stakeholders' supportive actual behaviour towards the company. |
| | **Hypothesis 4a:** Increases in perceptions of corporate reputation lead to increases in stakeholders' organisational identification with the company. |
| | **Hypothesis 4b:** Increases in perceptions of corporate reputation lead to decreases in stakeholders' organisational disidentification with the company. |
| | **Hypothesis 4c:** Both organisational identification and disidentification at least partially mediate the relationship between perceptions of corporate reputation and stakeholders intended behaviour. |
| ***MODERATED REPUTATION/(DIS)IDENTIFICATION MODEL*** | **Hypothesis 5:** The interaction between a positively framed message and identification with a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company. |
| | **Hypothesis 6:** The interaction between a positively framed message and disidentification with a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company. |
| | **Hypothesis 7:** The interaction between a negatively framed message and identification with a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company. |
| | **Hypothesis 8:** The interaction between a negatively framed message and disidentification with a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company. |

Finally, the interaction between messages and messengers has been introduced. It has been proposed that this interaction (represented in four combinations) could affect many of the proposed relationships within the reputation/(dis)identification framework.

The literature on the message–messenger interaction is fairly new to the area of corporate reputation and stakeholder–company relationship, and hence it lacks theoretical and empirical evidence on how this interaction might affect the reputation/(dis)identification model.

This thesis intends to contribute to the extant literature on corporate reputation by applying the proposed framework to a new context, as well as exploring how and why people react differently to the same message, based on their levels of (dis)identification towards its messenger and whether and how this interaction affects individuals' perceptions of corporate reputation and responses towards companies.

Each of the proposed relationships within the reputation/(dis)identification model and final model is accompanied with the relevant hypothesis, which form a basis for the analysis for the purposes of this thesis. The next chapter will outline the philosophical assumptions and considerations that underpin the current study.

# CHAPTER 5. RESEARCH PHILOSOPHY

**Having outlined the research problem as well as the research questions, and having justified the research framework, this chapter elucidates philosophical principles and assumptions that underpin the proposed study. As such, a research philosophy is discussed that helps to justify methodological choices. Section 5.1 provides an introduction to Chapter 5. Next, Sections 5.2 and 5.3 outline ontological and epistemological assumptions underpinning the research. In Sections 5.4 and 5.5, the applied research approach and methodology are discussed. Section 5.6 discusses appropriate methods for data collection. Finally, Section 5.7 outlines limitations related to the chosen research philosophy, followed by conclusions in Section 5.8.**

## 5.1 Introduction

In order to achieve a high quality of management research, it is crucial to reach consistency in the relationship between empirical and theoretical stances in the study (Easterby-Smith *et al.*, 2012). This relationship needs to be shaped based on the researchers' ontological and then epistemological views, which reflect a research philosophy. Therefore, this chapter is aimed at presenting an ontological and epistemological framework that explains the researcher's stance. This, in turn, helps to explore consequences of the described ontological and epistemological frameworks, such as the choice of a methodology and a method of data collection.

Research philosophy is understood as researcher's beliefs about a phenomenon or a problem. Finding a solution or an approach to address a research problem is defined as the main research purpose. These philosophical principles typically outline a research methodology, which enables the researcher to identify 'procedural frameworks' in order to conduct the research (Remenyi *et al.*, 1998). Researchers at different stages of their research make assumptions about the nature of the reality and the human knowledge, which ultimately shape research questions, employed methods, and, in turn, interpretations of the findings (Crotty, 1998). Hence, it is important to be aware of the underlying philosophical commitments, since they have a significant impact on how the researcher interprets the reality.

While there have been a large number of discussions on the research process content and its main elements, this research follows a traditional approach and this chapter will discuss the underlying *ontology*, *epistemology*, *research approach*, *methodology*, and *methods* (Easterby-Smith *et al.*, 2012). The definitions and contents of these four elements are outlined in Table 5-1.

**Table 5-1. Four elements of the research philosophy**

| Section | Research element | Definition | Reference |
|---|---|---|---|
| **Section 5.2** | ***Ontology*** | Claims or assumptions that a particular approach to social enquiry makes about the nature of social reality – claims about what exists, what it looks like, what units make it up and how these units interact with each other. | Blaikie (1993: p. 6) |
| **Section 5.3** | ***Epistemology*** | The study or a theory of the nature and grounds of knowledge especially with the reference to its limits and validity. | Remenyi *et al.* (1998: p. 282) |
| **Section 5.4** | ***Research approach*** | Where does the research process begin? | Blaikie (1993) |
| **Section 5.5** | ***Methodology*** | The strategy, plan of action, process or design lying behind the choice and use of particular methods and linking the choice and use of methods to the desired outcomes. | Crotty (1998: p. 3) |
| **Section 5.6** | ***Method*** | The actual techniques or procedures used to gather and analyse data related to some research question or hypotheses. | Blaikie (1993: p. 7) |

## 5.2 The ontological debate

*Ontology* is defined as 'the science or study of being', which reflects the nature of social reality (Blaikie, 1993). In other words, ontology is aimed at explaining what exists in the world, what all the objects in this reality consist of, how they interact with each other, etc. Social researchers raise questions about the social world and consider the way that the research intends to explore and investigate a problem. Thus, ontological assumptions typically concern the core of the phenomenon under researcher's investigation.

To identify consistency within various ontological classifications is a complex task. As such Blaikie (1993) infers 10 philosophical paradigms that are distinct from one another. In contrast, Burrell and Morgan (1979) suggest a more manageable classification of the philosophical assumptions, which is based on a more rigorous basis, highlighting dichotomising (contrasting) stances. Blaikie (1993) claims that every researcher should look beyond this dichotomisation, since the understanding of the reality is much more complex. However, for the purposes of this thesis, Burrell and Morgan's (1979) classification is applied, since ontological assumptions shape and define the ways in which research question is formulated as well as research process.

Following Burrell and Morgan (1979: p. 1), the ontological stance answers the question of 'whether "reality" is a given "out there" in the world, or the product of one's mind'. Essentially, *objectivist* and *subjectivist approaches* represent two mutually exclusive dimensions of philosophical assumptions, which serve as a basis for the ontological and epistemological considerations (Figure 5-1).

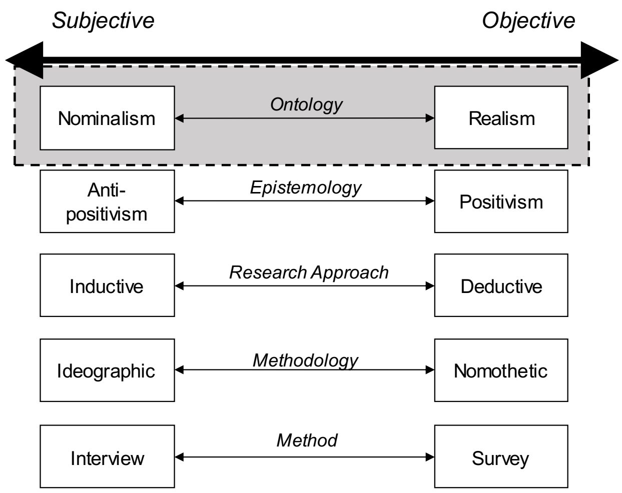


**Figure 5-1. A graphical representation of the dichotomisation of the ontological assumptions**[1]

*Nominalism* as an ontological stance under the subjectivist dimension (Saunders *et al.* (2011) and Creswell (2013) label it 'subjectivism') reflects

[1] Adapted from Burrell and Morgan (1979: p. 248) and Blaikie (1993).

reality, which is created from perceptions and resultant actions of individuals. Alongside this, nominalists believe that they are part of what is being studied. Typically, nominalists explore processes of social interactions, where social phenomena are not constant. In particular, these social constructs are produced by and through social interactions, and a researcher can find them in a continuous state of change (Saunders *et al.*, 2011).

On the other hand, *realism* (also referred to as 'objectivism' by Bryman and Bell (2015) as an ontological perspective to social research developed from the natural sciences. Realism typically asserts that social phenomena is considered external and independent to the researcher, and it exists beyond the researcher's influence (Bryman and Bell, 2015).

In this thesis, the researcher's assumptions are in line with the discussed ontology of *realism*, considering that the objective of the current study is to explore moderating effects of the message–messenger interaction on perceptions of corporate reputation, organisational (dis)identification, and behavioural outcomes. One might argue that the investigated constructs may have more subjective nature than objective, since, for instance, corporate reputation is characterised as individuals' *perceptions* of a company (which are typically 'subjective').

However, the objectivity of the study can be explained by the objective ontology. As such, every construct or research variable in the present study is objectively justified (or defined). In particular, despite the perceptual and subjective nature of the corporate reputation phenomenon, its existence is essentially objective regardless of whether an individual is aware of its existence or not. By acknowledging the objective reality, this research reflects and approximates individuals' perceptions of research variables, such as corporate reputation and organisational (dis)identification.

## 5.3 The epistemological debate

Associated with ontological assumptions, any researcher is required to justify the epistemological nature of the research to be carried out. Hence, the second set of philosophical assumptions includes research *epistemology*, which is typically defined as ‘the theory or science of the method or grounds of knowledge’ (Blaikie, 1993: p. 6). Following Burrell and Morgan (1979), epistemology reflects how to understand the social world (defined by ontology), how to gain knowledge, what methods to use, and how to communicate this knowledge. Moreover, epistemology allows researchers to identify what can be regarded as knowledge, in other words what is *true* in the social world, and what is *false*.

Typically, epistemological assumptions in social sciences (management in particular) fall into two polar views (Figure 5-2 below). Building upon the objectivist dimension, one might be interested in ‘facts’ and underlying structures of a phenomenon. For this dimension, reality consists of different objects that are considered to be real as well as existing independently from the researcher. For that reason, one might argue that data collected from this perspective would be less biased since the researcher does not interfere in the process. In the literature, this type of researcher applies *positivist* epistemological commitments to the development of knowledge. On the other hand, some researchers find it more valuable to explore feelings and attitudes as social phenomena, which do not have ‘external reality’ (Saunders *et al.*, 2011). Embracing a subjectivist dimension, these researchers adopt an *anti-positivism* epistemology.

It is argued that the *positivistic* approach, in management studies in particular, involves the same method or logic of explanation of an issue or a phenomenon that is used in the natural sciences (Blaikie, 1993). Positivists might argue that ‘working with an observable social reality and that the end product of such research can be law-like generalisations similar to those produced by the physical and natural scientists’ (Remenyi *et al.*, 1998: p. 32).

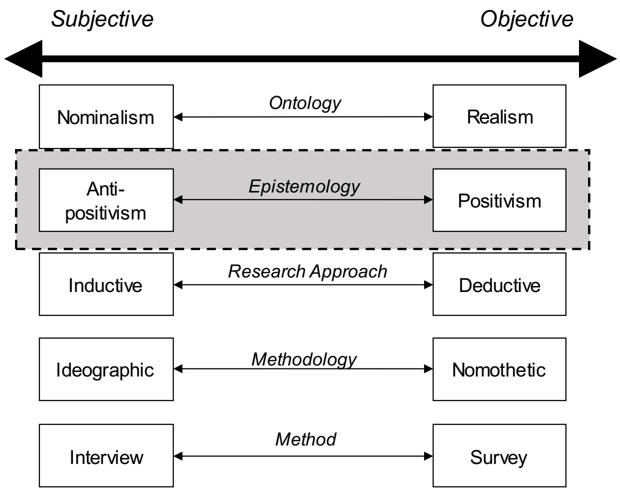


**Figure 5-2. A graphical representation of the dichotomisation of the epistemological assumptions**[1]

These observations typically lead to the production of credible data. In order to develop a research strategy and to collect and analyse data, positivists are likely to establish a concrete theoretical foundation for the concepts under investigation, based on existing theories and literature.

Traditionally, an overview of the literature and theories lead a positivist researcher to develop a set of testable propositions – hypotheses – that are tested and confirmed/refuted by means of statistical analysis. It has been observed that positivists very often propose a well-structured research design and methodology in order to conduct a study with a particular attention to quantifiable observations (Remenyi *et al.*, 1998).

Following Saunders *et al.* (2011: p. 114), one of the important distinctive elements of positivism is that the research is carried out in a ‘value-free way‘. In essence, positivists believe that studied objects must be isolated from each other, that researchers should be external to the process of data collection, and that all the observations should be repeatable in order to explain and predict consistencies or relationships between objects (Burrell and Morgan, 1979; Saunders *et al.*, 2011). This simply means that ‘the researcher is independent of and neither affects nor is affected by the subject of the research’ (Remenyi *et al.*, 1998: p. 33).

[1] Adapted from Burrell and Morgan (1979: p. 248) and Blaikie (1993).

However, one might argue that it is highly improbable to exclude researchers' feelings, values, and involvement from the research process. Ultimately, it would be still the researcher's decision to pursue a positivistic approach to investigating a particular problem, to formulate research objectives and, in turn, to answer the research question. Therefore, it is agreed that 'the decision to adopt a *seemingly* value-free perspective suggests the existence of a certain value position' (Saunders *et al.*, 2011: p. 114).

On the other hand, the epistemology of *anti-positivism* might appear in various forms. As such, very often researchers refer to it as 'interpretivism' or 'phenomenology' (Saunders *et al.*, 2011; Easterby-Smith *et al.*, 2012; Hughes and Sharrock, 2016). Anti-positivists argue that the real world is far more complex to permit investigating social constructs by defining them via definite 'laws' and structures (Saunders *et al.*, 2011). Furthermore, they argue that it is vital to consider and investigate human beings as social actors. Anti-positivists pay a significant attention to interpreting social actors and social roles they play in their lives. Therefore, an anti-positivist's aim is to 'enter the social world of … research subjects and understand their world from their point of view' (Saunders *et al.*, 2011: p. 116). An anti-positivist researcher is also a social actor, as s/he belongs in the social world. Hence, researchers' interpretations of observations play a part in conducting a study and the researcher is highly involved in collecting and analysing data and revealing findings.

Grounded in the ontological and epistemological discussion, the present research follows a *positivistic* epistemological stance, which is based on a traditional approach to conducting a study. This suggests that the study will be built upon a detailed review of existing literature and include development of testable hypotheses.

One might argue that the present research is focused on the feelings and attitudes of individuals towards organisations, which might be found to be related to a post-positivist approach to understanding humans as social actors. However, one of the main research objectives is to explore and measure the influence of different messages and messengers that might have an impact on perceived corporate reputation and its behavioural outcomes. Therefore, positivism as an epistemological stance is able to provide the researcher with essential considerations in order to conduct the study.

### 5.4 Choosing a research approach

Research in social sciences typically aims at how to explore, explain, and describe a phenomenon that is under a researcher's investigation. Having established philosophical stances, there is a need to answer a question – where does the research process begin? (Blaikie, 1993: p. 131). In other words, it is vital to outline whether the research starts with observations or with explaining theoretical conceptualisations, followed by collecting the data. There are different research approaches that are available to researchers according to their applied philosophical assumptions.

Typically, research approaches fall into two categories: *inductive* and *deductive* (Figure 5-3 below). Blaikie (1993) argues that inductive and deductive approaches are based on two forms of logical reasoning. The underlying difference between these two approaches lies within main purpose of the research. Broadly speaking, inductive approach is focused on generating theory, while deductive – on theory testing.

Both strategies are built from two kinds of statements: *singular* and *general* statements, which typically refer to a social construct under examination. Singular statements refer to a particular event at a particular time, while general statements refer to all events of a particular kind at any period of time (Blaikie, 1993: p. 132). In principle, the inductive approach begins with singular statements and concludes with more general arguments.

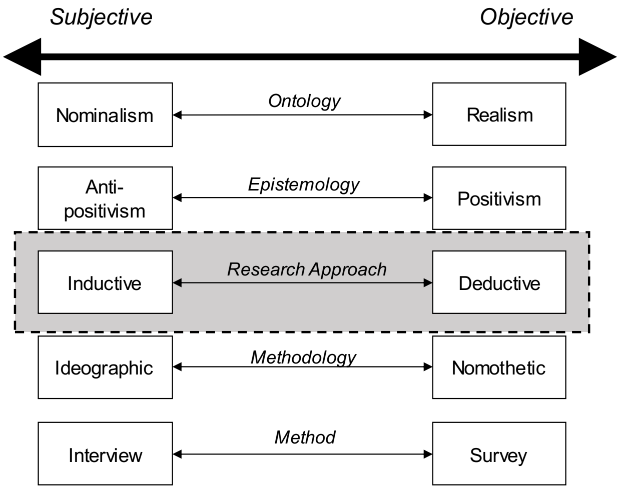


**Figure 5-3. A graphical representation of the dichotomisation of research approaches[1]**

Deductive strategy follows a reverse route, starting with a general statement (i.e. hypotheses), followed by a more precise singular statement (Table 5-2). It is agreed in the literature that induction owes more to anti-positivism, while deduction – to positivism (Crowther and Lancaster, 2012).

**Table 5-2. Research strategy: Deductive ↔ Inductive[2]**

| Research element | Definition |
|---|---|
| ***Deductive*** | Theory → Observations → Findings |
| ***Inductive*** | Observations → Findings → Theory |

The inductive approach is generally focused on close understanding as well as underlying mechanisms of the research context. The inductive approach involves more flexible structure of methodology, which is typically not concerned with generalisations. This allows the employment of changes of research emphasis into the research process. One of the distinctive features of inductive research is that a researcher is part of the research process, which largely impacts the interpretations of the outcomes (Saunders *et al.*, 2011).

[1] Adapted from Burrell and Morgan (1979: p. 248) and Blaikie (1993).
[2] Adapted from Bryman and Bell (2015).

On the other hand, deductive (also referred as hypothetico-deductive (Blaikie, 1993) approach is largely based on the natural sciences research techniques. Generally, deductive research begins with a research question or a problem that a researcher intends to understand or explain. According to deductivism, the researcher is required to provide a robust theoretical ('law-like') justification (foundation) for explaining a research problem/question. This is typically achieved via in-depth theories and literature reviews. After the research question is finalised, the researcher focuses on the theory and produces a possible answer (or develops a set of hypotheses) to the research question. The hypotheses are then criticised and tested, based on the empirical data set (Chalmers, 1982).

Building upon Saunders *et al.* (2011), deductive approach has a set of distinctive features, which a researcher should comply with. First, deductivism is focused on establishing causal relationships between variables, which, in turn, are formulated in research hypotheses. Second, in order to test proposed hypotheses there is a need to collect quantitative data. Third, to analyse data it is important to employ controls to allow the testing of hypotheses. Controls help to ensure that there are no confounding factors determining the proposed causal relationships. Fourth, in order to facilitate deductive research, a researcher needs to provide a well-structured methodology to ensure validity and reliability. Finally, deductive research is typically built on a principle of reductionism. 'This holds that problems as a whole are better understood if they are reduced to the simplest possible elements' (Saunders *et al.*, 2011: p. 125).

Considering ontological and epistemological considerations, this research follows a deductive strategy. Based on the realist-positivist philosophical stance, the nature of this research is hypothetico-deductive and includes the following stages (adapted from Robson and McCartan (2016):

(1) Theories on corporate reputation, organisational (dis)identification, behavioural outcomes, and the interaction between messages and messengers are reviewed (Chapters 2 and 3) and a theoretical foundation for the development of the research hypotheses is presented (Chapter 4);

(2) The operationalisation of proposed hypotheses is established (Chapter 6);

(3) The research hypotheses are tested (Chapter 7); and

(4) Results are discussed and a confirmation of the theory is provided (Chapters 8 and 9).

## 5.5 The research methodology debate

The philosophical assumptions outlined above of the reality (ontology), the knowledge (epistemology), and the research approach directly lead to a set of methodological considerations that should be addressed prior to conducting a study (Easterby-Smith *et al.*, 2012). It is agreed that different ontologies and epistemologies lead researchers to very distinctive methodologies (Burrell and Morgan, 1979).

Methodology is typically understood as a ‘plan of action’, which provides a rationale for the choice of data-collection methods and particular forms of the methods that need to be employed in the research (Crotty, 1998). Although the same methodology could be applied by researchers building their studies from different ontological and epistemological perspectives, the underlying mechanisms of the application of the methodology as well as combinations of data-collection methods are diverse.

Typically, methodology falls into two broad categories: *ideographic* and *nomothetic* (Figure 5-4). The former focuses on obtaining subjective knowledge about the subject, exploring its background and history; it typically includes qualifiable observations and is adopted by nominalists (i.e. interpretivists).

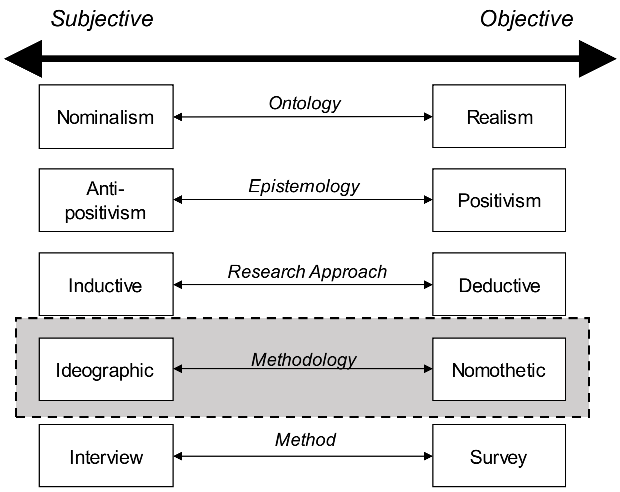


**Figure 5-4. A graphical representation of the dichotomisation of methodological assumptions**[1]

The latter, on the other hand, is based on systematic procedures and techniques in gaining knowledge about the reality. Nomothetic methodology is derived from the natural sciences methodologies, which are generally focused on proposing and testing hypotheses about reality. Nomothetic approaches typically involve quantifiable observations, which lead to statistical analysis (Remenyi *et al.*, 1998).

With respect to the literature that is reviewed in this thesis, there are a few articles that rely on ideographic (qualitative) exploration of the phenomena (e.g. Fombrun, 1996; Dukerich *et al.*, 1998); still, the majority of studies rely on quantitative (nomothetic) methodologies, which involve statistical analysis (e.g. Fombrun *et al.*, 2000; Kreiner and Ashforth, 2004). Consequently, the nomothetic category of methodologies is considered suitable for this study.

When a researcher relates his/her research to positivism, appropriate designs and methods include experiments and surveys (Table 5-3).

[1] Adapted from Burrell and Morgan (1979: p. 248) and Blaikie (1993).

**Table 5-3. Methodological implications for positivist epistemology**[1]

| Elements of social sciences epistemologies | Positivism |
|---|---|
| **Research aims** | *Discovery* |
| **Research premise** | *Hypotheses* |
| **Design** | *Experiment* |
| **Techniques** | *Measurement* |
| **Analysis** | *Verification/falsification* |
| **Outcomes** | *Causality* |

Following the recommendations by Easterby-Smith *et al.* (2012), one of the positivistic methodologies that focuses on examining causal relationships between variables and manipulating variables in different conditions is *experiment*. By use of experiments, researchers are able to draw conclusions and make an argument that gathered facts and information add value to the existing body of knowledge. Positivists believe that a consistent and significant data set enables them to generalise conclusions and to make a contribution to knowledge, which can be achieved by employing an experiment.

Experiment is defined as 'a form of experience of natural facts that occurs following deliberate human intervention to produce change; as such it distinguishes itself from the form of experience involving the observation of facts in their natural settings' (Corbetta, 2003: p. 94). One of the aims of experiments is to investigate causal relationships between constructs; simply put, whether a change in one (independent) variable produces a change in another (dependent) variable (Saunders *et al.*, 2011). Robson and McCartan (2016: p. 78) summarised the distinctive elements of experiments, which should include the following stages:

- Assignment of subjects to different conditions;
- Manipulation of one of more variables by the experiment;
- Measurement of effects of this manipulation on one or more variables; and
- Control of all other variables.

[1] Adapted from Easterby-Smith, Thorpe, and Jackson (2012).

One of the important conditions of establishing and measuring the impact of one independent variable on another depended variable is a manipulation of an independent variable in order to establish the causal effect. Manipulations, or, in other words, treatments, are typically defined as creations of 'different levels of the independent variables' (Sekaran, 2010: p. 145). Manipulation of an independent variable establishes if there is any effect of this variable on a dependent variable. To fully address the causal relationships, a researcher would need a control group – a group of participants, where no manipulation (no changes) are made. Hence, 'manipulation of the independent variable and control of third variables are … the two features of experimentation' (Corbetta, 2003: p. 93).

The present research seeks to answer the following research question: 'What is the interplay between messages and messengers in shaping corporate reputation?'. The research question is followed by the research objectives, such as establishing the combined and individual effects of messages and messengers on stakeholders' intended and actual behaviour. Hence, this research involves a manipulation of variables (i.e. messages and messengers) in different conditions of reality in order to address and establish relationships between proposed variables. Consequently, an experimental design seems to be appropriate.

Scholars distinguish different types of experiments, such as laboratory, field, or quasi-experimental designs (Sekaran, 2010; Saunders *et al.*, 2011). This study employs a *quasi-experimental design*, which will be discussed in more detail in Chapter 6.

### 5.6 Choosing a method for data collection

In order to assess and measure the impact of messages and messengers on perceptions or corporate reputation, organisational (dis)identification, and associated behavioural outcomes, a survey instrument – a *questionnaire* – is employed as the main method of data collection (Figure 5-5).

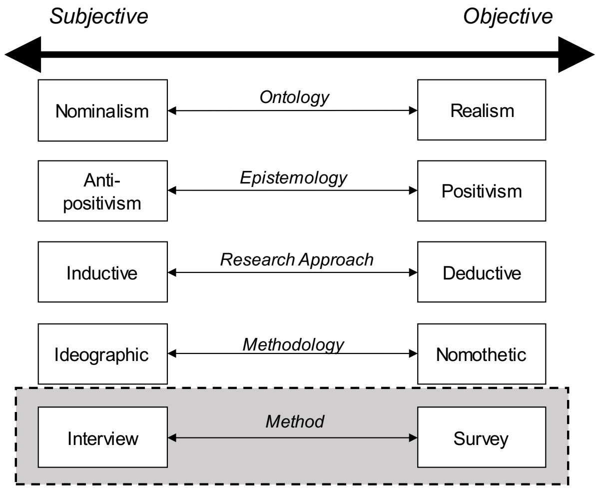


**Figure 5-5. A graphical representation of the dichotomisation of methods**[1]

Questionnaires, self-administrated in particular, are a commonly used data-collection tool in experiments, since they allow the assessment of how individuals perceived the treatment, and the collection of data on their behavioural responses (Maheswaran and Meyers-Levy, 1990; Ruth and York, 2004; Lee and Park, 2013).

A self-administrated questionnaire is defined as a ‘data collection technique in which each respondent reads and answers the same set of questions in a predetermined order without an interviewer being present’ (Saunders *et al.*, 2011: p. 600). Furthermore, self-administrated questionnaires have their advantage over other types of questionnaire (i.e. researcher-administrated). As such, since self-administrated questionnaires allow participants to answer all questions in their own time and convenience, eliminating any influence from the researcher.

One of the main purposes of questionnaires is to gather information about a phenomenon that cannot be easily observed. For instance, the present research is focused on understanding behavioural intentions of stakeholders towards a focal organisation. It is considered problematic to conduct an observation of individuals’ intentions, since they exist only in people’s minds and are not yet converted into real behaviour. Therefore, questionnaires as self-reports seem most appropriate. The rationale that underpins the use of

[1] Adapted from Burrell and Morgan (1979: p. 248) and Blaikie (1993).

questionnaires in management research is that there is a generalisable public opinion that is available to be tested measured through questionnaire questions (Remenyi *et al.*, 1998: p. 150).

Although questionnaires are not as flexible and adjustable as interviews, they are highly efficient in data-collection processes in terms of the researcher's time, costs, and energy (Sekaran, 2010). Moreover, questionnaires can be distributed to respondents in different geographical areas, which allows the increase in the representativeness of the population. In recent studies, a special attention has been brought to online questionnaires as one type of self-administrated questionnaire. Compared to postal questionnaires, online surveys can achieve a higher response rate: 40 per cent for online surveys, versus 26 per cent for postal questionnaires (Bryman and Bell, 2015). Moreover, online questionnaires provide the researcher with a much faster response speed.

Despite the fact that online questionnaires have a considerably high response rate, compared to other questionnaires types it is still quite low (Sekaran, 2010). Moreover, if a participant experiences doubts during filling in a questionnaire, they might not receive a satisfying clarification from the researcher (owing to a distant distribution of the questionnaire). Fortunately, there are techniques that could help a researcher to overcome questionnaire weaknesses. For instance, low rate response could be controlled by sending out reminder letters to participants or providing respondents with small monetary incentives for completion of the questionnaires.

To ensure that the purposes of the research and questionnaires are clear to participants, researchers typically send out a cover letter explaining the nature of the research and its significance, as well as the approximate time needed for participation. Furthermore, respondents would have an opportunity to contact the researcher in case of any doubts or questions regarding the questionnaire or the research overall.

Consequently, despite the number of advantages and disadvantages, questionnaires are a good choice of efficient data-collection tool (i.e. known and defined) (Sekaran, 2010), and is employed in the present study.

### 5.7 Limitations to the chosen research philosophy

It is crucial for the researcher to remain aware of the limitations that a realist philosophical stance imposes on the proposed research. To remind the reader, the main purpose of the doctoral study is to make a theoretical and empirical contribution to the existing knowledge and add value to the discipline that is being studied (Remenyi *et al.*, 1998).

Hence, the researcher admits that, based on her realist commitments, some of detail may be sacrificed in order to make broader and more generalisable conclusions. It is agreed that very often these lost nuances are embedded in deviant cases (Champniss, 2013). They can offer more detail about the investigated phenomenon than those who are in line with the trend.

Having recognised that, the discipline in the present research is related to calls for the establishment of broader perspectives, which can be researched in the future with more specific levels of depth and detail. Therefore, the researcher acknowledges potential limitations of the chosen philosophical stance and will address these weaknesses throughout the study.

### 5.8 Conclusion

The present study pursues a realist-positivist philosophical approach under the stance of objectivism to understanding the impact of perceptions of corporate reputation and organisational (dis)identification on individuals' behavioural outcomes, which is moderated by the interaction between messages and (dis)identification with messengers.

The main research strategy utilises deductivism, followed by nomothetic methodology. The experiment is chosen as the main research design to conduct quantifiable observations (the type of the experiment is discussed in more detail in Chapter 6), which ultimately leads to quantitative statistical analysis.

# CHAPTER 6. RESEARCH METHODOLOGY AND DESIGN

**This chapter provides an account of the adopted research methodology to address the aims of this study, with an emphasis on the procedures used to test the research model and hypotheses. It begins with a description of the methodological considerations used to evaluate design options and to select an appropriate research design. A discussion of the steps undertaken throughout the design execution process is provided, with emphasis on the research population and sampling strategy, instrument development and testing, data-collection procedures, and analytical techniques selected to test the study hypotheses and assess the overall models.**

## 6.1 Introduction

This chapter focuses on the research methodology adopted for this study to address the research objectives and research questions, with an emphasis on the processes employed to test the research hypotheses as well as the conceptual model. The chapter discusses methodological considerations as well as research design and research premise. It also outlines and discusses two pilot studies conducted prior to main data collection. The chapter concludes with a detailed review of applied statistical techniques – PLS-SEM.

To guide the reader, the research framework, first presented in Chapter 1, represented in Figure 6-1 below, which highlights the relevant areas of the thesis structure related to this chapter.

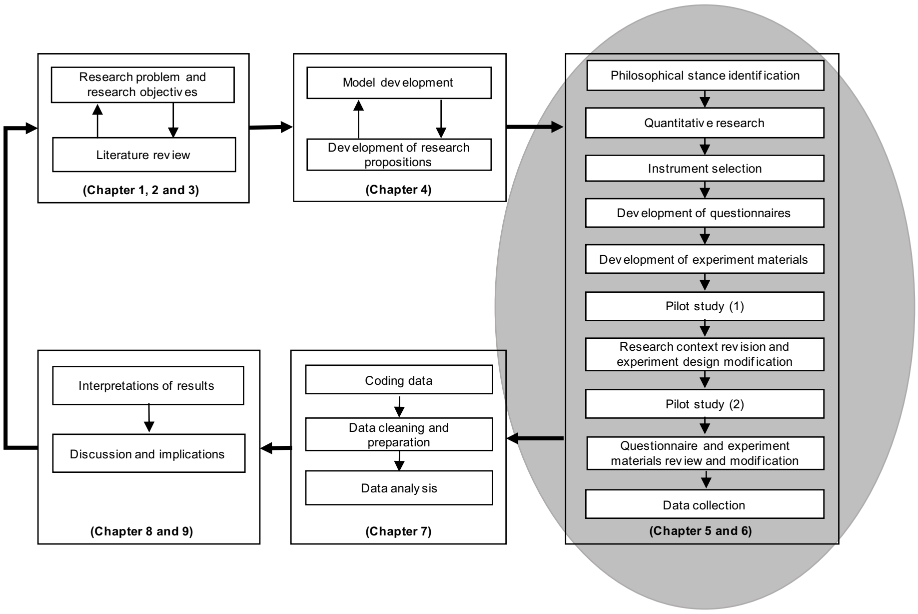


**Figure 6-1. Framework for research design outlines areas addressed in Chapter 6**

## 6.2 Methodological considerations

An academic study should consider the following methodological concerns: *research relevance* and *research rigour* (Darke *et al.*, 1998; Remenyi *et al.*, 1998). Research relevance refers to whether a study is able to address issues that are of interest of the academic audience (Remenyi *et al.*, 1998). In this instance, the target audience for this thesis includes academics and scholars, as well as practitioners and organisations, who are particularly interested in understanding the relationships between stakeholders and companies, focusing on corporate reputation and effects of the message–messenger interaction on behavioural outcomes (e.g. Bhattacharya et al., 2009; Money et al., 2012a,b).

On the other hand, research rigour is focused on the process of conformation (Remenyi *et al.*, 1998). In other words, the research rigour ensures that employed research methods comply with generally accepted rules of research. To ensure research rigour, the present study is built on the existing literature and theoretical frameworks. The research also utilises existing tested and validated measurement instruments that are available, current, and meaningful for the chosen research context.

## 6.3 The purpose of the study

The purpose of this study is to develop and test a testable model that allows the explanation of the impact of perceptions of corporate reputation and organisational (dis)identification on associated behavioural outcomes, moderated by the effect of the message–messenger interaction. The inquiry seeks to contribute to the development of an advanced approach to exploring corporate reputation from the SCV perspective, by using an empirical approach. Moreover, this study addresses calls in the extant literature for more detailed research into the effects of messages and messengers, and their interaction influence on behavioural responses of stakeholders towards organisations.

This research seeks to contribute to both scholars' and practitioners' understanding of corporate reputation and to explain why the same messages about a company sometimes result in very different responses from stakeholders; why well-intended initiatives aimed at building reputations and relationships often do not achieve their desired outcomes. Moreover, the study provides practical insights for companies who are trying to reliably anticipate stakeholders' responses (intended and actual behaviour) towards companies under the effects of perceived messages delivered by different messengers.

The research involves model building and model testing. Model building is one of most suitable ways to demonstrate identified causal relationships of explored phenomena (Easterby-Smith *et al.*, 2012). Models or theoretical frameworks are considered as a basis, which establishes the entire research. Following Sekaran (2010: p. 97), a model is 'a logically developed, described, and elaborated network of associations among the variables deemed relevant to the problem situation and identified through such processes as interviews, observations, and literature review'. A theoretical framework provides a solid foundation for developing and conducting research.

In the current study, model building is based on the in-depth analysis of the existing literature and theories. This approach to model development provides a robust logical explanation of the choice of variables that might be important and the relationships between them.

For the purpose of model testing, quantitative methods are employed. Testing a conceptual model typically involves testing hypothesised causal relationships between constructs in order to examine whether or not proposed relationships are supported or rejected (Hair *et al.*, 2014a). The employed quantitative methods include traditional methods of data preparation and structuring, as well as a more sophisticated approach to testing the proposed relationships within PLS-SEM by means of a statistical modeling software package, SmartPLS 3.

For developing experimental materials (e.g. messages and messengers), qualitative methods are employed. This includes the use of experts and general public review of the questionnaire instruments in order to develop and confirm the choice of messages and messengers, which are manipulated in the experiment, as well as the structure and design of the survey.

The present study has included three stages: two pilot studies and main study. All three are briefly outlined in Table 6-1.[1]

[1] This table was first presented in Chapter 1.

**Table 6-1. Summary of research stages undertaken in this study**

| Study | Time frame | Sample/stages | Thesis chapter/section | Context | Purpose/Key concepts/Outcomes |
|---|---|---|---|---|---|
| ***Pilot study 1*** | August 2014 | Sample n=65<br><br>Stage 1 – qualitative pre-testing phase<br><br>Stage 2 – quantitative phase | Chapter 6: Section 6.11.1 and 6.11.2 | Apple's policy – corporate control over both software and hardware | Purpose: To assess the research context and the experimental materials as well as measurement scales reliability tests.<br><br>Key concepts: Perceptions of corporate reputation, organisational (dis)identification, moderation – message–messenger interaction.<br><br>Outcomes: To reconsider the research context; to revise message content and design; to amend questionnaire design. |
| ***Pilot study 2*** | November 2015 | Sample n=25<br><br>Stage 1 – qualitative pre-testing phase.<br><br>Stage 2 – quantitative phase | Chapter 6: Section 6.11.3 and 6.11.4 | Volkswagen emissions scandal | Purpose: To qualitatively evaluate the prepared questionnaires; to assess the research context and the experimental materials; to finalise the questionnaires and the message design; to evaluate the manipulations.<br><br>Key concepts: Perceptions of corporate reputation, organisational (dis)identification, moderation – message–messenger interaction.<br><br>Outcomes: To revise the design and content of messages; to revise questionnaire design and measurement scale items; to insert attention filters and quotas. |
| ***Main study*** | January 2016 | Sample n=735<br><br>Stage 1 – pre-testing<br><br>Stage 2 – main data collection | Chapters 7, 8, and 9 | Volkswagen emissions scandal | Purpose: To investigate the role of the message–messenger interaction in affecting stakeholders' perceptions of corporate reputation, their organisational (dis)identification, and behavioural responses, an empirical research framework was developed and tested.<br><br>Key concepts: Perceptions of corporate reputation, organisational (dis)identification, moderation – message–messenger interaction (positive versus negative; an environmental scientist versus a Volkswagen driver); control groups (age, gender, ability to drive a car).<br><br>Outcomes: To offer a number of conceptual, empirical, and methodological contributions to the body of knowledge as well as a set of practical implications. |

## 6.4 The context of the study

The study is framed within the context of a German car manufacturer, in particular the recent Volkswagen emissions scandal. Volkswagen as a world-famous car manufacturer has distributed its automobiles all over the world. Car manufacturers have to comply with car emissions norms and regulations. Since the 1990s these norms in both Europe and USA have become stricter for all car manufacturers that would like to enter the car market. During 2014, the United States Environment Protection Agency (USEPA) identified that some Volkswagen diesel cars had failed mandated emissions tests provided by the International Council on Clean Transportation (ICCT). It was discovered that the real test-drives of VW engines emitted more nitrogen oxide that had been reported previously. Moreover, these emissions values were clearly above the admitted limit.

Further investigation demonstrated the presence of a software that detected the moment that tests were being run and regulated emissions in accordance with the accepted norms during the tests. After the tests were over, this software let the emissions to resume (in fact, to increase) for normal use.

The USEPA investigation and evidence of the ‘cheating software’ forced Volkswagen to publicly admit the installation of such a software and announce that about 11 million cars contained this software. Volkswagen was forced to pay large fines from US regulators. In addition to financial consequences, Volkswagen reorganised management arrangements, following the resignation of CEO Martin Winterkorn and other managers who were initially involved in the scandal.

Although the research question as well as the research purpose do not require an analysis of a particular industry or a company, the choice of the Volkswagen emissions scandal is highly relevant for a number of reasons. First, the Volkswagen emissions scandal happened in September 2015 and rapidly became subject to various debates across the world. Despite the obvious negative consequences of the emissions scandal, the Volkswagen case evoked a large number of messages framed both against and in favour of Volkswagen actions. Second, the emissions scandal has become a key topic among not only corporate speakers and government authorities but also among Volkswagen customers, environmental scientists, activists, and the general public. Third, despite the ambiguity of the emissions scandal, people have exhibited both supportive and unsupportive behaviour towards Volkswagen, which they exposed online and off-line. Fourth, the Volkswagen emissions scandal initially involved and was elucidated by the company's senior management. Hence, people felt the necessity to appeal to different corporate sources in order to receive more detailed or less biased or manipulated information. Finally, Volkswagen's corporate reputation has been greatly affected by this emissions scandal. The Harris Polls have presented their Reputation Quotient ranking, where Volkswagen's corporate reputation dropped by 20.5 points from 75.21 ('very good') in 2015 (before the scandal) to 54.75 ('very poor') in 2016 (after the scandal) (Theharrispoll.com, 2016).

Considering the discussed points, the recent case of the Volkswagen emissions scandal will add significant value to the proposed research.

### 6.5 Unit of analysis

The establishment of the unit of analysis is an essential step in designing the research process. The unit of analysis in academic research is typically defined as 'the social object to which the properties investigated appertain' (Corbetta, 2003: p. 66). Social researchers' repertoire includes a wide range of units of analysis, ranging from individuals to organisations and countries, from symbols to geographic areas and cultures (Corbetta, 2003). It is suggested that the choice of a unit of analysis should be based on research objectives as well as on the theories that underpin the research.

From numerous examples in the extant literature, it seems that by far most commonly used unit of analysis is an individual or groups of individuals (Basil, 1996; MacMillan *et al.*, 2004). For instance, customers, employees, and the general public are under scrutiny by scholars and academics in reputation and identification studies (Ashforth and Mael, 1989; Mael and Ashforth, 1992; Bhattacharya *et al.*, 1995; Elsbach, 1999; Elsbach and Bhattacharya, 2001; Sen and Bhattacharya, 2001; Bhattacharya and Elsbach, 2002; Davies, 2003).

The research theory also suggests selecting the lowest possible unit of analysis (Bernard, 2012). In line with Bernard, data collected at the individual level can be aggregated (grouped) as required by the research objectives, while group-level data may not be disaggregated. Furthermore, the current research applies the SCV approach to corporate reputation, where an individual stakeholder is at the focus of investigation. Consequently, following the research interests, objectives and theoretical justifications, an individual (a stakeholder) is employed as a unit of analysis.

## 6.6 Time horizon: cross-sectional approach

At the stage of the study design, the researcher has to decide whether the research should be longitudinal or cross-sectional. This choice is based on several factors.

Longitudinal design typically reflects the researcher’s interests in understanding and exploring the phenomenon at different periods of time, which, in turn, can help to observe medium and long-term trends as well as a sequence of effects (Remenyi *et al.*, 1998; Sekaran, 2010; Hair *et al.*, 2014a). This type of research is recognised as one of the most important designs in business studies of organisations, as the longitudinal approach is able to provide detailed data on processes, instruments, and mechanisms that cause organisational change (Pettigrew, 1990). Longitudinal studies have a set of necessary conditions, such as that data should be collected from the same population over multiple (preferably equal) periods of time, typically spanning five, 10, or 20 years (Hair *et al.*, 2014a).

However, it is agreed that longitudinal studies are considered costly and complex in administrating (Remenyi *et al.*, 1998). As a result, such designs are relatively rarely applied in business and management research (Bryman and Bell, 2015).

On the other hand, a cross-sectional design 'entails the collection of data on more than one case … and at a single point of time in order to collect a body of quantitative or quantifiable data in connection with two or more variables, which are then examined to detect patterns of association' (Bryman and Bell, 2015: p. 55). Compared to a longitudinal design, cross-sectional studies do not attempt to observe trends.

Cross-sectional, or 'one-shot' (Sekaran, 2010), design helps to explore how something is done at the particular point of time of the research, and to identify how a set of established variables relate to different members of the sample population (Remenyi *et al.*, 1998). Therefore, researchers adopting cross-sectional designs are typically interested in variation that can be established in respect to the audience (e.g. individuals) (Bryman and Bell, 2015).

Furthermore, while longitudinal studies focus on how a particular situation of interest develops over time, cross-sectional design proposes (when possible) simultaneous data collection. That is why, very often, cross-sectional studies utilise questionnaires as the main methodological instrument of data collection (Saunders *et al.*, 2011; Easterby-Smith *et al.*, 2012; Bryman and Bell, 2015).

The current research is designed as a cross-sectional study based on time and cost considerations. More importantly, the choice of cross-sectional design is based on the nature of the research questions and objectives, which involve an examination of causal relationships between a set of variables at a particular period of time.

## 6.7 Populations to be studied and sampling strategy

Following recommendations by Hair *et al.* (2014a) on different sampling strategies, it is important to address four main elements:

- The target population and sampling (Section 6.7.1);
- Sampling design and method (Section 6.7.2);
- Desired sample size (Section 6.7.3); and
- Sampling plan implementation (Section 6.7.4).

**6.7.1 The target population and sampling.** The first consideration the researcher should make is to identify the target population that a sample will be drawn from. Typically, researchers refer to a population as ‘the entire group of people, events, or things of interest that the researcher wishes to investigate’ (Sekaran, 2010: p. 265).

The general public in the UK was chosen to be studied for the empirical analysis of this study. The choice of this stakeholder group is defined by a number of conceptual and practical considerations. From a conceptual perspective, the general public is one of the most common stakeholder groups employed by researchers in the field of corporate reputation (see Fombrun, 1996; Fombrun *et al*., 2000, 2015; Ponzi *et al.*, 2011) for a number of reasons. First, the general public is considered as one of the largest stakeholder groups studied in the business literature (Elsbach, 2003; Raithel and Schwaiger, 2015). This group may include customers and potential customers, who may hear about or experience the company’s crisis; prospective or current employees; citizens in various communities related to the focal company (i.e. environmental communities, car enthusiasts etc.) (see Section 6.4). Second, provided the general public group includes a large number of people, their perceptions and behaviour towards the focal company receive a substantial attention form the media, which may lead to a more significant spread of the crisis (Marcus and Goodman, 1991; Elsbach, 2003).

From a practical perspective, the general public was identified as a useful starting point which may provide future research directions to include other stakeholder groups. Provided that the targeted stakeholder group are UK citizens, their views may indicate, to some extent, views of a wider society on Volkswagen. Finally, Volkswagen is one of the most popular car manufacturers in the UK (see Section 6.4 above), hence, the general public stakeholder group may reflect a wide range of perceptions and behaviours towards Volkswagen.

As part of a research process, the researcher then needs to decide whether to use sampling. A sample is a 'sub-group or part of a larger population' (Saunders *et al.*, 2011: p. 600). Sampling is defined as 'the process of selecting a sufficient number of elements from the population, so that a study of the sample and an understanding of its properties or characteristics would make it possible for us to generalise such properties or characteristics to the population elements' (Sekaran, 2010: pp. 266–267).

Very seldom are researchers able to collect data from the entire population (defined as census). However, this largely depends on research questions and research objectives. Most often, a researcher has to apply sampling in order to select a subset of all possible units (cases) in the target population (Remenyi *et al.*, 1998: p. 192). One of main advantages of sampling is its accuracy – it helps to collect comprehensive data. In addition, the analysis of data from samples could consume less time and would be more precise.

Following recommendations by Saunders *et al.* (2011), it would be impractical to collect data from the entire population. Since the unit of analysis is an individual stakeholder (i.e. a citizen) in the UK, potentially the census would include 64.1 million people. The research costs do not allow the researcher to collect data from such a large population. Finally, the time for this doctoral research project is limited by the regulations of University of Reading. Therefore, this research employs a sampling procedure (outlined below in more detail), which is determined by the UK population and includes citizens of all age groups, genders, and citizens' ability to drive a car as a more context-specific criterion.

**6.7.2 Sampling design and method.** The characteristics of the population are often unknown. Therefore, it is critical to choose an appropriate sampling frame as well as method, which will help to extract a sample that represents exactly the population from which it is drawn.

The sampling strategies fall into two main groups: probability and non-probability. The former typically provides an equal chance to all elements in the population to be selected into the sample, while with the latter the probability or chance with which each case is selected is not known (Saunders *et al.*, 2011). Probability sampling is often associated with experimental designs. Since the present study employs an experimental design, probability sampling appears, therefore, an obvious choice.

Probability sampling allows estimating statistically characteristics of the sample as well as of the population. Moreover, by focusing on representativeness, this strategy helps to generalise the findings. The probability sampling strategy depends on the research questions, objectives, and research context, and includes a wide range of techniques.

Based on the research aims and research design discussed in previous chapters, the most appropriate sampling method is based on a stratified sampling. This sampling design belongs to a random sampling family and it is based on a subgrouping (stratifying) of the population, where individuals are randomly selected from each subgroup (strata).

For the purposes of this study, a number of subgroups are employed: gender, age, and ability to drive a car. This sampling design is considered highly efficient, since such sample can provide more detailed information about the population, with homogeneity within each strata and heterogeneity across all subgroups (Sekaran, 2010: pp. 266–267).

**6.7.3 Desired sample size.** Following Remenyi *et al.* (1998), a required sample size should be based on the requirements of the research design and analysis techniques. This study employs structural equation modeling (partial least squares) (this approach will be discussed in more detail in Section 6.14).

Hair *et al.* (2016b) recommend identifying the required sample size as following:

- The sample size for PLS-SEM should generally be equal to or larger than 10 times the largest number of formative indicators that measure a single construct within the proposed PLS model.

*OR*

- The sample size for PLS-SEM should be equal to or larger than 10 times the largest number of structural paths leading to a construct in the proposed PLS model.

Following the research design, the experiment includes four experimental groups, which should be of equal size. Moreover, each experimental group should include control subgroups (control groups are discussed in more detail in Chapter 7) Based on the design and analysis requirements, a minimum sample size should be 40 for each subgroup.

**6.7.4 Sample plan implementation.** Following the target population requirements and proposed probability sampling framing, it seem practical to outsource the data collection to a third-party organisation. Hence, the data is collected in collaboration with Qualtrics technology (research software platform) and media and IT departments.

Qualtrics provides the researcher with configuring and logistical support in the form of hosting the four questionnaires on their online platform, recruiting and screening all participants from their established panel providers. Qualtrics ensures the required number of completed questionnaires, based on the identified subgroups, and provides the researcher with the data in the required format. Furthermore, Qualtrics provides relevant technical support (i.e. setting up survey filters, quotas numbers, and platform for measuring the actual behaviour of the participants) and services (i.e. providing incentives for the participants). Finally, Qualtrics does not have any control over the designed experiment. The design of questionnaires and data analysis are managed by the researcher alone.

### 6.8 Research design: quasi-experiment

The aim of the research is to investigate the role and effects of the message–messenger interaction in affecting stakeholders' perceptions of corporate reputation, their organisational (dis)identification, and related behavioural outcomes. Following the discussion in Chapter 5 on the philosophical stance of realism-positivism together with research objectives, the experiment as a form of research design seems a good fit into the research purpose.

Considering the main purposes of this study to investigate the impact of messages and messengers on perceptions of corporate reputation, organisational (dis)identification, and behavioural outcomes, a *quasi-experiment* is employed as a form of an experimental design. Quasi-experiments are typically used when testing descriptive causal relationships about a manipulatable cause (Shadish *et al.*, 2002), which are often characterised by a lack of random assignment (Connelly *et al.*, 2013). Typically, researchers assign units by means of self-selection, where the cause is manipulatable and occurs before the effect is measured (Shadish *et al.*, 2002). Quasi-experiments typically utilise questionnaires as a method of collecting data (Cohen and Ledford, 1994).

Interestingly, experiments (and quasi-experiments in particular) are fairly uncommon in business and management studies. One of the reasons that researchers usually avoid experiments is because it is very difficult to achieve a requisite level of control of confounding factors (Bryman and Bell, 2015).

Social concepts in management studies are interconnected and have multidimensional nature, which makes it highly challenging to control. On the other hand, if controlling has been operationalised, experiments are able to provide more robust theoretical justification to proposed causal relationships, compared to other methodologies.

Another difficulty that researchers face in experiments is that the multifaceted nature of management constructs very often does not allow researchers to manipulate some variables. The present research is focused on understanding how the same message delivered by different messengers can affect perceptions of corporate reputation, organisational (dis)identification, and associated stakeholders' behaviour. In other words, this study experiment intends to manipulate messages (pieces of information) and messengers (information sources), which are in compliance with experiment requirements of manipulated nature of variables.

### 6.9 Development of experimental materials

Schultz *et al.* (2011) argue that newspaper articles have a great weight in communicating messages, specifically in the time of crisis (which is essential for the discussed Volkswagen emissions scandal). In order to conduct the message–messenger manipulations, a fictitious news article is designed for the purposes of the experiment. The creation of a fictitious article is considered useful as it helps to minimise pre-existing attitudes towards familiar newspapers in the UK.

The development of experiment materials includes the following steps:

(1) Development of messages (Section 6.9.1);
(2) Choice of messengers (Section 6.9.2); and
(3) Message design (Section 6.9.3).

**6.9.1 Development of messages.** The message creation includes specifications of its structure, word count, and framing elements. A particular challenge is to produce as similar messages as possible, considering positive and negative framings.

Two headlines are developed in order to reflect each of the manipulated messages, which set the tone of the messages. As such, a positive message headline is '*Volkswagen emission scandal is vastly overrated*', while the negative message is '*Volkswagen emission scandal is vastly underestimated*'. Considering the general structure of a message, both messages contain the identical introduction to the main body of the article:

> *Volkswagen was recently accused of using a certain device to deliberately pass emission tests in the US, and contributing to air pollution. This software seemingly enabled environmental controls only when the vehicle was being tested, in order to help pass emission tests.*

The conclusion of both messages poses the same question – '*Can you trust Volkswagen again? – I know I can (can't)!'*

In the positive framing condition, the statements about Volkswagen emissions scandal indicate that the Volkswagen emissions scandal is overrated, focusing more on the positive achievements made by Volkswagen in dealing with the scandal, picturing Volkswagen in a positive light (Appendix 2). In the negative framing condition, factually equivalent statements are framed in a way that implies negative consequences for Volkswagen after their emissions scandal, describing Volkswagen in a negative light (Appendix 2).

The positive message includes 180 words. The negative message includes 182 words. A similar word count ensures that messages are as similar as possible. Table 6-2 reflects arguments included in the messages, which reflect two applied message framing – positive versus negative.

**Table 6-2. Message framing elements**

| Criteria | Positively framed message | Negatively framed message |
|---|---|---|
| **1. Headline** | *'Volkswagen emission scandal is vastly overrated'* | *'Volkswagen emission scandal is vastly underestimated'* |
| **2. Overall attitude towards the problem** | *'…the problem with Volkswagen emission tests is largely overrated'* | *'…the problem with Volkswagen emission tests is largely underestimated'* |
| **3. Impact on people's health** | *'Volkswagen did not put in danger people's health…'* | *'Volkswagen has put in danger people's health…'* |
| **4. Software implementation** | *'The implementation of the software was no more than just a defect…'* | *'The implementation of the software was an intentional act to fool people…'* |
| **5. Opinion on Volkswagen actions** | *'I have to say I am happy to see…'* | *'I have to say that I am disgusted…'* |
| **6. Corporate reputation** | *'Undoubtedly, their reputation and economic standing will not be irrevocably damaged by this scandal…'* | *'I don't see how their reputation and economic standing cannot be irrevocably damaged by this scandal.'* |
| **7. Trust** | *'Can you trust Volkswagen again? – I know I can!'* | *'Can you trust Volkswagen again? – I know I can't!'* |

**6.9.2 Choosing appropriate messengers.** Although some studies outline the importance of messengers in business, the majority of studies focus mainly on corporate messengers (Goldsmith *et al.*, 2000; Graffin *et al.*, 2008; Yeo *et al.*, 2011; Men, 2012). What has been missing and is yet to be explored is the role of non-corporate messengers in organisational relationships with stakeholders (e.g. Carroll and McCombs, 2003; Dowling, 2004b; Westphal and Deephouse, 2011). Furthermore, McCorkindale *et al.* (2013) argue that, even in cases when there are many corporate messages, some stakeholders tend to 'gravitate' to non-corporate sources from different external parties. Hence, it seems vital to consider the role of these external messengers and their interaction with messages.

Considering the context of the present research, the Volkswagen emissions scandal has been elucidated by various external messengers. For the purposes of this study, the choice of messengers is determined by their involvement with the scandal.

First, the emissions scandal is about potential impacts of car emissions on the environment. Therefore, an environmental scientist, with their knowledge and awareness, fits well for the purposes of the experiment. Second, Volkswagen cars were at focus during the emissions scandal. Hence, the messenger – an individual who has been driving a Volkswagen car for a long time – would demonstrate an involvement different to a scientist's in the emissions scandal. Furthermore, considering the research aim to investigate the effect (dis)identification with a messenger on behavioural outcomes, respondents might demonstrate certain levels of their (dis)identification with the two proposed messengers. Finally, to avoid any bias towards the messengers' gender, a gender-neutral UK name is chosen – Chris Jones. The age of the messengers is eliminated.

**6.9.3 Designing messages.** In order to make the messages look plausible, a significant attention is paid to the message design. A format of an online newspaper seems suitable for the purposes of the experiment. A number of scholars provide evidence that news media usually serve as a source of essential and influential information for stakeholders (Carroll and McCombs, 2003; Kiousis *et al.*, 2007; Einwiller *et al.*, 2010).

To achieve a maximum similarity with the existing newspapers, a careful analysis of the UK popular newspapers designs was run. The outline of the newspaper is based on the UK online articles and includes the name of the newspaper, its headline, and a picture that can summarise the topic of the article.

In order to avoid any bias towards existing newspapers, the name of the article is also fictitious – the Edge. The overall colour is blue. This colour is perceived as the most preferable across cultures (Wiegersma and Vander Elst, 1988). Moreover, research shows that the colour blue is associated with communication, trust, and intelligence (Mahnke, 1996; Wright, 2001; Fraser and Banks, 2004).

In order to add value to the design of developed news article, a picture of the Volkswagen logo displayed on a car is inserted. The picture has a neutral character for a number of reasons. First, it should not set a tone to the message in the article, in order to keep a ‘clean’ manipulation. Second, the picture should fit both messages (negatively and positively framed) equally. Finally, the picture reflects the main idea of the message, which depicts a content related to Volkswagen cars.

The message design also includes important elements, such as date and time when the news article was published, a name of the author (the messenger), and side quotations. Side quotations are inserted to emphasise the message framing (final versions of all four news articles are presented in Appendix 3).

## 6.10 Research premise

Participants were recruited by Qualtrics. Respondents were aware that they were invited to take part in a research project that would form a part of a doctoral study and that it was conducted by a doctoral researcher from Henley Business School, University of Reading. The introduction to the survey also included:

- a brief description of the research purpose and value of the proposed study;
- a detailed structure of the questionnaire;
- a section on anonymity and confidentiality; and
- the researcher’s contact information.

Participants were informed that they would be exposed to a news article about the Volkswagen emissions scandal as part of the survey. Furthermore, the instructions to the questionnaires included a short description for each questionnaire block (see Appendix 4 for a full example of the survey).

### 6.11 Measurement scales and questionnaire instruments testing

There are a number of research methods that can be utilised in order to gather data for empirical business studies. Typically, reputation researchers employ structured or unstructured interviews and questionnaires (telephone, mail, or electronic); more rarely, scholars utilise case studies and observations. Despite its advantages and disadvantages, the proposed research tactic of a quasi-experiment employs a questionnaire instrument as a method of collecting data (Cohen and Ledford, 1994) (see Chapter 5).

Questionnaires are able to provide the researcher with efficiently collected data in terms of time and costs. Moreover, questionnaires can help the researcher to collect large-scale data, which can be used in order to estimate and evaluate a generalisable public opinion that exists in the reality (Remenyi *et al.*, 1998). The logic behind employing a questionnaire for the quasi-experiment is strictly positivistic, in that it matches the overall philosophical principles that underpin the present research.

In order to encourage stakeholders to engage in participation, the developed questionnaires include a number of specific elements. First, the questionnaire has a detailed cover letter, which describes the purpose of the research, its importance, and a comprehensive description of the survey process. Second, the cover letter provides an estimated time that participants would need to complete the questionnaire. Third, in order to make participants' experiences as close to real as possible, the questionnaire includes a picture representation of a message and its messenger.

The first part of the questionnaire is focused on measuring perceptions of corporate reputation and organisational (dis)identification with a focal organisation. The second part aims at the evaluation of the effects of message–messenger interaction, where messages (framed positively or negatively) and messengers are manipulated in order to understand how the perceptions of corporate reputation, organisational (dis)identification, and behavioural consequences are affected by the interaction.

**6.11.1 Questionnaire item selection.** The selection of appropriate measurement scales is primarily based on the related literature, where scales are initially developed and tested. As a result of the in-depth literature review outlined in Chapters 2 and 3, seven constructs previously validated and operationalised are utilised in the study. All the constructs are adapted to fit the applied research context of this study and discussed below in Sections 6.11.2 to 6.11.6.

The constructs utilised in the research framework are presented below. The first five constructs are used in the reputation/(dis)identification model and focus on measuring individuals' perceptions of corporate reputation, their levels of organisational (dis)identification, and behavioural outcomes. The final two constructs represent levels of (dis)identification with the messenger, which are hypothesised to have a moderating impact on people's perceptions of corporate reputation and outcomes.

**6.11.2 Perceptions of corporate reputation.** Perceptions of corporate reputation relate to the perceptions of six organisational dimensions. Items for this scale are developed by adapting the Reputation Quotient (RQ) scale developed by Fombrun *et al.* (2000), which includes six dimensions.

Table 6-3 shows six RQ subgroups (emotional appeal, products and services, vision and leadership, work environment, social and environmental responsibility, and financial performance) and related items.

**6.11.3 Organisational (dis)identification.** As discussed in the previous chapters, organisational identification and organisational disidentification are interpreted as two distinct dimensions rather than opposite sides of a single construct (Elsbach, 1999). Organisational identification represents an overlap between a company's identity and that of an individual.

**Table 6-3. Reputation Quotient dimensions and related items**

| RQ dimension | Items |
|---|---|
| ***Emotional appeal*** | - I have a good feeling about Volkswagen.<br>- I admire and respect Volkswagen.<br>- I trust Volkswagen. |
| ***Products and services*** | - Volkswagen stands behind its products and services.<br>- Volkswagen develops innovative products and services.<br>- Volkswagen offers high-quality products and services.<br>- Volkswagen offers products and services that are a good value for money. |
| ***Vision and leadership*** | - Volkswagen has excellent leadership.<br>- Volkswagen has a clear vision for its future.<br>- Volkswagen recognises and takes advantage of market opportunities. |
| ***Work environment*** | - Volkswagen is well-managed.<br>- Volkswagen looks like a good company to work for.<br>- Volkswagen looks like a company that would have good employees. |
| ***Social and environmental responsibility*** | - Volkswagen supports good causes.<br>- Volkswagen is an environmentally responsible company.<br>- Volkswagen maintains high standards in the way it treats people. |
| ***Financial performance*** | - Volkswagen has a strong record of profitability.<br>- Volkswagen looks like a low risk investment.<br>- Volkswagen tends to outperform its competitors.<br>- Volkswagen looks like a company with strong prospects for future growth. |

This measure contains six items, adapted from the measure of organisational identification validated by Mael and Ashforth (1992):

- I am very interested in what others think about Volkswagen.
- When I talk about Volkswagen, I usually say ‘we’ rather than ‘they’.
- Volkswagen successes are my successes.
- When someone praises Volkswagen, it feels like a personal compliment.
- If a story in the media criticised Volkswagen, I would feel embarrassed.
- When someone criticises Volkswagen, it feels like a personal insult.

Similarly, organisational disidentification scale represents a construct based on the separation or conflict between identity of an individual and that of a company. This measure is adapted from the scale developed by Kreiner and Ashforth (2004) and includes the following items:

- I would be embarrassed if I was part of Volkswagen.
- Volkswagen does shameful things.
- If I were part of Volkswagen, I would try to keep it for a secret from people I meet.

- I find Volkswagen to be disgraceful.
- I want people to know that I disagree with how Volkswagen behaves.
- If I was part of Volkswagen, I would be ashamed of what goes on in Volkswagen.

**6.11.4 Supportive intended behaviour.** Behaviour intentions represent actions that individuals are likely to engage in as a result of their perceptions of corporate reputation as well as their levels of organisational (dis)identification towards the company. The measure of behavioural intentions is adapted from the scale developed and validated by Hillenbrand (2007) and, later, applied by West (2011):

- If I considered buying a new car, I would enquire at Volkswagen.
- I would recommend Volkswagen to anyone who is looking for a new car.
- Volkswagen is an organisation that I would defend if something went wrong.
- I would talk positively about Volkswagen in the future.
- If I were to consider buying a car in the future, Volkswagen would be my first port of call.
- I would give Volkswagen the benefit of the doubt if they were criticised (e.g. in the media or by consumer groups).

**6.11.5 Supportive actual behaviour.** Considering the online nature of the proposed quasi-experiment, the measure of individuals' actual behaviour needs to fit the experimental setting. As such, the online voting poll was chosen as suitable for the present research needs. Specifically, all respondents were invited to participate in the online public voting process.

Respondents were required to follow a web link to support or speak out against Volkswagen on a public domain. Participants were informed that their behaviour would be publicly available to other participants and that voting results would stay LIVE for the duration of the project. Finally, respondents were provided with a web link to LIVE results, which were updated every 5 minutes and could be accessed any time.

The behaviours towards Volkswagen includes:

1. Criminal charges must be pressed against Volkswagen!
2. Volkswagen must compensate their customers, whose cars failed emission tests.
3. The company has taken full responsibility for their mistakes, and the problem will be solved shortly.
4. The emission problem is vastly exaggerated.

Since the voting is voluntary, a fifth option was added to the voting, which allowed respondents to opt out from the procedure. This option was labelled 'Other (please specify)', where respondents had an opportunity not to exhibit any behaviours towards Volkswagen or to leave their comments[1]. Actual behaviour measure was coded for the purposes of this study (this is discussed in full in Section 6.11.7 below).

**6.11.6 (Dis)identification with the messenger.** As previously discussed, (dis)identification with the messenger is suggested to have a moderating impact on perceptions of corporate reputation, organisational (dis)identification, and associated behaviour. Similarly, to the organisational (dis)identification measure, (dis)identification with the messenger represent an overlap and/or separation of an individual's identity from that of the messenger. Two scales are adapted from the measures offered by Mael and Ashforth (1992) and Kreiner and Ashforth (2004) and outlines in Table 6-4 below.

[1] All the responses that fall into the fifth option are coded as missing data for the purposes of this study.

**Table 6-4. Measures of (dis)identification with the messenger**

| Identification with the messenger | Disidentification with the messenger |
|---|---|
| – I am very interested in what others think about the *Messenger*.[1]<br>– The *Messenger*'s successes are my successes.<br>– When someone praises the *Messenger*, it feels like a personal compliment.<br>– If a story in the media criticised the *Messenger*, I would feel embarrassed.<br>– When someone criticises the *Messenger*, it feels like a personal insult. | – I would be embarrassed if I was part of the *Messenger* group.<br>– The *Messenger* do shameful things.<br>– If I were part of the *Messenger* group, I would try to keep it for a secret from people I meet.<br>– I want people to know that I disagree with how the *Messenger* behave.<br>– I would be ashamed of what goes on among the *Messenger*. |

**6.11.7 The Likert-type seven-point scale.** The researcher chose to use a seven-point Likert-type scale for all the items within the questionnaires. More specifically, participants were required to indicate to what extent they agree or disagree with each statement provided. This is also supported by the extant research in the corporate reputation and organisational identification literature, in particular by those studies where all the utilised measures are adapted (Kreiner and Ashforth, 2004; Hillenbrand, 2007; West, 2011). In the applied seven-point scale, low points show participants' disagreement with a statement, while high points indicate their agreement.

Furthermore, the present study employs a measure of individuals' actual behaviour (see Section 6.11.5 above). After the discussion with experts during the pre-testing stage, the measure of actual behaviour was decided to be recoded as a rank order measure, based on the seven-point Likert scale from 1 to 7 (Table 6-5):

**Table 6-5. Actual behaviour**

| Actual behaviour measure items | Rank |
|---|---|
| Criminal charges must be pressed against Volkswagen! | *1* |
| Volkswagen must compensate their customers, whose cars failed emission tests. | *3* |
| The company has taken full responsibility for their mistakes, and the problem will be solved shortly. | *5* |
| The emission problem is vastly exaggerated. | *7* |
| Other | *0*[2] |

[1] In each questionnaire, the messenger is specified in accordance with the manipulation – environmental scientist or Volkswagen driver.
[2] This item of the construct 'Actual Behaviour' is coded as missing data and labelled 0.

This helps to treat the measure of individuals' actual behaviour along with the employed measures (perceptions of corporate reputation, organisational (dis)identification, supportive intended behaviour, and (dis)identification with the messenger), which are, likewise, based on the Likert seven-point scale.

## 6.12 Measurement scale determination and instrument refinement

Prior to subjecting a draft of all four questionnaires to a review and pre-testing, in total 53 items are identified to represent the conceptual model, included in each experimental questionnaire. In addition, all four questionnaires contain a set of questions focused on the demographic data (e.g. age, gender, and ability to drive a car), as well as manipulation check questions.

Very often experiment designs involve a set of pre-testing phases, which can help the researcher to refine the study. Given the complexity of the experiment design and intended manipulations using a fictitious newspaper article, two pilot studies were undertaken prior to main data collection.

The first pilot study had mostly a contextual objective. It involved pre-testing of the identified measures, and most importantly, specification of the research context. The second pilot study had a technical and conceptual nature, with the objective of pre-testing and specifying the context as well as checking all the manipulations. Both pilot studies are discussed below in Sections 6.12.1 to 6.12.4

**6.12.1 Pilot study 1.** The first pilot study was performed in August 2014. The purpose of this pilot was to assess the complexity and relevance of the scales and to refine the research context. This initial pilot was conducted with 65 students of Henley Business School, University of Reading, and alumni of University of Sussex.

For the first pilot study, Apple was identified as a focal organisation. Apple is known for its distinct and strong corporate identity, which often becomes a foundation for numerous debates about Apple's products, services, and policies. Thus, pilot study 1 focused on Apple's policy on corporate control over software and hardware. This policy has been under scrutiny, mostly by Apple users, tech developers, bloggers, and the general public.

The pilot study included a pre-testing qualitative phase, in which five doctoral researchers from Henley Business School were involved. The questionnaire was delivered to participants in hard copy. The doctoral students were aware of the research objectives and research questions, as well as the involved manipulations. The main goal of the pre-testing was to assess the relevance of the research context and the experimental materials (i.e. messages and messengers).

After the pre-testing stage, a number of elements within questionnaire design were modified. First, questionnaire introduction was amended to ensure that the purpose of the research and the survey structure were clear to participants. Second, the use of language was revised. Finally, the questionnaire was divided into two parts. The first part was focused on corporate reputation and organisational (dis)identification measures, whereas the second part was aimed at the message–messenger intervention and behavioural outcomes assessment. Moreover, it was also suggested that the chosen context of Apple's software policy was not implicit, and messages were not well understood by the participants.

In total, 65 respondents completed the questionnaire, of whom 35 participants completed both parts of the questionnaire. A statistical analysis showed that all the utilised scales demonstrated satisfactory levels of reliability. This was expected since all the applied measurement scales had been previously tested and validated in various contexts. Despite the strong reliability of measures, pilot study 1 revealed a certain number of weaknesses of the proposed experimental design, which are addressed in the next section.

**6.12.2 Weaknesses of pilot study 1 and further development.** Most notably, the applied context of the Apple software policy was not well understood by the participants for a number of reasons. First, a majority of participants were not aware of the discussed problem (54.5 per cent of respondents did not know about Apple's policy; however, 78.4 per cent of them owned at least two Apple products).

Second, respondents felt mostly neutral towards the company and its policies. Hence, the applied context was not '*resonating*' – participants did not feel involved in the problem. In other words, the context of Apple did not evoke any strong feelings towards the discussed issues or the company and therefore the effects of the employed manipulations were not recognised. Third, the content of the manipulated messages, specifically positive and negative framing, was not clear, and, as a result, the manipulation of the messages failed. Finally, splitting up the questionnaire into two parts did not add any value to the proposed experimental design. As a result, it was challenging to connect the responses from the two-part questionnaire and to 'track' the responses.

Following evidence provided by studies on individuals' perceptions of corporate reputation, organisational (dis)identification, stakeholders' behaviour, and message framing effects, most frequently researchers choose contexts that are either controversial or could evoke strong feelings among participants. For example, scholars often employ contexts about health and safety issues, e.g. alcohol abuse among students (Gerend and Cullen, 2008), heart disease and the role of cholesterol (Maheswaran and Meyers-Levy, 1990), or the National Rifle Association (a non-profit organisation dedicated to an appreciation of the shooting or carrying guns among citizens) (Elsbach and Bhattacharya, 2001).

Based on the pilot study outcomes and considerations, the context of the Volkswagen emissions scandal that occurred in September 2015, suited the research purposes (see Section 6.4 for more detail).

**6.12.3 Pilot study 2.** Prior to pilot study 2, the context of the Volkswagen emissions scandal was investigated in order to develop scandal-specific messages and to choose appropriate messengers. Following that, drafts for each questionnaire were prepared, following the amendments after pilot study 1, as well as the consideration of the layout, questionnaire format, sequencing, instructions, and other finishing details that serve to help data collection.

The second pilot study involved two stages: conceptual (qualitative) and technical (quantitative) parts. The ‘concept’ stage was focused on a qualitative evaluation of the prepared questionnaires. More specifically, it was carried out with eight participants, including doctoral researchers and members of staff of Henley Business School, University of Reading. This allowed reviewing all four questionnaires with two respondents each. The questionnaires were delivered in a paper form, which involved marking hard copies of the survey. No participants were aware of the research purpose or any of the research materials.

Following the outcomes of the qualitative pre-testing, a number of elements were identified and modified. A full revision of the introduction part to the survey was revised. The design of the messages was modified (i.e. using a larger picture, refining the outline, providing more details of the author of the article, etc.). All other changes were concerned language revisions in order to make instructions for respondents clearer. Overall, the ‘concept’ pilot helped to make the survey more efficient and precise.

After all the modifications made, a full ‘technical’ stage of pilot study 2 was conducted. The purpose of this piloting process was to finalise the questionnaires as well as the newspaper article design and to launch the survey on the online platform provided by Qualtrics. Moreover, at this stage of the instrument testing it was crucial to evaluate the manipulations. Therefore, detailed manipulation checks were performed.

Four questionnaires were uploaded into the Qualtrics platform and adapted for the online environment. The sample size for this pilot study included 25 participants, with a nearly-equal split in gender, 13 males (52 per cent) and 12 females (48 per cent), who were randomly allocated to the initial four conditions (questionnaires):

- Positive message from an environmental scientist – n=6
- Negative message from an environmental scientist – n=6
- Positive message from a Volkswagen driver – n=7
- Negative message from a Volkswagen driver – n=6

Most notably, the manipulations of the messages based on the initial qualitative pre-test and the descriptive statistics were successful ($M_{positive}$=5.73, SD=1.29; $M_{negative}$=6.25, SD=0.87). Therefore, it can be argued that two developed messages (positively and negatively framed) are perceived differently and according to their aim. Furthermore, relevant reliability tests (i.e. Cronbach's alpha) were run. Since the applied measures were tested and validated in different contexts and settings, all measures showed good levels of reliability.

Despite the notable success of the second pilot, a certain number of changes to the experiment design were needed, and they are discussed below in Section 6.12.4.

**6.12.4 Weaknesses of pilot study 2 and final modifications.** Pilot study 2 revealed a number of strengths and weaknesses of the proposed design. The results showed that the chosen context of the Volkswagen emissions scandal was perceived well by participants. The respondents felt involved in the problem and expressed particularly strong opinions about the issue. Next, both messages and messengers were found relevant to the context (see Section 6.4 of this chapter for more detail). Finally, the sequence of the questions as well as experiment settings were confirmed.

However, the second pilot study showed that the questionnaires included large matrix questions with numerous items (i.e. the measure of corporate reputation – RQ – includes 20 items). This could trigger people giving answers without reading the question, which could potentially lead to a straight-lining (this will be discussed in more detail in Chapter 7). Furthermore, accounting for three control groups, it seemed essential to include certain quotas to ensure balanced groupings.

Following the outcomes of pilot study 2, attention filters and control quotas were included in all four questionnaires in order to collect data of high quality. Attention filters are widely used in online surveys. They allow the incorporation of quality controls by screening out those participants who tend to speed up through the survey or to not pay attention to the provided questions. In essence, attention filter questions include detailed information on how to answer, and if this question is not answered correctly the respondent will be redirected to the last page of the survey and their response will be terminated. In order to achieve high effectiveness of attention filters, they are typically located in large blocks of questions (matrix questions, where respondents answer questions on the Likert-type scale).

However, this approach to screening respondents has some disadvantages. One of those is that it could screen out people who provide genuine and thoughtful answers to all the question but do not pay much attention to the instructions. In order to prevent the exclusion of valuable responses, the Qualtrics online platform allows all the responses to be downloaded (including those who failed attention filters) and assessed separately. Following the Qualtrics instructions, three attention filters are included in each questionnaire where necessary.

The next step in the finalising the questionnaires is to insert specific quotas. Survey quotas allow the researcher to manage responses within the survey. Such quotas help to keep track of how many respondents meet all the set-up conditions and to ensure that exact amount of required data is collected. It is critical for the proposed experiment to include specific quotas for the survey, since the experiment includes four questionnaires (2×2 manipulation matrix presented in Chapters 3 and 4). Besides, the proposed experiment design includes three control groups, which are also expected to be balanced in size for each questionnaire. Therefore, all the required settings for quotas are included in the survey by means of Qualtrics.

In summary, both pilot studies significantly contributed to the development of the main data-collection process. Given the complexity of the proposed quasi-experiment, both pilots were essential since they helped the researcher not only to improve the design but also to advance the research premise and research context in order to achieve the research goals.

The final list of items included in the survey and survey sample are shown in Appendix 4, followed by a copy of the employed instruments and their codes in Appendix 5. It should be noted that the questionnaires included additional items as part of an extensive research. Hence, all items beyond those listed in the survey should be treated as non-essential.

### 6.13 Data collection

The data was collected over a 14-day period, 8–22 January 2016. UK citizens were recruited by Qualtrics and participants were randomly assigned to one of four questionnaires. A total of 790 responses consented to complete the survey. Individuals who were interested in participating in the survey were initially screened by Qualtrics to ensure that they belonged to the target population.

Then all the participants were offered introductory materials as well as a consent form before they begin to complete the questionnaire. Additionally, the researcher's details were provided in case participants had questions regarding the survey or the research project.

More detailed information on the recruited population and their demographics are presented in Chapter 7.

## 6.14 Quantitative stage

The quantitative stage of the data analysis begins with the downloading the data from Qualtrics and merging four data files (from the four questionnaires) in a single data set into SPSS Statistics 23. Next, the data is coded and prepared for the cleaning processes and further examination.

The data preparation and cleaning involve the examination of missing data and outliers as well as the evaluation of distributional properties, which directly affect the choice of multivariate techniques. It is critical to evaluate the impact of the missing data within the data set and treat it accordingly in order to keep the data as close to the original data distribution pattern as possible. Outliers should be identified and critically examined, since they can distort the data set and, in turn, mislead the applied statistical tests. Finally, testing statistical distributional assumptions is crucial to justify the choice of appropriate multivariate techniques.

Following recommendations by Hair *et al.* (2014a) for data cleaning and preparation, mean, median, and standard deviation are calculated, and skewness and kurtosis are estimated for all items. The next stage of the data analysis includes the implementation of multivariate analysis techniques that help to test the proposed causal relationships and, in turn, to draw generalisable conclusions.

**6.14.1 Multivariate analysis techniques – PLS-SEM.** Multivariate analysis typically involves statistical methods that allow simultaneously analysing multiple variables (Hair *et al.*, 2016b). Multivariate techniques are widely applied in business research (e.g. Money *et al.*, 2012a) and generally fall into two groups: first-generation techniques and second-generation techniques. First-generation methods usually include multiple regressions and analysis of variance, while second-generation methods are referred to as structural equation modeling (SEM) (Henseler *et al.*, 2009; Hair *et al.*, 2011). SEM can help researchers to incorporate all unobservable variables simultaneously in the model by their observed indicators (Hair *et al.*, 2011). Therefore, SEM enables researchers to analyse multipart models. The complexity of the proposed research model in this thesis suggests using SEM as main method of multivariate analysis.

Researchers distinguish two types of SEM: covariance-based modeling (CB-SEM) and partial least squares (PLS-SEM). One of the main differences in these two approaches lies within how each method estimates latent variables used in the model (Peng and Lai, 2012; Hair *et al.*, 2016b). CB-SEM is focused on the common factor variance, whereas PLS-SEM considers overall variances (common and unique variances) (Peng and Lai, 2012). Despite their differences, both CB-SEM and PLS-SEM are widely applied in the literature (Helm, 2005; MacMillan *et al.*, 2005; Rindova *et al.*, 2005; Bontis *et al.*, 2007; Walsh and Beatty, 2007; Money *et al.*, 2012a; Money *et al.*, 2012b; Da Camara *et al.*, 2015; Fombrun *et al.*, 2015). Before choosing either method, the researcher needs to address three critical issues (1-3) relevant to the SEM application in order to choose an appropriate multivariate analysis technique (4) (Chin, 2010; Hair *et al.*, 2011; Ringle *et al.*, 2012; Hair *et al.*, 2014a; Hair *et al.*, 2016b):

(1) Distribution assumptions of the data set;
(2) Sample size;
(3) Model properties; and
(4) Choosing a multivariate analysis technique.

***<u>(1) Distribution assumptions of the data set</u>***

CB-SEM as a multivariate technique assumes a normal distribution of the collected data. Therefore, when evaluating a path model with CB-SEM, non-normal data analysis could lead to underestimated standards errors as well as overrated goodness-of-fit indicators (Hair *et al.*, 2014b). At the same time, PLS-SEM is free from any distributional assumptions (Henseler *et al.*, 2009).

***(2) Sample size***

Shah and Goldstein (2006) argue that limited sample size can significantly affect such SEM characteristics as parameter estimates, model fit, and statistical power. Therefore, CB-SEM may have certain difficulties in estimating path models with a small sample size. Hair *et al.* (2014a) suggest that a minimum sample size for CB-SEM should be no smaller than 200 or 5/10 cases per parameter. Provided the complex theoretical framework, the choice of CB-SEM would lead to a minimum of *200* responses per subgroup.

On the contrary, PLS-SEM has capabilities to utilise limited sample sizes (Hair *et al.*, 2016b; Sarstedt *et al.*, 2016), which in some cases can be fewer than 100. For example, Barclay *et al.* (1995) recommend identifying the required sample size as following:

- The sample size for PLS-SEM should generally be equal to or larger than 10 times the largest number of formative indicators that measure a single construct within the proposed PLS model.
- The sample size for PLS-SEM should be equal to or larger than 10 times the largest number of structural paths leading to a construct in the proposed PLS model.

Given the complex theoretical framework, the choice of PLS-SEM would lead to a minimum of *40* responses per subgroup.

***(3) Model properties***

PLS-SEM and CB-SEM can incorporate formative and reflective indicators. However, PLS-SEM has received more attention and support in utilising formative constructs. PLS-SEM is also a recommended primary method for analysis when employing both reflective and formative constructs (Hair *et al.*, 2016b), whereas CB-SEM analysis of formative constructs often leads to identification problems (Jarvis *et al.*, 2003).

Apart from construct specifications, PLS-SEM enables researchers to analyse complex models with many structural model relations, when CB-SEM technique could face certain challenges (Hair *et al.*, 2016b). Finally, PLS-SEM compared to CB-SEM, can accommodate constructs measured with single measures (Hair *et al.*, 2014b; Sarstedt *et al.*, 2014).

***(4) Choosing a multivariate analysis technique***

Following the discussed three considerations, the collected data characteristics are as follows:

- The initial data examination stage demonstrates a non-normal data distribution.
- The sample size is limited owing to the experimental nature of the proposed research and number of experimental groups.
- The proposed model is complex, considering five reflective constructs and the 2×2 moderating matrix.
- The supportive actual behaviour construct is measured with a single measure.

Consequently, PLS-SEM seems to fit most for the analysis in this study. The data is analysed in SmartPLS 3 statistical package, which is considered one of the most advanced and applied software packages (Hair *et al.*, 2016b).

**6.14.2 Limitations of PLS-SEM.** Despite its wide use in business research, PLS-SEM has a set of weaknesses that have been addressed in the methodology and statistics literature. As such, Marcoulides and Saunders (2006) argue that the PLS-SEM requirement of a small sample size is overrated. The scholars believe that a small sample size is potentially dangerous since it could discourage researchers from collecting comprehensive samples for their analysis.

In response to that, Henseler *et al.* (2009) and Hair *et al.* (2011) argue that collecting insufficient samples is not a mistake only PLS-SEM users make. Moreover, they continue that researchers might collect relatively large samples for PLS-SEM analysis if their goal is to 'mimic' CB-SEM. Still even with a small sample, PLS-SEM can offer a robust and relatively high statistical power (Reinartz *et al.*, 2009). However, high robustness of PLS-SEM can be achieved as long as the amount of missing data is below a reasonable level (see Hair *et al.*, 2014b).

The ability of PLS-SEM to 'mimic' CB-SEM is another subject of dispute in the literature (McDonald, 1996), while others refer to the lack of robustness of this type of SEM (Boomsma and Hoogland, 2001). Hwang *et al.* (2010) argue that PLS-SEM weaknesses are the result of a limited simulation studies available. Finally, Reinartz *et al.* (2009) demonstrate the ability of PLS-SEM to mimic CB-SEM and discuss in detail advantages and weaknesses of PLS-SEM.

There is also some constructive criticism towards the use of PLS-SEM concerning data and model characteristics as well as PLS-SEM algorithm itself. Hair *et al.* (2014b) demonstrate that structural model relationships by means of PLS-SEM are generally underestimated, while measurement model relationships are overestimated. They refer to the latter as PLS-SEM bias.

PLS-SEM bias can disappear only when the number of indicators per latent variable is increased to infinity, which is described by Lohmöller (2013) as consistency at large. Obviously, it is nearly impossible to use such a large number of indicators; therefore, the PLS-SEM bias never disappears in full. However, in their simulation study Reinartz *et al.* (2009) demonstrated that the PLS-SEM bias is usually very low.

Despite all the criticism, PLS-SEM is still considered a fairly robust technique for analysing research models. Following the recommendations by Hair *et al.* (2016b), a two-step analysis is employed to test the proposed reputation/(dis)identification model. Step 1 involves evaluations of the measurement model, while Step 2 is focused on the assessment of the structural model. Both steps are discussed below.

**6.14.3 Step 1: Evaluation of the measurement model.** The measurement model generally represents relationships between constructs and their related indicators (defined as outer model) (Henseler *et al.*, 2009). The relationships between constructs and their indicators are determined by measurement theory (Hair *et al.*, 2016b). More specifically, a solid theoretical underpinning of the measurements utilised in the research provides a necessary condition to test hypotheses and to obtain meaningful results.

The measurement model assessments generally include the *reliability* and *validity* of the measures utilised in the path model in accordance to the specific set of criteria (Henseler *et al.*, 2009). These criteria differ depending on the nature of the measure: reflective or formative.

The fundamental difference between formative and reflective constructs lies in how they explain the phenomenon. For formative constructs, indicators determine the construct (the arrows point *towards* the construct). For reflective constructs the latent variable determines the indicators (the arrows point *away from* the construct), and reflective indicators are usually understood as the cause of the latent construct (Figure 6-2).

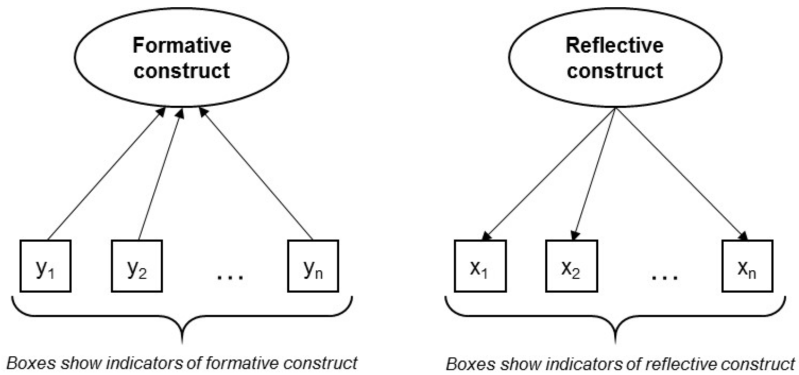


**Figure 6-2. Reflective and formative indicators**[1]

For example, considering individuals' sustainable lifestyles, these can be measured from a formative or reflective perspectives. One might be interested in understanding what causes a sustainable lifestyle, measuring the

[1] Adapted from Hair *et al*. (2016b).

phenomenon formatively. Alternatively, others could focus more on the outcomes of a sustainable life style, while measuring the concept reflectively.

Figure 6-3 illustrates that the formative indicators of a sustainable lifestyle could include but are not limited to buying sustainable goods, recycling, and cycling instead of using public transport. It is seen here that these items are not necessary correlated with each other but are still connected, since the change in one condition (recycling) could evoke changes in sustainable lifestyle preferences.

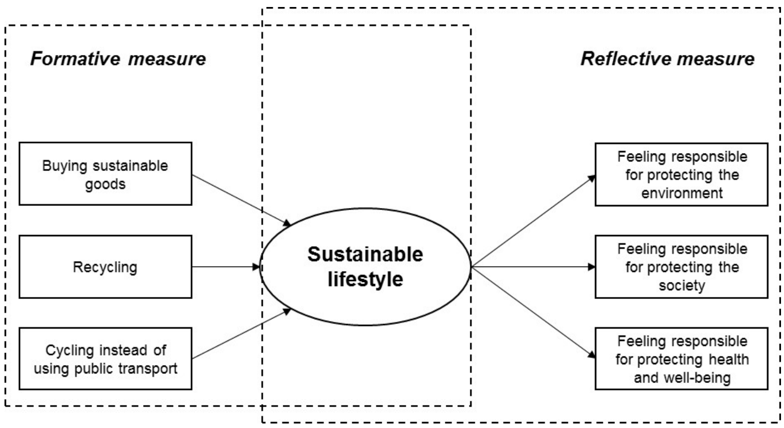


**Figure 6-3. Illustration of formative and reflective indicators**[1]

On the other hand, the reflective indicators include feelings of responsibility for the environment, society, and health and well-being. They demonstrate a certain outcome of a specific life style. In the latter example, all the reflective indicators are correlated because all of them (to different degrees) reflect the overall sustainable lifestyle.

The proposed path model in this study incorporates reflectively measured constructs, thus it is vital to focus more on the reflective constructs and how to assess them.

[1] Adapted from Garnelo-Gomez *et al.* (2015).

***6.14.3.1 Reliability measures for reflective constructs.*** When assessing reflective constructs within the PLS-SEM model, it is vital to evaluate constructs' reliability and validity (Hair *et al.*, 2016b). Reliability is generally understood as an 'indication of the stability and consistency with which the instrument measures the concept' (Sekaran, 2010: p. 203). In PLS-SEM analysis, reflective constructs reliability measures involve *internal consistency reliability* and *indicator reliability* (Henseler *et al.*, 2009).

Internal consistency reliability is traditionally assessed by means of Cronbach's alpha coefficient (Cronbach, 1951). The underlying mechanism of Cronbach's Alpha is that all indicators in a variable are assumed to have equal outer loading on the according construct. However, PLS-SEM processes the constructs indicators according to their individual reliability.

Furthermore, it is believed that the Cronbach's alpha criterion is largely dependent on the number of indicators in a construct, what generally leads to underestimation of the construct reliability (Hair *et al.*, 2016b). Alternatively, Hair *et al.* (2014b) suggest assessing the reliability of internal consistency using the construct reliability measure, which provides more appropriate evaluations for the following reasons:

- Composite reliability measure does not treat all indicators' loadings equally;
- Composite reliability enables researchers to use constructs with a large number of indicators.

The next assessment of reliability is indicator reliability. This type of reliability ensures that the associated indicators have much in common, which is captured by the latent construct (Hair *et al.*, 2014b). More specifically, indicator reliability reflects how much of the variation in the item is explained by the construct, which is expected to be at least 50 per cent (Hair *et al.*, 2016b).

***6.14.3.2 Validity measures for reflective constructs.*** It is important to note that reliability is not a sufficient condition to confirm the appropriateness of the measures. It is critical to evaluate the validity of constructs, which 'ensures the ability of a scale to measure the intended concept' (Sekaran, 2010: p. 205). Validity measures of reflective indicators include *convergent* and *discriminant* validity.

Convergent validity reflects communality of a construct, and it reflects the extent to 'which a measure correlates positively with alternative measures of the same construct' (Hair *et al.*, 2016b: p. 112). In other words, convergent validity shows whether reflective items share a high proportion of variance, which is assessed via a calculation of the Average Variance Extracted coefficient (AVE).

Discriminant validity of reflective constructs is aimed at whether a construct and its indicators are significantly different from other reflective constructs and their related indicators within the overall model (Vogt and Johnson, 2015: p. 44). Generally, discriminant validity is assessed though indicator cross-loadings evaluations and the Fornell–Larcker criterion. This suggests that each construct in the path model should share more variance with its associated indicators than with any other latent construct within the model (Fornell and Larcker, 1981).

**6.14.4 Step 2: Evaluation of the structural model.** Once the measurement model is assessed, and reliability and validity measures are established, the structural model is required to be evaluated. Structural theory serves as a grounding to draw path relationships between constructs (Hair *et al.*, 2016b). Concrete structural theory, based on a comprehensive literature review of existing theories, suggests a sequence and direction of the relationships between construct in the path model. The evaluation of the structural model includes the assessment of the relationships between constructs (hypotheses) and the model's overall predictive capability.

It is important to understand that the underlying purpose of PLS-SEM is to minimise the amount of unexplained variance between constructs (i.e. to maximise the explained variance of the latent variables). Therefore, the traditional for goodness-of-fit measure is not applicable for PLS (because it is focused on the difference between two covariance matrices) (Chin, 1998; Henseler and Sarstedt, 2012). Henseler *et al.* (2009) and Hair *et al.* (2014b) suggest assessing the predictive capability of the model by following the subsequent steps:

(1) Estimation of the paths within the model (Section 6.14.4.1);
(2) The coefficient of determination $R^2$ (Section 6.14.4.2);
(3) The effect size $f^2$ (Section 6.14.4.3); and
(4) Cross-validated redundancy $Q^2$ (predictive relevance) and the effect size $q^2$ (Section 6.14.4.4).

***6.14.4.1 Estimation of the paths within the model.*** The proposed relationships between constructs in PLS-SEM are defined as model paths and they represent standardised beta coefficients of ordinary least squares (OLS) (Henseler *et al.*, 2009). These individual paths have a specific magnitude, sign, and significance. The former two characteristics closely rely on the theoretical underpinnings in the form the proposed hypotheses (based on solid structural theory); the latter is based on the bootstrapping procedure.

The evaluation of the significance of paths relationships within the model is an important step in the structural model assessment. The significance of a path coefficient ultimately depends on its standard error, which can be obtained by means of *bootstrapping*.

The procedure of bootstrapping can provide researchers with an estimation of the shape, spread, and bias of the sample distribution (Henseler *et al.*, 2009). More specifically, the obtained via bootstrapping standard error allows to calculate the empirical $t$-value of a particular relationship. Following recommendations by Hair *et al.* (2014b), it is vital to evaluate the relevance of significant paths. The analysis of the relevance of significant relationships between constructs largely affects the interpretation of the results, drawing conclusions and providing further managerial recommendations.

***6.14.4.2 The coefficient of determination $R^2$ .*** The $R^2$ coefficient is considered essential for PLS-SEM structural model assessment since it reflects the measure of the model's predictive accuracy (Hair *et al.*, 2014b). In other words, this criterion reflects the effects that all independent variables have on a dependent variable(s). The value of $R^2$ falls between 1 and 0, where the higher levels indicate high predictive accuracy. Chin (1998) describes $R^2$ values of 0.19, 0.33 and 0.67 as weak, moderate, and substantial, respectively.

A potential issue might occur when, for example, comparing two or more groups within PLS-SEM, or adding extra variables to the model. In this case, it is agreed to use the adjusted $R^2$ ($R^2_{adj}$). The $R^2_{adj}$ value helps to evaluate the model avoiding the bias of complex PLS-SEM models (Sarstedt *et al.*, 2013).

***6.14.4.3 The effect size $f^2$.*** Following the estimation of the $R^2$ values, one should assess the effect size by means of Cohen's $f^2$ (Cohen, 1988). The $f^2$ coefficient shows the change in the $R^2$ value when a specific independent variable is omitted from the path model. The $f^2$ value demonstrates whether the omitted variable has a substantial impact on the dependent variable. Cohen (1988) describes the $f^2$ values of 0.02, 0.15, and 0.35 as showing weak, medium, and large effects, respectively.

***6.14.4.4 Cross-validated redundancy $Q^2$ and the effect size $q^2$.***The next step in the assessment of the structural model is focused on the model's prediction capabilities. The Stone-Geisser's $Q^2$ value (Geisser, 1974; Stone, 1974) serves as an indicator of the model's predictive relevance, and it can be measured be means of *blindfolding*. The blindfolding technique is focused on the reuse of the sample, where it omits every $d_{th}$ data point. To implement the blindfolding technique is particularly effective since it obtains the cross-validated redundancy rather than the cross-validated communality (Wold, 1982).

It is also important to remember that the procedure of blindfolding can be applied only to reflective constructs (Henseler *et al.*, 2009), which is the case in this study. If the value of $Q^2$ for a specific dependent variable is higher than zero, it represents how well the proposed path model can predict the observed values (Hair *et al.*, 2016b). In line with the evaluation of the effect size $f^2$ for assessing $R^2$, the relative impact of predictive relevance can be assessed by means of $q^2$, where values of 0.02, 0.15, and 0.35 describe a small, medium, and large effect, respectively.

### 6.15 Modeling moderating effects of interaction variables

To remind the reader, the key objective of this thesis is to investigate the moderating impact of messages, (dis)identification with messengers, and their interaction on perceptions of corporate reputation, organisational (dis)identification, and behavioural outcomes. This type of analysis is particularly important in experimental designs, since the interpretation of the results obtained from different experimental groups suggests heterogeneous nature of the data (Henseler *et al.*, 2009). In fact, neglecting the heterogeneity that exists among the population in the related subgroups could lead to jeopardising PLS-SEM results.

There are two main approaches to examining moderating effects in PLS-SEM. The first is initially based on creating a *moderating interaction term* within the path model (Chin *et al.*, 2003) (Figure 6-4), while the second involves *Multi-Group Analysis* (Henseler *et al.*, 2009) (Figure 6-5).

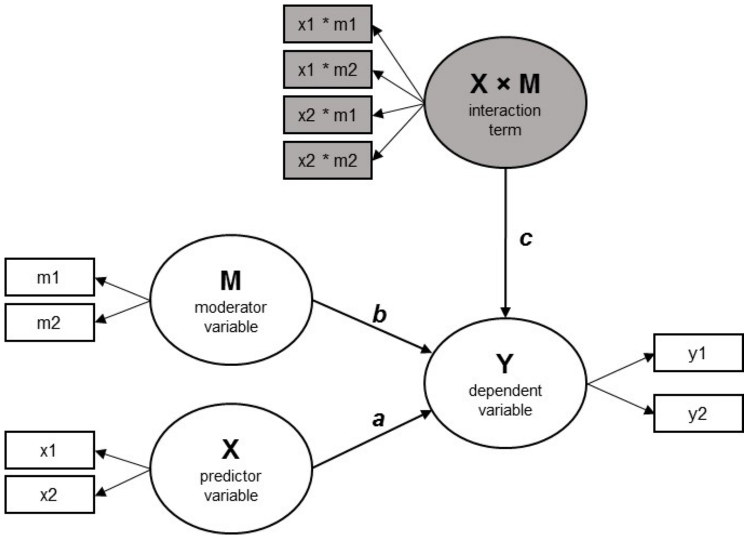


**Figure 6-4. Modeling moderating effects of interaction variable**[1]

From the picture, above, it is seen that the PLS model includes the path (***a***) from the predictor variable (***X***) to the dependent variable (***Y***), the path (***b***) from the moderator variable (***M***), and the path (***c***) from the interaction term (***X × M***). The confirmation of the moderating effect will take place only if the path (***c***) leading from the interaction term (***X × M***) to the dependent variable (***Y***) is significantly different from zero (Baron and Kenny, 1986).

The proposed approach to examining moderating effects is particularly useful when:

- The moderating variable is continuous;
- The path model is relatively simple (e.g. a limited number of exogenous variables explain one endogenous variable).

As it is previously described, the present research examines the moderating impact of messages, (dis)identification with messengers, and their interaction (e.g. the interaction between a positively/negatively framed message and (dis)identification with a messenger). Such moderators include categorical and continuous variables. Furthermore, the proposed model contains three exogenous and two endogenous variables. Therefore, the application of the

[1] Adapted from Hair *et al.* (2016b: p. 252).

first method of moderating analysis is not appropriate to the proposed path model in this thesis.

An alternative technique, which allows the analysis of moderating effect of the interaction of two variables, is based on the group comparisons with a categorical moderator (typically with two categories) (Henseler *et al.*, 2009). This technique is described in the literature as Multi-Group Analysis (MGA) and regarded as a special case of modeling moderating effects (Henseler, 2007; Chin and Dibbern, 2010; Henseler and Chin, 2010; Sarstedt *et al.*, 2011).

MGA helps researchers to identify whether there is a significant difference between two groups of comparison (Figure 6-5).

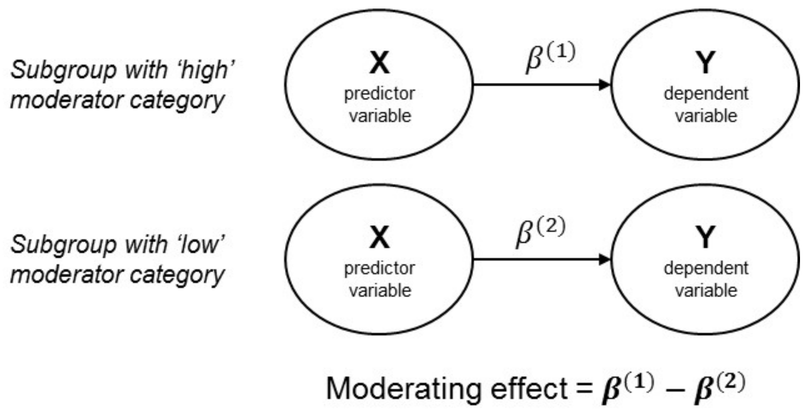


**Figure 6-5. Modeling moderating effect based on MGA**

Drawing from the picture above, $\beta^{(1)}$ and $\beta^{(2)}$ represent path coefficients between endogenous and exogenous variables in two subgroups respectively. To confirm the moderating effect, it is essential to compare the path coefficients ($\beta$), and therefore to perform pairwise *t*-tests in order to identify the significance of the group difference (Henseler and Fassot, 2010).

If the chosen moderating variable is not categorical, it is typically 'dichotomised' or, in other words, transformed into two categories. Very often, continuous variables are divided into 'high' and 'low' subgroups, based on mean, median, and scale centre of the variable, which would split the overall sample into two subgroups (see West, 2011; West *at al.*, 2014, 2015).

Some researchers argue that dichotomising constructs for MGA can potentially lead to losing important information about the sample population (Eberl, 2010; Henseler and Fassot, 2010). Despite the obvious disadvantages of MGA, this approach fit most for the research purposes for the number of reasons:

1. The research model is complex and includes three exogenous and two endogenous variables.
2. The proposed moderating effects include categorical variables (i.e. positive message versus negative message).
3. The proposed moderating effects include continuous variables (i.e. ‘high’ identification with messenger versus ‘low’ identification with messenger).
4. The proposed moderating effects include an interaction between categorical and continuous variables (i.e. positive message + ‘high’ identification with messenger versus positive message + ‘low’ identification with messenger).

## 6.16 Conclusion

This chapter outlined the employed methodology in the present study, which helps to evaluate the developed conceptual model in accordance with the proposed research hypotheses, described in Chapter 4. It is crucial to provide the background information on the methodological aspects of the present research project. This will allow the reader to fully understand the analysis rationale and the results, which are discussed in the next chapters.

The next chapter will address the discussed methodology will provide an outline of the preparation and analysis of the collected data.

# CHAPTER 7. RESULTS AND HYPOTHESES TESTING

**Following the previous chapter on research methodology and design, this chapter outlines the assessment of the research model through the application of various statistical techniques. The chapter starts with the introduction in Section 7.1. Section 7.2 describes the process of data entry, cleaning, and initial examination of distributional assumptions. In Section 7.3, the data is evaluated for common method bias errors. Section 7.4 provides a summary of the demographics for the full sample as well as for each of experimental groups. Next, Section 7.5 reviews the specifications of the research model, which are crucial for application PLS-SEM, followed by the valuations of the measurement model (Section 7.6) and the structural model (Section 7.7). In Sections 7.8 and 7.9, the research hypotheses related to the reputation/(dis)identification model are tested. Section 7.10 outlines the assessment of the reputation/(dis)identification model across control groups. Next, the chapter discusses the modeling properties of the moderating variables (Section 7.11) and examines the group difference (Section 7.12). Finally, the chapter outlines the testing of simple moderation effects (Section 7.13), moderating effects of the interactions (Section 7.14), and the moderation within two contexts (Sections 7.15 and 7.16). The chapter concludes with Section 7.17.**

## 7.1 Introduction

The purpose of this research is to investigate how the interplay between messages and messengers influences the effects of perceptions of corporate reputation and organisational (dis)identification on behavioural responses towards a company. In particular, the aim is to examine how individual differences in the message–messenger interplay, identified as interactions between positively/negatively framed messages and (dis)identification with a messenger, influence the relationships between perceptions of corporate reputation, organisational (dis)identification, and associated supportive intended and actual behaviour in the context of the Volkswagen emissions scandal.

The analysis begins with an examination of the data gathered through a quantitative survey of UK citizens to assess its distributional properties and to prepare the data set for the application of appropriate multivariate techniques (i.e. structural equation modeling – partial least squares). The data is collected with the assistance of the panel data collector Qualtrics.

The pre-test stage is followed by a two-step assessment of the proposed reputation/(dis)identification model of stakeholders' perceptions of corporate reputation, organisational (dis)identification, and behavioural outcomes as it was proposed in Chapter 4. The first stage of the model evaluation includes the assessment of the outer model's reliability and validity of all model's indicators.

The second stage is focused on the evaluation of the inner model in terms of explained variance ($R^2$), effect size ($f^2$), and predictive relevance ($Q^2$) and its effect size ($q^2$). Next, the evaluation of the inner model includes the mediation analysis, followed by the moderating assessments. The moderating influences are tested through an examination of subgroup differences for each of the four moderator quadrants (see Chapter 4), and conclusions related to the research hypotheses are drawn.

In short, this chapter is aimed at the preparation and analysis of the collected data. To guide the reader, the research framework, first presented in Chapter 1, represented in Figure 7-1 below, which highlights the relevant areas of the thesis structure related to this chapter.

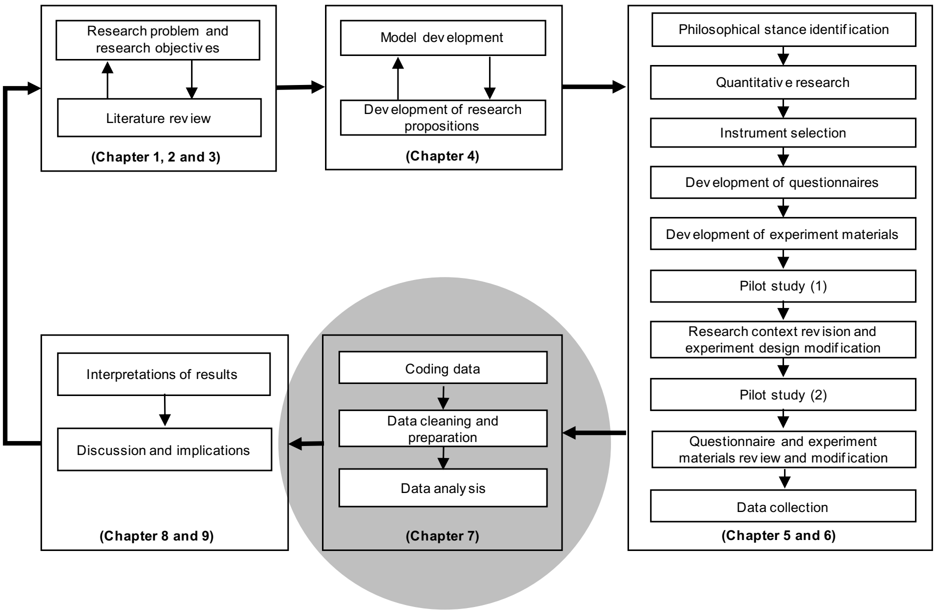


**Figure 7-1. Framework for research design outlines areas addressed in Chapter 7**

## 7.2 Data entry, cleaning, and examination

The preparation of the data set for the statistical analysis includes data entry and initial inspection, followed by missing data identification (Section 7.2.1 and 7.2.2). Next, potential outliers are identified and treated (Section 7.2.3). The examination of the data then includes manipulation checks (Section 7.2.4) and an assessment of the data distribution properties (Section 7.2.5).

**7.2.1 Data entry and visual inspection.** Data was collected from UK citizens through an online self-complete questionnaire over a 14-day period in January 2016. The four completed questionnaires (based on the proposed 2×2 matrix – see Chapter 3), totalling 790 responses, were then downloaded in the SPSS Statistics 23 data file format directly from the Qualtrics platform. The data was then sequentially numbered and merged into SPSS Statistics 23 to create a single data file. The data does not contain any partially or incomplete responses due to the Qualtrics setting of 'full' data collection.

The next stage of data preparation included data coding. More specifically, four questionnaires were coded in accordance with the proposed message–messenger manipulations:

- Positive message from the environmental scientist;
- Negative message from the environmental scientist;
- Positive message from the Volkswagen driver;
- Negative message from the Volkswagen driver.

Variables that required decoding (reverse coding) are identified and adjusted accordingly. The applied seven-point Likert-type scale allows the recoding of items in their respective constructs. The data file is then inspected for any obvious data entry errors, such as errors in nominal scale values, variable label misprints, etc.

Next, the data set is examined for potential ‘perfect’ and ‘near perfect’ *straight-liners*. Straight-lining in questionnaires is typically defined as a response pattern ‘when a respondent marks the same response for a high proportion of the questions’ (Hair *et al.*, 2016b: p. 72). For example, in a seven-point scale, if a respondent selected only 2s or 5s throughout the survey (in matrix questions specifically), such a case should be removed in most instances. In order to identify straight-liners, a visual inspection is performed as well as an analysis of descriptive statistics (i.e. mean and standard deviation). As a result, 18 questionnaires are identified as straight-liners and after close examination, are eliminated, leaving 772 responses for the next stage of the data examination.

Another type of straight-lining, considered to be more problematic, is a central lining. This is a response pattern when a respondent’s answers to all the questions with only 4s. Similar to a ‘perfect’ straight-liners identification technique, descriptive statistics analysis is performed (in particular, mean and standard deviation measures). Following up the analysis, 27 responses with a central lining pattern are identified and removed from the data set.

Finally, it is important to assess the time taken to complete the online questionnaires. It is recommended to eliminate responses that have a completion time of less than a third of the median completion time. Responses that fell under a threshold of two minutes are identified and, as a result, three cases are eliminated.

In summary, the process of detecting unusual patterns in responses and time of completion led to a reduction of the overall sample by 48 to 742 observations.

**7.2.2 Missing data.** Following the technical settings provided by Qualtrics, the data collection included specific screening elements and filters that ensured error-free data. Consequently, the collected data does not contain any missing or obvious error values.

**7.2.3 Outliers.** An outlier is typically defined as 'an extreme response to a particular question, or extreme responses to all questions' (Hair *et al.*, 2016b: p. 72). Identifying outliers within a data set is vital due to their potential distortion of the data interpretation (Vogt and Johnson, 2015).

Hair *et al.* (2014a) suggest three methods that can help to detect outliers throughout the data set: *univariate*, *bivariate*, or *multivariate* methods. The univariate method of identifying outliers includes the examination of the data distribution, which can demonstrate those cases that fall at the high and low ranges of the distribution. Typically, the univariate method works with the standardised scores. A potential challenge with the use of this method is the difficulty of identifying truly distinctive observations. Therefore, researchers usually perform the univariate method alongside either bivariate or multivariate methods. The bivariate assessment involves the evaluation of scatterplots. However, the bivariate method's weakness is the potentially large number of scatterplots to be examined. Since the present study includes seven variables, the bivariate method of outlier identification is inadequate and will not provide sufficient information on outliers. In cases when two or more variables are present in the study, one needs to measure each observation within the data set, which is addressed with a means of the Mahalanobis $D^2$ measure. This approach is referred to as the multivariate method of identification of outliers.

Following the description of each method, univariate and multivariate methods of detection are found useful to and employed in the present study. Univariate examination of the observations is performed identifying cases throughout the data set, which standardised values exceeding +/-3.0. Three variables are identified that contain cases exceeding the proposed threshold. Next, the multivariate detection of outliers is performed by using the Mahalanobis $D^2$ measure (Hair *et al.*, 2014a). The multivariate examination helps to identify 23 additional outliers.

All 26 outliers are further examined. Following recommendations by Hair *et al.* (2014a), individual profiles for each outlying case are created, and all aspects of the data that distinguished them as outliers are examined. In particular, the examination of potential outliers includes the examination of consistency in responses throughout the survey, with the aim of not excluding cases that are not consistent with the overall data but are still valid. After a careful analysis of the identified outliers, seven outliers are eliminated from the data set, reducing the total sample size to 735 observations.

**7.2.4 Manipulation checks.** The experiment described in this study involves a set of manipulations between messages (positively or negatively framed) and messengers (the environmental scientist and the Volkswagen driver). Manipulation checks are required measures that can demonstrate whether the manipulated variables have had their intended effect on the respondents. Although the first round of the manipulation checks is performed during pilot study 2 (see Chapter 6), it is still essential to conduct manipulation checks for the main data set.

***7.2.4.1 Message framing manipulation checks.*** To assess whether the message is perceived as positive or negative, four seven-point scale questions examine the extent to which individuals believed that the message is describing Volkswagen during the emissions scandal in a positive/negative light and whether the message is focused on positive/negative implications for Volkswagen (Appendix 4).

One of the methods of conducting manipulation checks is to compare means and standard deviations of each manipulation measure. However, following this method, the manipulation check revealed 160 responses that failed the message manipulation check, bringing the total sample size down to 575 observations. This method of manipulation check allows the 'pure' manipulation of variables. However, this method neglects individual differences in assessing information. In other words, each individual might have assessed the provided message differently:

- Individuals' feelings towards a company could affect message perception. For example, in some cases, when individuals experience high level of disidentification with the company, they could interpret any positively framed message as negative, since it would contradict their current opinion of the company (Goldberg and Hartwick, 1990; Einwiller *et al.*, 2006b);
- Individuals' feelings towards the messenger could affect message perception. It is agreed in the literature that perceptions of the information source could have an impact on how individuals interpret information (Druckman, 2001; Jones *et al.*, 2003); and
- Individuals' preferences in interpreting information.

Another method of manipulation check is by means of paired $t$-test analysis. The results of the $t$-test indicate that participants perceive the two messages significantly different. As such, a positively framed message was evaluated by participants as positive information about Volkswagen: $M_P$= 4.74, $M_N$= 3.31, $t$ (295) = 8.459, $p$<0.01. Similarly, when participants were exposed to the negative condition, they evaluated the negatively framed message as negative information about Volkswagen: $M_N$= 5.87, $M_P$= 2.2, $t$ (440) = 31.545, $p$ < 0.01. These results suggest that message framing manipulations are successful.

***<u>7.2.4.2 Messenger manipulation checks.</u>*** The next manipulation check measures involve the assessment of messengers – the environmental scientist versus the Volkswagen driver. The present study argues that levels of (dis)identification with the messenger can help to systematically predict stakeholders' behaviour. Hence, the manipulation of the messengers may not demonstrate significant differences in their essence. The messengers were chosen based on their involvement in the context of the Volkswagen emissions scandal (see Chapter 6). Hence, both messengers are assessed in accordance with their involvement. Furthermore, the credibility of each messenger is measured and compared.

The evaluation of involvement demonstrates that the Volkswagen driver is perceived as more involved in the Volkswagen scandal than the scientist: $M_{Driver}$= 4.96 (SD=0.05) and $M_{Scientist}$= 4.72 (SD=0.04). This is again in line with the initial assumption about the Volkswagen driver as a messenger, who can provide more personal information.

The analysis of messenger credibility shows that the environmental scientist is perceived as somewhat more credible than the Volkswagen driver: $M_{Scientist}$= 4.79 (SD=0.05), $M_{Driver}$= 4.34 (SD=0.064). This is again in line with the initial assumption that the opinion of an environmental scientist would be considered more credible, since a scientist may have more understanding and expertise in the discussed emissions scandal.

**7.2.5 Assessment of normality.** Tests of normality are considered to be essential in prior to testing the model since they help to examine the shape of data distribution for each variable throughout the data set in relation to the Gaussian normal distribution (Hair *et al.*, 2014a). When a distribution is identified as substantially different from the benchmark – the Gaussian normal distribution – it suggests that the subsequent multivariate techniques could be invalid. This can potentially lead to the misinterpretation of the results (Hair *et al.*, 2014a). At this stage, in order to assess normality of the data gathered of this study, both visual and statistical tests were performed. Statistical tests included the Kolmogorov–Smirnov test and $Z$-score assessment.

As shown in the Appendix 6, the $Z$-skewness and $Z$-kurtosis demonstrate that the majority of the variables are positively skewed and several also exhibit either leptokurtic ('peakedness') or platykurtic ('flatness'). In addition, the Kolmogorov–Smirnov test confirms that the data is not normally distributed. In summary, visual and statistical tests suggest that a large proportion of the data violates the assumption of normal distribution.

There are specific remedies for correcting data distribution and shifting it towards normally distributed data. However, considering the non-normal distribution of the present data, no distributional transformations are performed for the following reasons:

(1) The overall sample size is large (735 cases). Such a large sample can potentially increase statistical power by reducing sampling error (Hair *et al.*, 2014a); as such, the sample of 735 can reduce the detrimental effects of the present non-normally distributed data.
(2) Data transformation may lead to misinterpretation of the variables. Hence, original (not transformed) variables are generally easier to compare and interpret.
(3) There are different statistical methods that allow researchers to overcome non-normality and to provide with robust results. One widely applied method is structural equation modeling – Partial Least Squares (PLS-SEM). PLS-SEM is a non-parametric statistical method that does not require the data to be normally distributed (Hair *et al.*, 2016b).

## 7.3 Common method bias

The use of questionnaires in collecting primary data is very often associated with the problem of common method bias. Generally, researchers refer to the common method bias as ‘a variance that is attributable to the measurement method rather than to the constructs the measures represent’ (Podsakoff *et al.*, 2003: p. 879). In other words, when multiple constructs are measured using the same method (e.g. a questionnaire with multiple-item scales), it could lead to false or incorrect effects due to the measurement instrument rather than the constructs measured (MacKenzie and Podsakoff, 2012; Podsakoff *et al.*, 2012). The research needs to address the problem of common method bias since such measurement errors can potentially threaten the validity of the hypothesised relationships between measured constructs.

Measurement errors typically have *random* and *systematic* components (Bagozzi and Yi, 1991). Despite the fact that either component could threaten validity, the systematic component is predominantly considered to be particularly serious, since the research might be led to an alternative (or misleading) conclusion on the different hypothesised relationships between the constructs.

Researchers distinguish a number of different sources of common method bias, such as common scale formats applied in a questionnaire, scale length, grouping of items in the questionnaire, measurement context, etc. (Podsakoff *et al.*, 2003). However, there is a set of a priori and post hoc techniques that allow to control for common method bias, which include (1) procedural remedies (instruments to improve the design of the data-collection procedure, i.e. design of a questionnaire); and (2) statistical remedies.

**7.3.1 A priori procedural techniques.** Prior to collecting data, several enhancements were implemented to the questionnaire design in order to decrease measurement error:

(1) All the respondents were ensured of the anonymity of their responses. Furthermore, they were assured that there were no right or wrong answers to all the questions in the provided questionnaire, so they could answer as honestly as possible. This acknowledgement can help to reduce participants' evaluation apprehension and, in turn, would make them less likely to edit their responses to look more socially desirable or consistent with how they think the researcher would want them to be (Podsakoff *et al.*, 2003: p. 888).
(2) All the scales applied were carefully constructed and pre-tested qualitatively in prior to the main data collection. This helped to ensure that all the utilised items were comprehensive, logical, and understood by respondents. Ambiguous and unfamiliar terms were eliminated and the questions were simplified, avoiding complex syntax.
(3) Following pilot study 2, attention filters were inserted in the questionnaires. Attention filters can help to keep participants focused and prevent them from speeding up or skipping questions (see Chapter 6).

It is agreed that implying procedural remedies can decrease, if not finally eliminate, common method bias. However, it is vital to ensure that the study does not contain any measurement errors. Therefore, two post hoc statistical methods are implemented in order to assess the measurement error.

**7.3.2 Post hoc statistical techniques.** It is agreed in the literature that all post hoc statistical techniques focused on the detection of common method bias have their advantages and disadvantages (Podsakoff *et al.*, 2012). Therefore, it is decided to perform two statistical tests to ensure that the study is not likely to suffer from measurement errors.

The first statistical remedy is offered by Harman (1976), who suggested applying a single factor test to examine the data for common method bias. Typically, researchers use factor analysis and perform unrotated factor solution in order to identify factors that are necessary to account for the variance of all the constructs. If all the variables are loaded in only one factor, it would indicate that a substantial common method variance is present in the data set. Harman's single test shows that all the variables do not load in one single factor (see Appendix 7 for full results).

The second procedure employed in this study is a partial correlation technique – 'marker' partialing – offered by Lindell and Whitney (2001). The scholars argue that if a construct, which theoretically should not be related to at least one construct, is included in the study, this construct can be used as a 'marker' and there should not be observed any relationships between this marker and other constructs. It is then suggested to include this marker in the model and assess the correlation matrix. This method is often utilised in PLS-SEM. Following Lindell and Whitney's (2001) recommendations, correlations between a marker and each of the latent constructs should be below the 0.3 threshold (Table 7-1).

**Table 7-1. Common method bias measure – marker partialing**

| | ***'Marker'*** | BEH | EA | FP | INT | ODID | OID | PS | SER | VL | WE |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ***'Marker'*** | **1** | | | | | | | | | | |
| BEH | **0.045** | 1 | | | | | | | | | |
| EA | **0.088** | 0.442 | 1 | | | | | | | | |
| FP | **0.089** | 0.343 | 0.744 | 1 | | | | | | | |
| INT | **0.043** | 0.456 | 0.732 | 0.676 | 1 | | | | | | |
| ODID | **-0.058** | -0.366 | -0.644 | -0.516 | -0.471 | 1 | | | | | |
| OID | **0.107** | 0.324 | 0.479 | 0.507 | 0.616 | -0.118 | 1 | | | | |
| PS | **0.053** | 0.357 | 0.808 | 0.768 | 0.675 | -0.52 | 0.429 | 1 | | | |
| SER | **0.089** | 0.391 | 0.762 | 0.792 | 0.677 | -0.564 | 0.576 | 0.717 | 1 | | |
| VL | **0.07** | 0.371 | 0.785 | 0.799 | 0.655 | -0.533 | 0.481 | 0.805 | 0.804 | 1 | |
| WE | **0.056** | 0.392 | 0.796 | 0.83 | 0.691 | -0.595 | 0.477 | 0.774 | 0.835 | 0.854 | 1 |

As Table 7-1 shows, none of the correlations between the marker and other latent variables (shaded in grey) exceeds the 0.3 threshold in their value, with the maximum value in the correlation between the marker and the construct of Organisational Identification being 0.107.

Consequently, after performing two statistical procedures, it is possible to conclude that the collected data is not likely to suffer from common method bias.

## 7.4 Sample demographics

The analysis of the demographic data demonstrates a comprehensive range of research participants based on their gender, age, and ability to drive a car. Considering the employed quasi-experiment research design, it seems constructive to report demographic information, first for the total sample and then for each of the four experimental groups.

**7.4.1 Demographics – total sample.** The total data set reveals a nearly-equal split between male and female participants and a wide spread across all age groups: 351 respondents are male (47.8 per cent) and 384 are female (52.2 per cent).

Following the age group split, 88 respondents (12 per cent) are between 18 and 24 years old, 166 respondents (22.6 per cent) are between 25 and 34, 164 respondents (22.3 per cent) are 35 and 44, 111 respondents (15.1 per cent) are between 45 and 54, 118 respondents (16.1 per cent) are between 55 and 64, 74 respondents (10.1 per cent) are between 65 and 74, and 14 respondents (1.9 per cent) are 75 and older.

The analysis of the demographic data showed that 329 participants (44.8 per cent) drive a car and 406 participants (55.2 per cent) do not drive a car.

**7.4.2 Demographics – experimental groups.** For the purposes of the current study, it is essential to analyse the demographic information in each experiment group, since it is important to ensure that four experiment groups will also contain a comprehensive range of research participants based on their gender, age, ability to drive a car.

The total sample of 735 falls somewhat equally into four experiment groups. Specifically, the first group, who received a positive message from the environmental scientist, includes 147 respondents (20 per cent); the second group, who received a negative message from the environmental scientist, includes 283 respondents (38.5 per cent); the third group, who received a positive message from the Volkswagen driver, includes 148 respondents (20.1 per cent); and the fourth group, who received a negative message from the Volkswagen driver, includes 157 respondents (21.4 per cent) (Table 7-2).

**Table 7-2. Total sample and experiment groups samples**

| Group | Sample size |
|---|---|
| Positive message from the environmental scientist | 147 (20%) |
| Negative message from the environmental scientist | 283 (38.5%) |
| Positive message from the Volkswagen driver | 148 (20.1%) |
| Negative message from the Volkswagen driver | 157 (21.4%) |
| **TOTAL** | **735** |

Across all four experiment groups, respondents revealed a somewhat equal split in gender, age, driving ability, and Volkswagen car ownership. The four groups have somewhat equal split in gender, age and ability to drive (see Appendix 8 for more detail).

## 7.5 Assessment of the research model

To remind the reader of the discussion in Chapter 6, structural equation modeling (SEM), and specifically partial least squares (PLS), is chosen to be an appropriate statistical technique for the analysis. PLS-SEM allows the researcher to identify and explore interrelationships between one of more dependent and independent variables (Hair *et al.*, 2016a). PLS offers a number of advantages over other SEM modeling techniques, one of which is its ability to handle small samples and to achieve high levels of statistical power (Hair *et al.*, 2016a). The PLS-SEM technique used for the data analysis is conducted on the platform of SmartPLS 3.

**7.5.1 Specifications of the model.** PLS-SEM is regarded as a variance-based approach to SEM, which is based on exploring linear relationships between independent and dependent variables (constructs) in the model as well as between constructs and their measures (Mateos-Aparicio, 2011). At the basis of the PLS modeling there is a predictor specification approach (Chin, 1998). In other words, PLS-SEM is focused on obtaining determinate values of the latent constructs for predictive purposes (Chin, 1998: p. 301). The PLS approach is based on the OLS regression-based method, where PLS-SEM estimations of the proposed relationships between constructs minimise the error terms or, in turn, maximise the $R^2$ values for latent constructs.

In SEM, and PLS-SEM specifically, predictor variables (or independent variables) are defined as *exogenous* variables, which affect other constructs within the PLS-SEM model and are not explained by any other construct within the model (Hair *et al.*, 2016b). *Endogenous* variables (or dependent variables) are affected by exogenous variables or, in some cases, can also serve as predictors of other endogenous variables within the path model (Hair *et al.*, 2016b). It is possible to identify both endogenous and endogenous variables visually while examining the path model. Typically, exogenous variables have only single-headed arrows going out of them, while endogenous variables could have arrows going both in and out of them, or only going into them (Figure 7-2).

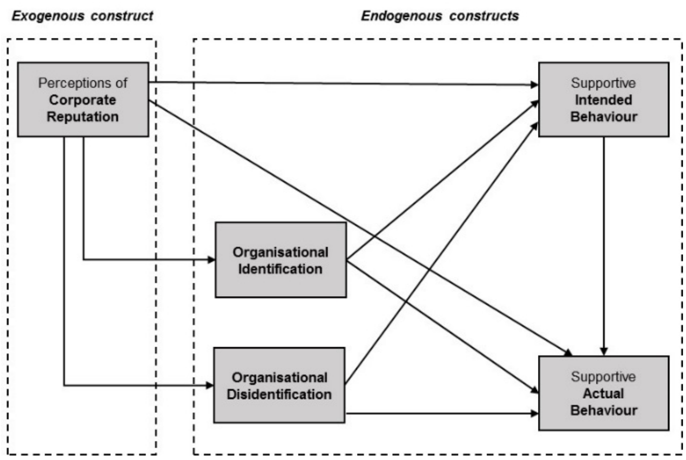


**Figure 7-2 Exogenous and endogenous constructs in the reputation/(dis)identification model**

Following Figure 7-2, in the suggested reputation/(dis)identification model the ‘Perceptions of Corporate Reputation’ construct is exogenous, whereas ‘Organisational Identification’, ‘Organisational Disidentification’, ‘Intended Behaviour, and ‘Actual Behaviour’ are endogenous constructs. It should be noted, that the ‘Organisational Identification’ and ‘Organisational Disidentification’ constructs serve as both endogenous (for ‘Perceptions of Corporate Reputation) and exogenous (for ‘Intended Behaviour’ and ‘Actual Behaviour’) constructs within the proposed model.

**7.5.2 Outer and inner models.** Path modeling includes two main elements:

- The measurement model (outer model), which describes relationships between the model’s latent constructs and their measurements; and
- The structural model (inner model), which visually demonstrates hypothesised path relationships between latent constructs.

The outer model displays the relationship between items (indicators) and related constructs. The relationships between five constructs (Perceptions of Corporate Reputation, Organisational Identification, Organisational Disidentification, Intended Behaviour, and Actual Behaviour) form the inner model (see Appendix 9 for a full representation of the reputation/(dis)identification model).

**7.5.3 Sample size.** Data characteristics such as minimum sample size are among most frequently cited reasons for applying the PLS-SEM technique (Hair *et al.*, 2014a). In order to determine a minimum sample size to test a path model, two elements should be considered: (1) endogenous construct with the largest number of formative indicators (largest measurement equation); and (2) endogenous constructs with the largest number of predictors (largest measurement equation).

Following the 10-times rule offered by Barclay *et al.* (1995), the sample size should be 10 times larger than either condition (1) or condition (2). With regards to this recommendation, only condition (2) will be used to calculate a minimum sample size for this study, since the proposed path model does not contain any formative measures. Therefore, with regards to condition (2), the 'Actual Behaviour' construct has the largest number of predictors – four (Figure 7-2 above). Therefore, following the 10-times rule, the minimum required sample size is 40 per subgroup.

The collected data includes total 735 responses, which will exceed the minimum threshold of 40 when comparing the different groups within the sample. Considering four experimental groups, the smallest sample was collected for experiment Group 1 and included 147 responses, subgroup of which is above the minimum sample size requirement of 40 (see Table 7-2 above).

### 7.6 Evaluation of the measurement model

The next step in the analysis involves an assessment of the outer model. The proposed model includes the following reflectively theorised constructs:

- Perceptions of Corporate Reputation
- Organisational Identification
- Organisational Disidentification
- Intended Behaviour
- Actual Behaviour

Since the model contains only reflective measures, the evaluation of the measurement model includes the *reliability* and *validity* measures. The assessment of each construct, reliability and validity, is in accordance with the guidelines provided by Hair *et al.* (2016b).

**7.6.1 Reliability of the model's constructs.** Traditionally, reliability measures begin with the assessment of *Cronbach's Alpha*, which provides an estimate of the reliability based on the intercorrelations of the observed indicator variables (Cronbach, 1951). Typically, Cronbach's alpha is considered acceptable at the level of 0.7 and above. The formula is as following:

$$Cronbach's\ \alpha = \left(\frac{M}{M-1}\right) * \left(1 - \frac{\sum_{i=1}^{M} s_i^2}{s_t^2}\right).$$

In this formula, $s_i^2$ is a variance of the indicator variable $i$ of a particular construct, which is measured with $M$ indicators $(i = 1, \ldots, M)$, and $s_t^2$ is the variance of the sum of all $M$ indicators of the construct (Table 7-3). Due to the limitations of Cronbach's alpha (see Chapter 6), it is more appropriate to utilise an alternative internal consistency reliability measure.

Hair *et al.* (2016b: p.111-112) suggest applying *composite reliability* ($\rho_c$), which takes into account different outer loading of the construct, despite the number of them. The formula is:

$$\rho_c = \frac{(\sum_{i=1}^{M} l_i)^2}{(\sum_{i=1}^{M} l_i)^2 + \sum_{i=1}^{M} var(e_i)}$$

where $l_i$ is the standardised outer loading of the indicator variable $i$ of a specific construct measured by $M$ indicators, $e_i$ is the indicator variable's $i$ measurement error, and $var(e_i)$ symbolises the variance of the measurement error, which is denoted as $1 - l_i^2$ . The composite reliability score falls between 1 and 0, where higher values indicate higher levels of reliability. In particular, values of 0.7 and above are considered to be satisfactory. Table 7-3 below shows that all the reflective constructs in the proposed model met the requirements of the internal consistency reliability.

The final step in the assessment of the model's reliability is to evaluate individual reliability of each indicator. It is agreed that a latent variable should explain a substantial part (at least 50 per cent) of each indicator's variance (Hair, 2016b). In other words, an outer loading should be at above 0.708, which is the square root of 0.5.

Table 7-3. Internal consistency reliability measures

| Constructs | | Cronbach's alpha | Composite reliability |
|---|---|---|---|
| **BEH** | Actual behaviour | 1 | 1[1] |
| **EA** | Emotional Appeal (RQ) | 0.949 | 0.967 |
| **FP** | Financial performance (RQ) | 0.868 | 0.91 |
| **INT** | Indented Behaviour | 0.95 | 0.96 |
| **ODID** | Organisational Disidentification | 0.959 | 0.967 |
| **OID** | Organisational Identification | 0.939 | 0.953 |
| **PS** | Products and Services (RQ) | 0.917 | 0.941 |
| **SER** | Social and Environmental Responsibility (RQ) | 0.862 | 0.915 |
| **VL** | Vision and Leadership (RQ) | 0.824 | 0.894 |
| **WE** | Work Environment (RQ) | 0.901 | 0.938 |

Following the analysis of the outer loadings (see Appendix 10), two indicators fall below the threshold of 0.708 – OID1=0.687 and FP1=0.698. However, in the social sciences, weaker outer loadings of between 0.6 and 0.7 could also be acceptable (Hulland, 1999). Hence, the identified indicators (OID1 and FP1) are retained.

**7.6.2 Validity of the model's constructs.** The assessment of the model's validity includes an evaluation of convergent and discriminant validity. *Convergent validity* represents the extent to which a measure correlates positively with alternative measures of the same construct (Hair *et al.*, 2016b: p. 115). An acceptable method of assessing convergent validity is the Average Variance Extracted (AVE). The formula is:

$$AVE = \left(\frac{\sum_{i=1}^{M} l_i^2}{M}\right)$$

where $l_i$ is the standardised outer loading of the indicator variable $i$ of a specific construct measured by $M$ indicators.

[1] Actual behaviour (BEH) is a single-item measure.

The value of AVE should be above 0.5, and it would indicate that a specific construct has an acceptable level of convergent validity. As seen in Table 7-4, each of the model's constructs AVE values are above 0.5.

**Table 7-4. Convergent validity assessment**

| Constructs | | Average Variance Extracted (AVE) |
|---|---|---|
| **BEH** | Actual behaviour | 1 |
| **EA** | Emotional Appeal (RQ) | 0.907 |
| **FP** | Financial performance (RQ) | 0.718 |
| **INT** | Indented Behaviour | 0.801 |
| **ODID** | Organisational Disidentification | 0.83 |
| **OID** | Organisational Identification | 0.772 |
| **PS** | Products and Services (RQ) | 0.8 |
| **SER** | Social and Environmental Responsibility (RQ) | 0.783 |
| **VL** | Vision and Leadership (RQ) | 0.739 |
| **WE** | Work Environment (RQ) | 0.834 |

Moving on to the assessment of *discriminant validity*, two methods were employed: the Fornell–Larcker criterion and cross-loadings analysis. The Fornell–Larcker criterion provides a comparison between the square root of a construct's AVE values and the latent variable correlation. Hence, this criterion suggests that the square root of AVE for each construct should exceed the squared correlation with any other construct.

The Fornell–Larcker criterion is shown in Table 7-5.

**Table 7-5. The Fornell–Larker criterion**

| | BEH | EA | FP | INT | ODID | OID | PS | SER | VL | WE |
|---|---|---|---|---|---|---|---|---|---|---|
| **BEH** | 1 | | | | | | | | | |
| **EA** | 0.442 | 0.953 | | | | | | | | |
| **FP** | 0.343 | 0.744 | 0.847 | | | | | | | |
| **INT** | 0.456 | 0.732 | 0.676 | 0.895 | | | | | | |
| **ODID** | -0.366 | -0.644 | -0.516 | -0.471 | 0.911 | | | | | |
| **OID** | 0.324 | 0.479 | 0.507 | 0.616 | -0.118 | 0.879 | | | | |
| **PS** | 0.357 | **0.808** | 0.768 | 0.675 | -0.52 | 0.429 | 0.895 | | | |
| **SER** | 0.391 | 0.762 | 0.792 | 0.677 | -0.564 | 0.576 | 0.717 | 0.885 | | |
| **VL** | 0.371 | 0.785 | 0.799 | 0.655 | -0.533 | 0.481 | **0.805** | **0.804** | 0.86 | |
| **WE** | 0.392 | 0.796 | **0.83** | 0.691 | -0.595 | 0.477 | 0.774 | **0.835** | **0.854** | 0.913 |

Table 7-5 suggests that the measures of Perceptions of Corporate Reputation (Emotional Appeal (EA), Financial Performance (FP), Products and Services (PS), Social and Environmental Responsibility (SER), Vision and Leadership (VL), and Work Environment (WE) violate discriminant validity assumptions (highlighted in bold).

As such, correlations, for example, between 'Vision and Leadership' and 'Work Environment' are high and very close to the related construct's square root of AVE.[1] A similar pattern can be observed when comparing correlations and the square root of AVE between 'Social and Environmental Responsibility', 'Vision and Leadership', and 'Work Environment'.

In order to make a decision about eliminating or retaining constructs within the reputation measure, there is a need to evaluate cross-loadings ( see Appendix 11). The assessment of the cross-loadings is based on the following rule: 'an indicator's outer loading on the associated construct should be greater than all of its loadings on other constructs' (Hair *et al.*, 2016b: p. 105).

The cross-loadings table (from Appendix 11) suggests that five elements of the measure of Perceptions of Corporate Reputation (all belong to Relational Appeal of RQ) violate discriminant validity assumptions. Such discriminant validity violations were also found and addressed in studies by Carreras *et al.* (2013) and Chetthamrongchai (2010).

Van Riel and Fombrun (2007) discuss a number of fundamental weaknesses of RQ as a universal reputational measure, one of which includes high levels of multicollinearity between all 20 elements. Next, they argue that Emotional Appeal as a key dimension of RQ has proven to be highly correlated with an overall measure and separately with the other dimensions, suggesting that these elements could be a single-dimension measure. Finally, six dimensions of RQ are assigned the same weight in the measure, neglecting the fact that all six components affect overall reputation differently, in particular across different stakeholder groups. In addition, discriminant validity violation is

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[1] For example, Table 7-5 shows that the 'Vision and Leadership' construct square root of AVE = 0.86, when the squared correlation with the 'Work Environment' construct = 0.854.

acknowledged by Ponzi *et al.* (2011) in their corporate reputation study to offer a measure which would include only elements from Emotional Appeal (RepTrack). Finally, from a theoretical point of view it is agreed that Emotional Appeal as a single measure of corporate reputation can help to explain how perceptions of corporate reputation affect attitudes and behaviour of stakeholders towards a company (Money and Hillenbrand, 2006).

Given that, five elements of RQ – Products and Services, Vision and Leadership, Work Environment, Social and Environmental Responsibility, and Financial Performance – are eliminated from the research model. After the elimination of those RQ elements, evidence from the Fornell-Larcker criterion and cross loadings suggests that all the retained latent variables (Emotional Appeal of RQ, Organisational Identification, Organisational Disidentification, Intended Behaviour, and Actual Behaviour) in the model are distinct from one another.

Table 7-6 presents the Fornell–Larcker criterion changes after the model was refined. Table 7-7 shows a list of the cross-loadings of the measurement items, retained in the model. New evidence from both Tables 7-6 and 7-7 suggests that now the model possesses a satisfactory level of discriminant validity.

**Table 7-6. The Fornell–Larker criterion (after the model refinement)**

| | BEH | EA | INT | ODID | OID |
|---|---|---|---|---|---|
| **BEH** | **1** | | | | |
| **EA** | 0.442 | **0.953** | | | |
| **INT** | 0.456 | 0.732 | **0.895** | | |
| **ODID** | -0.366 | -0.644 | -0.471 | **0.911** | |
| **OID** | 0.324 | 0.479 | 0.616 | -0.118 | **0.879** |

**Table 7-7. The cross-loadings (after the model refinement)**

| | BEH | EA | INT | ODID | OID |
|---|---|---|---|---|---|
| **EA1** | 0.412 | **0.954** | 0.704 | -0.602 | 0.437 |
| **EA2** | 0.42 | **0.96** | 0.715 | -0.594 | 0.475 |
| **EA3** | 0.43 | **0.943** | 0.672 | -0.645 | 0.455 |
| **Intent1** | 0.359 | 0.647 | **0.88** | -0.437 | 0.46 |
| **Intent2** | 0.412 | 0.691 | **0.928** | -0.438 | 0.533 |
| **Intent3** | 0.449 | 0.65 | **0.89** | -0.374 | 0.664 |
| **Intent4** | 0.43 | 0.668 | **0.936** | -0.466 | 0.555 |
| **Intent5** | 0.364 | 0.634 | **0.9** | -0.37 | 0.626 |
| **Intent6** | 0.427 | 0.64 | **0.833** | -0.45 | 0.453 |
| **ODID1** | -0.315 | -0.606 | -0.459 | **0.906** | -0.139 |
| **ODID2** | -0.372 | -0.635 | -0.465 | **0.91** | -0.228 |
| **ODID3** | -0.266 | -0.517 | -0.359 | **0.872** | 0.011 |
| **ODID4** | -0.346 | -0.624 | -0.449 | **0.94** | -0.095 |
| **ODID5** | -0.328 | -0.524 | -0.391 | **0.896** | -0.034 |
| **ODID6** | -0.363 | -0.597 | -0.436 | **0.94** | -0.126 |
| **OID1** | 0.196 | 0.336 | 0.454 | -0.035 | **0.687** |
| **OID2** | 0.28 | 0.398 | 0.501 | -0.112 | **0.866** |
| **OID3** | 0.303 | 0.462 | 0.587 | -0.129 | **0.933** |
| **OID4** | 0.334 | 0.482 | 0.603 | -0.157 | **0.949** |
| **OID5** | 0.298 | 0.394 | 0.529 | -0.059 | **0.886** |
| **OID6** | 0.282 | 0.434 | 0.557 | -0.109 | **0.926** |
| **BEH** | **1** | 0.442 | 0.456 | -0.366 | 0.324 |

The evaluation of reliability and validity of the applied constructs demonstrates that all the reflective constructs, included in the reputation/(dis)identification model, possess satisfactory levels of internal consistency reliability, indicator reliability, convergent validity, and discriminant validity (Table 7-8).

**Table 7-8. Summary of the measurement model evaluation**

| Constructs | | Cronbach's alpha | Composite reliability | AVE | Communality | Redundancy |
|---|---|---|---|---|---|---|
| **BEH** | Actual behaviour | 1 | 1 | 1 | 1 | 0.24 |
| **EA** | Corporate Reputation | 0.949 | 0.967 | 0.907 | 0.768 | n/a |
| **INT** | Indented Behaviour | 0.95 | 0.96 | 0.801 | 0.679 | 0.507 |
| **ODID** | Organisational Disidentification | 0.959 | 0.967 | 0.83 | 0.727 | 0.342 |
| **OID** | Organisational Identification | 0.939 | 0.953 | 0.772 | 0.664 | 0.176 |

Therefore, it is now possible to move on to the evaluation of the structural model, which will demonstrate how well the empirical data supports the proposed conceptual framework, and, then, whether the framework has been empirically confirmed.

## 7.7 Evaluation of the structural model

After confirming that the constructs' measures are reliable and valid, this section is aimed at the assessment of the structural model results. This involves the evaluation of the relationships between the proposed constructs as well as the model's predictive capabilities. Specifically, this section offers the assessment of the structural model in four steps:

(1) Estimation of the structural model path coefficients and their significance (Section 7.7.1);
(2) Evaluation of the coefficient of determination ($R^2$ value) (Section 7.7.2);
(3) Evaluation of the effect size ($f^2$) (Section 7.7.3); and
(4) Measurement of the predictive relevance ($Q^2$) and relative measure of predictive relevance ($q^2$) (Section 7.7.4).

**7.7.1 Step 1: Estimation of the structural model path coefficients and their significance.** This step in evaluating the structural model is aimed at estimating path coefficients that represent the hypothesised relationships among the latent constructs. A path coefficient represents a standardised beta coefficient of OLS regressions; whose values lie between -1 and +1. The sign of the relationship and its value should be aligned with the theoretical justifications that underpin the proposed relationships. It is suggested that the closer the estimated coefficient to 0, the weaker the relationship that exists between two constructs. Whether a coefficient is significant (significantly different from 0) depends on the obtained standard error, which is typically defined through the process of bootstrapping. The process of bootstrapping applied in this study is based on the recommendations provided by Hair *et al.* (2016b): 5000 subsamples and 735 bootstrap cases (based on the total sample of 735) (Table 7-9).

**Table 7-9. Evaluation of significance of the structural model path coefficients**

| Hypothesised path relationships | Path coefficient | Path coefficient | SD | $t$-value | $p$-value |
|---|---|---|---|---|---|
| Corporate Reputation → Actual Behaviour | 0.112 | 0.11 | 0.057 | 1.969 | 0.049 |
| Corporate Reputation → Intended Behaviour | 0.474 | 0.474 | 0.039 | 12.086 | 0 |
| Corporate Reputation → Organisational Disidentification | -0.644 | -0.645 | 0.027 | 24.024 | 0 |
| Corporate Reputation → Organisational Identification | 0.479 | 0.478 | 0.028 | 17.381 | 0 |
| Intended Behaviour → Actual Behaviour | 0.22 | 0.222 | 0.054 | 4.037 | 0 |
| Organisational Disidentification → Actual Behaviour | -0.177 | -0.178 | 0.047 | 3.776 | 0 |
| Organisational Disidentification → Intended Behaviour | -0.121 | -0.122 | 0.035 | 3.479 | 0.001 |
| Organisational Identification → Actual Behaviour | 0.114 | 0.114 | 0.047 | 2.439 | 0.015 |
| Organisational Identification → Intended Behaviour | 0.375 | 0.375 | 0.03 | 12.603 | 0 |

Table 7-9 above provides information on the path coefficients and their relevant $t$-values and levels of significance. Eight hypothesised relationships are supported at the level of $p$< 0.001, and two paths at the level of $p$< 0.05.

**7.7.2 Step 2: Evaluation of the coefficient of determination ($R^2$).** To remind the reader, the main purpose of the PLS-SEM technique is to explain variance in the endogenous latent variables included in the path model. It is agreed in the literature that a strong model would have high levels of $R^2$ in key constructs (Henseler *et al.*, 2009).

Although the interpretation of $R^2$ differs across disciplines, in the social sciences values between 0.20 and 0.75 are generally considered acceptable (Hair *et al.*, 2016b). Chin (1998: p. 323) suggests that researchers use the following as benchmarks: 0.19, 0.33, 0.67 as weak, moderate, and substantial, respectively. Table 7-10 presents the results of the evaluation of the coefficient of determination.

Table 7-10. The coefficient of determination $R^2$

| | Endogenous constructs | $R^2$ | $R^2_{adj}$ | Value level |
|---|---|---|---|---|
| **BEH** | Actual behaviour | 0.252 | 0.248 | Weak-to-moderate |
| **INT** | Indented Behaviour | 0.635 | 0.633 | Moderate-to-substantial |
| **ODID** | Organisational Disidentification | 0.415 | 0.415 | Moderate |
| **OID** | Organisational Identification | 0.229 | 0.228 | Weak |

The results suggest that the coefficient of determination of the latent endogenous constructs fall within the range of weak ($R^2$ for Actual Behaviour = 0.252; $R^2$ for Organisational Identification = 0.229) to moderate ($R^2$ for Organisational Disidentification = 0.415; $R^2$ for Intended Behaviour = 0.635).

Following Henseler *et al.* (2009), in cases when latent endogenous constructs are explained by a limited number of exogenous latent variables, in the social sciences moderate $R^2$ values are considered acceptable.

**7.7.3 Step 3: Evaluation of the effect size ($f^2$).** Further assessment of the structural model involves the evaluation of the effect size ($f^2$), which is focused on the change in $R^2$ values for each endogenous construct when predictor constructs are included and then excluded from the model. The effect size $f^2$ is calculated as following:

$$f^2 \frac{R^2_{included} - R^2_{excluded}}{1 - R^2_{included}}$$

The effect size demonstrates how substantive the effect of independent variables is on dependent variables.

Cohen (1988) suggests that $f^2$ values of 0.02, 0.15, and 0.35 indicate small, medium, and large effects, respectively, on an endogenous construct (Table 7-11).

Table 7-11. The effect size $f^2$

| Exogenous constructs | Endogenous constructs | $R^2_{included}$ | $R^2_{excluded}$ | $f^2$ | Effect size |
|---|---|---|---|---|---|
| Corporate Reputation | Actual behaviour | 0.252 | 0.248 | 0.005 | Small |
| Organisational Identification | Actual behaviour | 0.252 | 0.244 | 0.011 | Small |
| Organisational Disidentification | Actual behaviour | 0.252 | 0.235 | 0.023 | Small |
| Indented Behaviour | Actual behaviour | 0.252 | 0.234 | 0.024 | Small |
| Corporate Reputation | Indented Behaviour | 0.635 | 0.541 | 0.258 | Moderate-to-large |
| Organisational Identification | Indented Behaviour | 0.635 | 0.536 | 0.271 | Moderate to large |
| Organisational Disidentification | Indented Behaviour | 0.635 | 0.627 | 0.022 | Small |

It can be seen from the table above that the effect size of the majority of exogenous constructs on endogenous constructs fall between the small and medium range. Two paths (between corporate reputation and intended behaviour, and organisational identification and intended behaviour) appear to have moderate-to-large effects. Such weak effects can be explained by there being some underlying factors that could have an impact on these relationships (i.e. moderating impacts of the message–messenger interaction, which will be discussed further in this chapter).

**7.7.4 Step 4: Measurement of the predictive relevance ($Q^2$) and its relative measure ($q^2$).** In addition to evaluating coefficients of determination and the effect size, it is important to assess the models predictive relevance, offered by Geisser (1974) and Stone (1974). To measure predictive relevance, the process of blindfolding needs to be applied. Blindfolding is a 'sample reuse technique that omits every $d$-th data point in the endogenous construct's indicators and estimates the parameters with the remaining data points' (Hair *et al.*, 2016b: p. 190). The formula is the following:

$$Q^2 = \frac{1 - (\sum_D SSE_D)}{(\sum_D SSO_D)}$$

where $D$ is the omission distance, $SSE$ is a sum of squares of prediction errors, and $SSO$ is a sum of squares of observations. Following the recommendations of Wold (1982) and Hair *et al.* (2016b), a value for $D$ should fall between 5 and

12, and the omission distance of $D$=9 is selected for the analysis. A value of $Q^2$ higher than 0 indicates that the exogenous constructs have predictive relevance for the endogenous construct under consideration (Hair *et al.*, 2016b). Table 7-12 shows that all endogenous variables possess a certain level of predictive relevance (all the values of $Q^2$ are higher than zero).

**Table 7-12. Predictive relevance ($Q^2$) and its relative measure ($q^2$)**

| Exogenous constructs | Endogenous constructs | $Q^2_{included}$ | $Q^2_{excluded}$ | $q^2$ | Effect size |
|---|---|---|---|---|---|
| Corporate Reputation | Actual behaviour | 0.240 | 0.239 | 0.0013 | Small |
| Organisational Identification | Actual behaviour | 0.240 | 0.237 | 0.0039 | Small |
| Organisational Disidentification | Actual behaviour | 0.240 | 0.226 | 0.0184 | Small |
| Indented Behaviour | Actual behaviour | 0.240 | 0.225 | 0.0197 | Small |
| Corporate Reputation | Indented Behaviour | 0.507 | 0.431 | 0.1542 | Medium |
| Organisational Identification | Indented Behaviour | 0.507 | 0.428 | 0.1602 | Medium |
| Organisational Disidentification | Indented Behaviour | 0.507 | 0.501 | 0.0122 | Small |

The obtained $Q^2$ values demonstrate how well the developed path model predicts the empirical values. However, it is important to calculate the relative impact of predictive relevance in order to evaluate the effect size. Similar to the approach to the assessment of the effect size $f^2$, the relative measure of the predictive relevance $q^2$ is measured as following:

$$q^2 = \frac{Q^2_{included} - Q^2_{excluded}}{1 - Q^2_{included}}$$

Table 7-12 also provides further information on the predictive relevance analysis. Not only are all $Q^2$ values more than zero but $Q^2_{excluded}$ is also smaller in value than $Q^2_{included}$. This suggests that all proposed relationships provide some degree of relevance. Moreover, the while the majority of the links show a small effect, the links between Organisational Identification and Indented Behaviour and between Corporate Reputation and Indented Behaviour show a medium effect, suggesting that these links are key components in the proposed path model.

In summary, the evaluation of the measurement model shows that the proposed research model contains measures that are reliable and valid. The evaluation of the structural model demonstrates that the proposed path model possesses good explanatory power as well as certain predictive relevance. After the assessment of the measurement and structural models, the research hypotheses related to the reputation/(dis)identification model (Hypotheses 1–5) will be tested followed by the evaluations of the research hypotheses related to the moderated model (Hypotheses 6–9).

## 7.8 The reputation/(dis)identification model hypotheses testing

After the detailed assessment of both measurement (outer) and structural model (inner) models, the proposed hypotheses outlined in Chapter 4 are now addressed on an individual basis. Table 7-13 provides a summary of the hypotheses related to the reputation/(dis)identification model.

**Table 7-13. Hypotheses tests results related to the reputation/(dis)identification model**

| Hypothesised path relationships | Path coefficient | $t$-value | $p$-value | Support for hypotheses |
|---|---|---|---|---|
| Corporate Reputation → Actual Behaviour | 0.112 | 1.969 | 0.049 | Supported |
| Corporate Reputation → Intended Behaviour | 0.474 | 12.086 | 0 | Supported |
| Corporate Reputation → Organisational Disidentification | -0.644 | 24.024 | 0 | Supported |
| Corporate Reputation → Organisational Identification | 0.479 | 17.381 | 0 | Supported |
| Intended Behaviour → Actual Behaviour | 0.22 | 4.037 | 0 | Supported |
| Organisational Disidentification → Actual Behaviour | -0.177 | 3.776 | 0 | Supported |
| Organisational Disidentification → Intended Behaviour | -0.121 | 3.479 | 0.001 | Supported |
| Organisational Identification → Actual Behaviour | 0.114 | 2.439 | 0.015 | Supported |
| Organisational Identification → Intended Behaviour | 0.375 | 12.603 | 0 | Supported |

***Hypothesis 1a: Increases in perceptions of corporate reputation lead to increases in stakeholders' supportive intended behaviour towards the company.***

The proposed path model provides evidence to support Hypothesis 1a. Specifically, positive perceptions of corporate reputation are found to have a statistically significant influence on stakeholders' supportive intended behaviour towards the company ($\beta$=0.474, $t$=12.086, $p$<0.01). Furthermore, the explanatory power of the predictor 'Corporate Reputation' is considered moderate-to-substantial, with the ‘Intended Behaviour’ $R^2$ value of 0.635. The analysis of the explanatory power (see Table 7-11 for more detail) suggests that by omitting the predictor construct ‘Corporate Reputation’ construct from the model, the $R^2$ value for ‘Intended Behaviour’ drops to 0.536. The relative measure of predictive relevance demonstrates a medium effect size and suggests that, by omitting the ‘Corporate Reputation’ predictive construct, the $Q^2$ value for Intended behaviour drops to 0.431 (see Table 7-12 for more detail).

***Hypothesis 1b: Increases in perceptions of corporate reputation lead to increases in stakeholders’ supportive actual behaviour towards the company.***

The structural model provides evidence to support Hypothesis 1b. In particular, positive perceptions of corporate reputation are found to have a statistically significant impact on individuals’ supportive actual behaviour towards the company ($\beta$=0.112, $t$=1.969, $p$ <0.05). The $R^2$ value of the endogenous construct ‘Actual Behaviour’ is 0.252. The analysis of the predictive relevance shows that the ‘Corporate Reputation’ predictor has a small predictive power; as such, the omission of the ‘Corporate Reputation’ variable triggers the $R^2$ value to drop to 0.248 (see Table 7-11 for more detail). That the predictive relevance $Q^2$ of the ‘Corporate Reputation’ predictor is greater than 0, however, demonstrates a small effect size (see Table 7-12 for more detail).

***Hypothesis 2: Increases in stakeholders’ supportive intended behaviour lead to increases in stakeholders’ supportive actual behaviour.***

The model provides evidence to support Hypothesis 2. In particular, supportive intended behaviour towards the company is found to have a statistically significant impact on individuals’ supportive actual behaviour towards the company ($\beta$=0.220, $t$=4.037, $p$ <0.01). The $R^2$ value of the endogenous construct ‘Actual Behaviour’ is 0.252, and it suggests a weak-to-moderate predictive power of the exogenous construct ‘Intended Behaviour’.

The analysis of the explanatory power suggests that, by omitting the ‘Intended Behaviour’ predictive construct from the model, the $R^2$ value for ‘Actual

Behaviour' drops to 0.234 (see Table 7-11 for more detail). The predictive relevance $Q^2$ is larger than 0 (0.240). The relative measure of predictive relevance suggests that, by omitting the predictive construct 'Intended Behaviour' predictive construct, the $Q^2$ value for 'Actual Behaviour' drops to 0.225 (see Table 7-12 for more detail).

***Hypothesis 3a: Increases in stakeholders' organisational identification lead to increases in stakeholders' supportive intended behaviour towards the company.***

The model provides evidence to support Hypothesis 3a. More specifically, organisational identification with the company is found to have a statistically significant impact on individuals' supportive intended behaviour towards the company ($\beta$=0.375, $t$=12.603, $p$<0.01). Considering the explanatory power of the 'Organisational Identification' predictor as moderate-to-substantial, the 'Intended Behaviour' $R^2$ value is 0.635.

The analysis of the explanatory power suggests that, by omitting the predictor construct of 'Organisational Identification' from the model, the $R^2$ value for 'Intended Behaviour' drops to 0.536 (see Table 7-11 for more detail). The predictive relevance $Q^2$ is larger than 0 (0.507). The relative measure of predictive relevance suggests that, by omitting the 'Organisational Identification' predictive construct, the $Q^2$ value drops to 0.428, therefore suggesting that 'Organisational Identification' has a medium degree of predictive relevance (see Table 7-12 for more detail).

***Hypothesis 3b: Increases in stakeholders' organisational identification lead to increases in stakeholders' supportive actual behaviour towards the company.***

The structural model provides evidence to support Hypothesis 3b. In particular, organisational identification is found to have a statistically significant impact on individuals' supportive actual behaviour towards the company ($\beta$=0.114, $t$=2.439, $p$<0.05). The $R^2$ value of the endogenous construct 'Actual Behaviour' is 0.252, and it suggests a weak-to-moderate predictive power of the exogenous construct 'Organisational Identification'. The analysis of the explanatory power suggests that, by omitting the 'Organisational Identification' predictive construct from the model, the $R^2$ value for 'Actual Behaviour' drops to 0.244 (see Table 7-11 for more detail). The predictive relevance $Q^2$ is larger than 0 for the predictive construct (0.240). Moreover, the relative measure of predictive relevance suggests that, by omitting the predictive construct 'Organisational Identification' predictive construct, the $Q^2$ value drops to 0.237 (see Table 7-12 for more detail).

***Hypothesis 3c: Increases in stakeholders' organisational disidentification lead to decreases in stakeholders' supportive intended behaviour towards the company.***

The model provides evidence to support Hypothesis 3c. More specifically, organisational disidentification with the company is found to have a statistically significant impact on individuals' supportive intended behaviour towards the company ($\beta$=-0.121, $t$=3.479, $p$ <0.01). The explanatory power of the 'Organisational Disidentification' predictor is considered moderate-to-substantial, with an 'Intended Behaviour' $R^2$ value of 0.635.

The analysis of the explanatory power suggests that, by omitting the 'Organisational Disidentification' predictive construct from the model, the $R^2$ value for 'Intended Behaviour' drops to 0.627 (see Table 7-11 for more detail). The predictive relevance $Q^2$ is larger than 0 (0.507). The relative measure of predictive relevance suggests that, by omitting the 'Organisational Disidentification' predictive construct, the $Q^2$ value drops to 0.501 (see Table 7-12 for more detail).

***Hypothesis 3d: Increases in stakeholders' organisational disidentification lead to decreases in stakeholders' supportive actual behaviour towards the company.***

The structural model provides evidence to support Hypothesis 3d. In particular, organisational disidentification is found to have a statistically significant impact on individuals' supportive actual behaviour towards the company ($\beta$=-0.177, *t*=3.776, $p$<0.01). The $R^2$ value of the endogenous construct 'Actual Behaviour' is 0.252, and it suggests a weak-to-moderate predictive power of the exogenous construct 'Organisational Disidentification'.

The analysis of the explanatory power suggests that, by omitting the 'Organisational Disidentification' predictive construct from the model, the $R^2$ value drops to 0.235 (see Table 7-11 for more detail). The predictive relevance $Q^2$ is larger than 0 (0.240). The relative measure of predictive relevance suggests that, by omitting the predictive construct of 'Organisational Disidentification', the $Q^2$ value for 'Actual Behaviour' drops to 0.226 (see Table 7-12 for more detail).

***Hypothesis 4a: Increases in perceptions of corporate reputation lead to increases in stakeholders' organisational identification with the company.***

The model provides evidence to support Hypothesis 4a. In particular, positive perceptions of corporate reputation are found to have a statistically significant impact on individuals' organisational identification with the company ($\beta$=0.479, *t*=17.381, $p$<0.01). The $R^2$ value of the endogenous construct 'Organisational Identification' is 0.229, and it suggests a moderate predictive power of the exogenous construct 'Corporate Reputation' (see Table 7-11 for more detail).

***Hypothesis 4b: Increases in perceptions of corporate reputation lead to decreases in stakeholders' organisational disidentification with the company.***

The structural model provides evidence to support Hypothesis 4b. In particular, positive perceptions of corporate reputation are found to have a statistically significant impact on individuals' organisational disidentification with the company ($\beta$=-0.644, *t*=24.024, $p$<0.01). The $R^2$ value of the endogenous construct 'Organisational Disidentification' is 0.415, and it suggests a moderate predictive power of the exogenous construct 'Corporate Reputation' (see Table 7-11 for more detail).

To summarise the discussed results, Figure 7-3 outlines the research model, the significance of the paths' coefficients, and the relevant $R^2$ values.

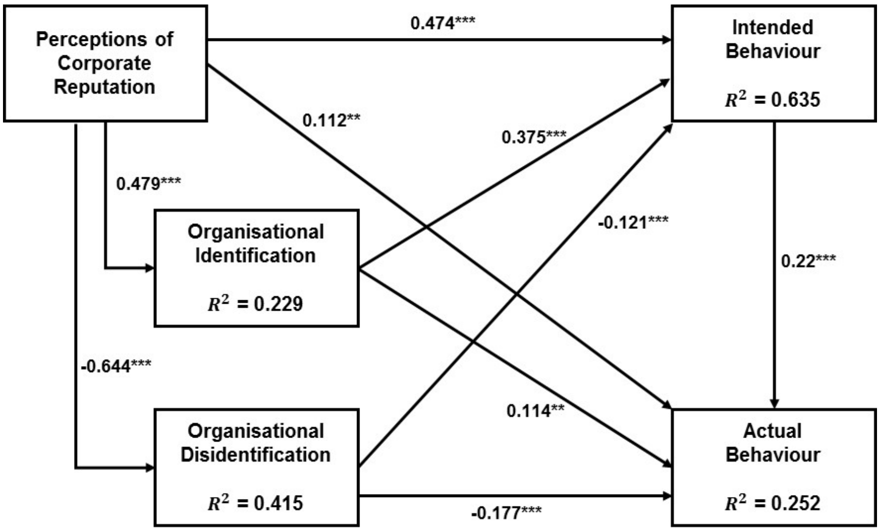


**Figure 7-3. The structural model**[1]

## 7.9 Mediation analysis

By looking at the paths between constructs within the research model, it is proposed that both organisational identification and disidentification would at least partially mediate the relationship between perceptions of corporate reputation and stakeholders' supportive intended behaviour:

***Hypothesis 4c: Both organisational identification and disidentification at least partially mediate the relationship between perceptions of corporate reputation and stakeholders intended behaviour.***

When assessing a PLS-SEM model with two or more mediator constructs, it is necessary to run a *multiple mediation analysis* (Hair *et al.*, 2016b). Traditionally mediation analysis involves evaluations of indirect, direct, and total mediation effects, using a step-by-step technique (Baron and Kenny, 1986). However, in the multiple mediation analysis this approach could lead to insignificant or

[1] ** = $p$<0.05
*** = $p$<0.01

misinterpreted results. Following Preacher and Hayes (2008a, 2008b), a calculation of the total indirect effect by simply summing all specific indirect effects could be misleading or biased because multiple mediators are typically correlated that could lead to inaccurate conclusions. Moreover, multiple mediators could impact each other and, in turn, the calculation of the indirect effects may not be correct owing to the omission of other, potentially more influential mediators.

Following the recommendations by Hair *et al.* (2016b), the multiple mediation analysis includes all mediators simultaneously in the model. This will help to get a complete picture of how exogenous constructs (Corporate Reputation) affect endogenous construct ('Intended Behaviour').

The analysis of the multiple mediation follows three stages:

1. Evaluation of the direct effects between exogenous and endogenous constructs;
2. Evaluation of the specific indirect effects; and
3. Evaluation of the total indirect effect.

Complete tables of the direct effects, total effects, total indirect effects, and specific indirect effects are presented in Appendix 12. The analysis of the mediation effects shows that Hypothesis 4c is supported. Moreover, it is also important to evaluate a type of the supported mediation. Following Hair *et al.* (2016b), there are several types of mediation that can occur within PLS-SEM (Figure 7-4):

- *Complementary mediation*: the direct and the indirect effects between endogenous, exogenous, and mediation constructs are all significant and have the same direction;
- *Competitive mediation*: the direct and the indirect effects between endogenous, exogenous, and mediation constructs are all significant and have the opposite direction;
- *Indirect-only mediation*: the direct effect is not significant, whereas the indirect effect is significant.

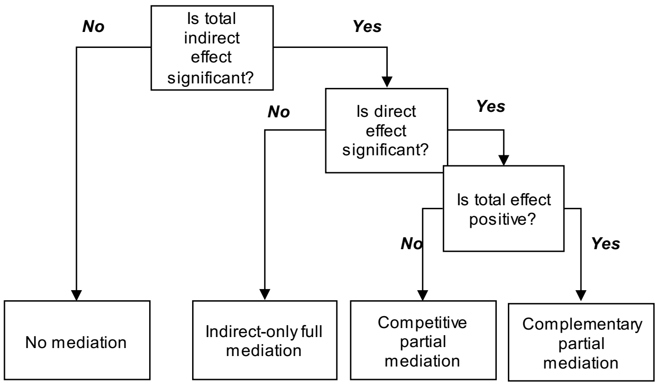


**Figure 7-4. Mediation analysis procedure**[1]

The total effect analysis suggests that both organisational identification and organisational disidentification partially mediate the relationship between corporate reputation and intended behaviour, where organisational identification acts as a complementary mediator (the total effect is positive in its sign), while organisational disidentification is considered a suppressor construct and it creates a competitive mediation (the total effect is negative in its sign).

### 7.10 Control groups

In the presented experiment, there are three control groups included in the design: *gender*, *age*, and *ability to drive a car*. The choice of these controls is defined by a number of theoretical and practical considerations.

***Control for gender.*** From a theoretical perspective, SIT suggests that individual's willingness to identify with a group of people (i.e. an organisation) is subject to gender differences (Tajfel and Turner, 1985; Tajfel, 2010). Besides, scholars such as Meyer *et al.* (2002) and Brammer *et al.* (2007) also find gender as a critical factor that influences the relationships between how people perceive a company and their intended behaviour. Provided that the present study employs two types of organisational identification (positive identification and disidentification) with Volkswagen, it seems reasonable to

[1] Adapted from Hair *et al.* (2016b).

propose that there may be significant differences between male and female responses in their affiliation with the focal company.

From a practical perspective, the present study is conducted in the context of the Volkswagen emissions scandal, which can be described as an environmental crisis. A number of studies demonstrate that women tend to be more environmentally-concerned than men (e.g. Milfont and Sibley, 2016). Hence, their reactions to the Volkswagen emissions scandal may significantly differ from how men may react to the same crisis. It is also suggested that automobile industry is male-driven, where women sometimes find themselves discriminated (Ramamoorthy and Flood, 2004; Brammer *et al.*, 2007). Thus, it may lead to significant differences in how men and women would perceive Volkswagen in the emissions scandal.

***Control for age.*** From a theoretical perspective, the literature suggests that age is an important factor that may explain stakeholders' behaviour (Goldsmith and Goldsmith, 1996; Han *et al.*, 2009). As such, SIT suggests that age is one of main determinants for individuals' desire of self- and social identification (Tajfel and Turner, 1985; Tajfel, 2010). Moreover, Riketta (2005) demonstrates age has a high correlation with organisational identification.

From a practical perspective, it seems reasonable to propose that there is a significant differences between younger and older respondents. For example, it has been observed by Grønhøj and Thøgersen (2009) and Otto and Kaiser (2014) that with age people become more ecologically engaged. Therefore, considering the context of the Volkswagen emissions scandal, there may be significant differences in how younger and older participants respond to the scandal.

***Ability to drive a car.*** This control group is largely determined by the context of the present study. The Volkswagen emissions scandal involved a recall of 11 million cars which contained a cheating software (see Chapter 4, section 6.4). Hence, respondents who can drive a car may hold different attitudes and behaviours towards Volkswagen cars and the company when compared to those who cannot drive cars. This may be explained by respondents' involvement with the company and the crisis (Maheswaran and Meyers-Levy, 1990; Morsing & Schultzn, 2006).

The evaluation of the control groups allows the researcher to test hypotheses, ensuring that there are no confounding factors determining the proposed causal relationships (Table 7-14).

**Table 7-14. Examination of control groups differences in path coefficients**

| | **Gender** | | | **Age** | | | **Ability to drive a car** | | |
|---|---|---|---|---|---|---|---|---|---|
| | ***Male*** | ***Female*** | ***Sig.*** | ***Age (1)*** | ***Age (2)*** | ***sig*** | ***Driving*** | ***Not driving*** | ***Sig.*** |
| Corporate Reputation → Actual Behaviour | 0.175 | 0.047 | 0.871 | 0.132 | 0.07 | 0.303 | 0.157 | 0.104 | 0.326 |
| Corporate Reputation → Intended Behaviour | 0.526 | 0.401 | 0.953 | 0.456 | 0.495 | 0.687 | 0.536 | 0.407 | 0.047 |
| Corporate Reputation → Organisational Disidentification | -0.652 | -0.633 | 0.365 | -0.571 | -0.739 | 0 | -0.584 | -0.72 | 0.004 |
| Corporate Reputation → Organisational Identification | 0.529 | 0.453 | 0.913 | 0.529 | 0.377 | 0.005 | 0.519 | 0.443 | 0.084 |
| Intended Behaviour → Actual Behaviour | 0.201 | 0.241 | 0.359 | 0.218 | 0.212 | 0.482 | 0.127 | 0.269 | 0.893 |
| Organisational Disidentification → Actual Behaviour | -0.165 | -0.164 | 0.494 | -0.156 | -0.245 | 0.18 | -0.207 | -0.144 | 0.745 |
| Organisational Disidentification → Intended Behaviour | -0.121 | -0.134 | 0.579 | -0.099 | -0.15 | 0.24 | -0.097 | -0.183 | 0.103 |
| Organisational Identification → Actual Behaviour | 0.053 | 0.184 | 0.085 | 0.105 | 0.169 | 0.759 | 0.096 | 0.133 | 0.647 |
| Organisational Identification → Intended Behaviour | 0.352 | 0.393 | 0.241 | 0.411 | 0.301 | 0.031 | 0.364 | 0.336 | 0.318 |

**7.10.1 Controlling for gender of the participants.** Following the descriptive statistical analysis, the total sample of 735 is split up somewhat equally between male and female respondents, 351 (47.8 per cent) and 384 (52.2 per cent) respectively (see Appendix 8).

When controlling for the gender of the participants, there are several significant differences identified between female and male respondents (Figure 7-5 and 7-6). In particular, the relationship between corporate reputation and supportive intended behaviour is significantly different for two gender groups ($\beta_{male}$=0.526, $\beta_{female}$=0.401, $p$<0.05).

Similar pattern is observed in the path leading from corporate reputation to organisational identification, which is much stronger for males ($\beta_{male}$=0.529, $\beta_{female}$=0.453, $p$<0.1). Moreover, the differences in the two discussed paths suggest significantly stronger relationships for the male group of respondents than for the female group. Finally, the path between organisational identification and actual behaviour is found to be significantly different for females than for males ($\beta_{female}$=0.184, $\beta_{male}$=0.053, $p$<0.1), such that females show a fairly strong increase in their supportive actual behaviour, whereas there is no significant relationship between the two constructs for the groups of male participants.

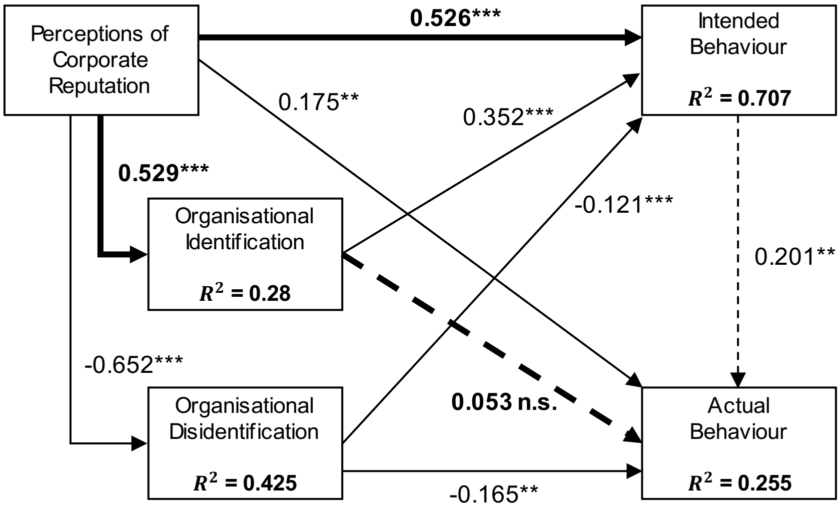


**Figure 7-5. The path model for the male participants**

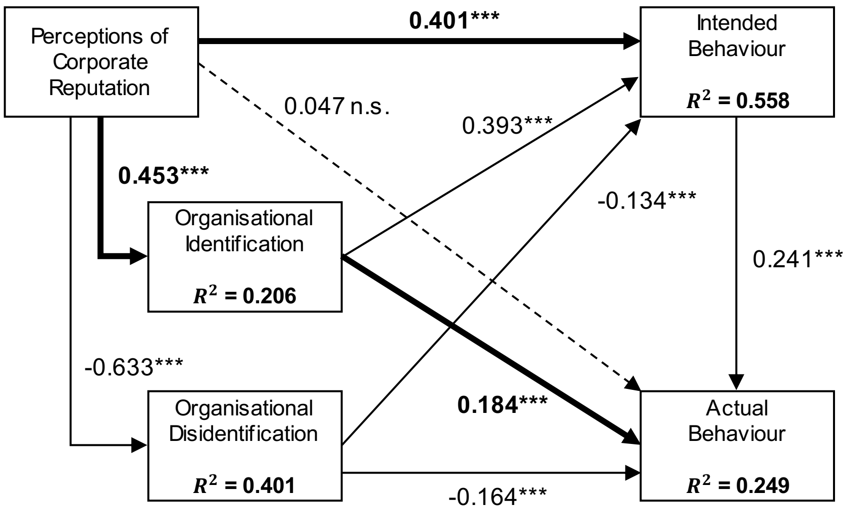


**Figure 7-6. The path model for the female participants**

The interpretation of the gender control group could be explained by the chosen research context, and the industry in particular. As such, male participants might feel more emotionally attached to a car manufacturer (Volkswagen), such that their perceptions of corporate reputation might increase their levels of organisational identification with the company and, in turn, lead to prolonged supportive intended behaviour. In case of the females, gender would have an effect, when women already experience high levels of identification with the company, which only then can trigger their actual supportive behaviour towards the company. A more detailed discussion on gender effects is presented in Chapter 8.

**7.10.2 Controlling for age of the participants.** The total sample of 735 includes seven age groups, between 18 and 75+ (Table 7-15). Following the age distribution across the sample, the first three groups include nearly half of the sample (418 respondents). Therefore, for the purposes of the PLS-SEM analysis, seven age groups were allocated to two main age groups: Age (1) includes ages from 18 to 44 and contains 418 responses (56.8 per cent); Age (2) includes the age range between 45 and 75+ and contains 317 responses (43.2 per cent).

**Table 7-15. Age groups across the sample**

| Age range | Number of participants | PLS-SEM age groups | Number of participants |
|---|---|---|---|
| 18–24 | 88 respondents (12%) | | |
| 25–34 | 166 respondents (22.6%) | **Age (1)** | **418 (56.8%)** |
| 35–44 | 164 respondents (22.3%) | | |
| 45–54 | 111 respondents (15.1%) | | |
| 55–64 | 118 respondents (16.1%) | **Age (2)** | **317 (43.2%)** |
| 65–74 | 74 respondents (10.1%) | | |
| 75+ | 14 respondents (1.9%) | | |

When controlling for participants' age, three significant differences are found between the two age groups in the proposed path model (Figures 7-7 and 7-8). The first path is related to the relationships between corporate reputation and organisational identification. This path is significantly different for the two groups, such that the path is stronger for those respondents whose age falls into the younger group, Age (1), than for the older group, Age (2) ($\beta_{age1}$=0.529, $\beta_{age2}$=0.377, $p$<0.01).

Next, the path from corporate reputation to organisational disidentification is significantly different and also stronger for older respondents within the second group, Age (2), compared to Age (1) ($\beta_{age2}$=-0.739, $\beta_{age1}$=-0.571, $p$<0.01).

Finally, a significant difference between Age (1) and Age (2) groups is found in the path between organisational identification and supportive intended behaviour. This path is stronger for younger respondents, in the Age (1) group, than for the Age (2) group ($\beta_{age1}$=0.411, $\beta_{age2}$=0.301 $p$<0.05).

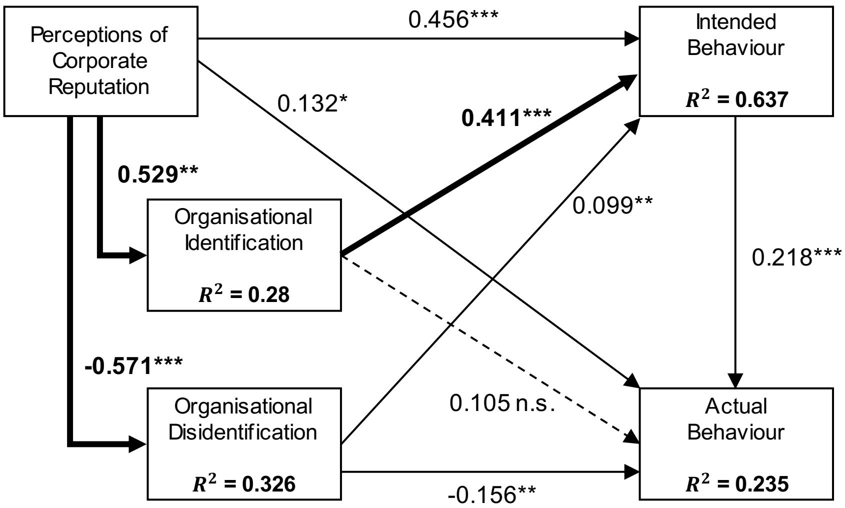


**Figure 7-7. The path model for the participants of Age (1)**

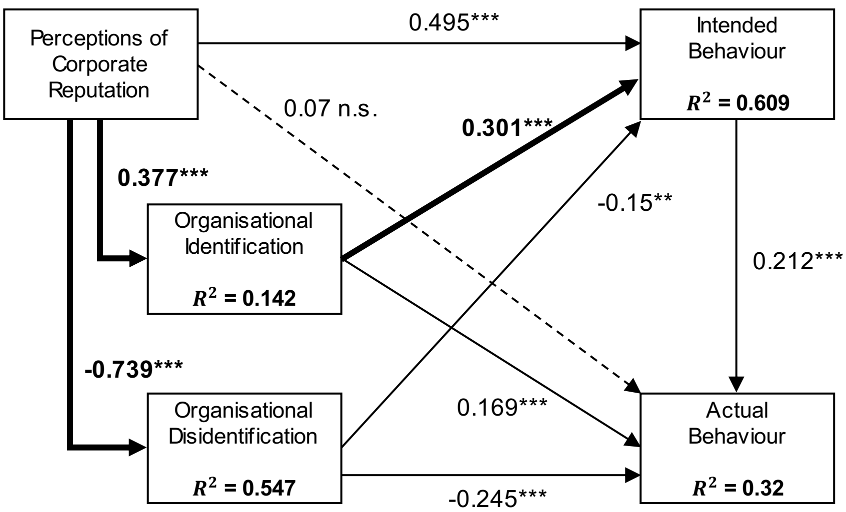


**Figure 7-8. The path model for the participants of Age (2)**

The provided findings can be interpreted in the following way. Young participants tend to feel more ‘connected’ to a company (feelings of organisational identification) when they perceive corporate reputation as positive. This in turn would trigger young people to exhibit supportive intended behaviour. It can be explained that younger stakeholders tend to have more positive response towards a company when they exhibit a sense of identification with the company.

Following the SIT literature (Tajfel and Turner, 1986; Abrams and Hogg, 1990; Hogg and Abrams, 1998; Tajfel, 2010), as well as organisational identification theory (Ashforth and Mael, 1989), people tend to identify with those companies, which appear to have good reputations. This is because these feelings of identification can contribute not only to supportive behaviour towards the company but also to individuals’ positive identities (i.e. self-esteem). This is particularly observed for young stakeholders.

On the other hand, older stakeholders tend to disidentify less with companies in response to positive reputations. For example, a possible way to explain this is because they would not require incentives to increase their self-esteem by identifying with a company. However, positive perceptions of a company’s reputation may significantly reduce older stakeholders’ disidentification. A more detailed discussion on age effects is presented in Chapter 8.

**7.10.3 Controlling for the participants’ ability to drive a car.** Following the chosen research context of the Volkswagen emissions scandal, the population studied for the present research includes a differentiation between those who drive a car, and those who do not drive. The total sample of 735 falls into two groups of 329 participants (44.8 per cent) who can drive, and 406 participants (55.2 per cent) who do not drive.

The analysis of the proposed two groups reveals several significant differences within the model’s paths (Figures 7-9 and 7-10). The group of people who can drive demonstrates significantly stronger relationships between corporate reputation and intended behaviour, as well as corporate reputation and organisational identification, than those who cannot drive a car: $\beta_{\text{driving}}$=0.536, $\beta_{\text{not\_driving}}$=0.407, $p$ <0.05 and $\beta_{\text{driving}}$=0.519, $\beta_{\text{not\_driving}}$=0.443, $p$ <0.1 respectively.

On the other hand, a significant difference is identified in the path between corporate reputation and organisational disidentification, such that this path is stronger for the group of people who do not drive a car ($\beta_{\text{not\_driving}}$=-0.72, $\beta_{\text{driving}}$=-0.584, $p$<0.01) (Figures 7-8 and 7-9).

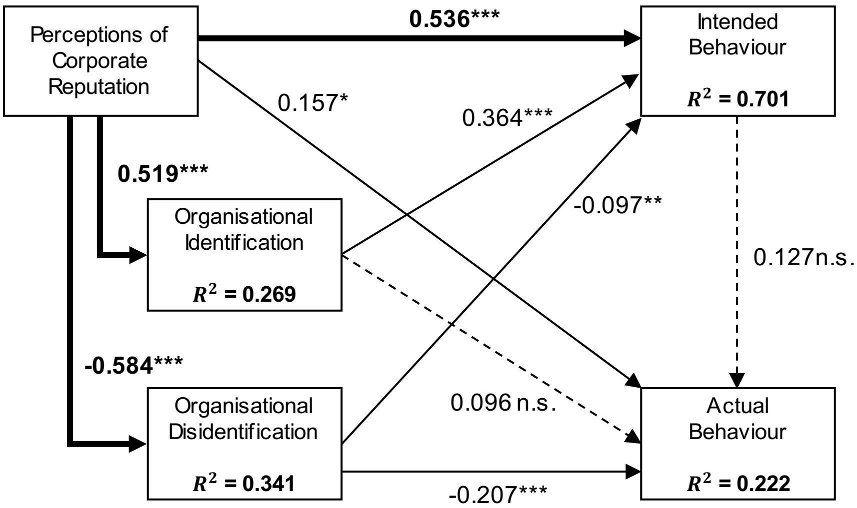


**Figure 7-9. The path model for the participants who drive a car**

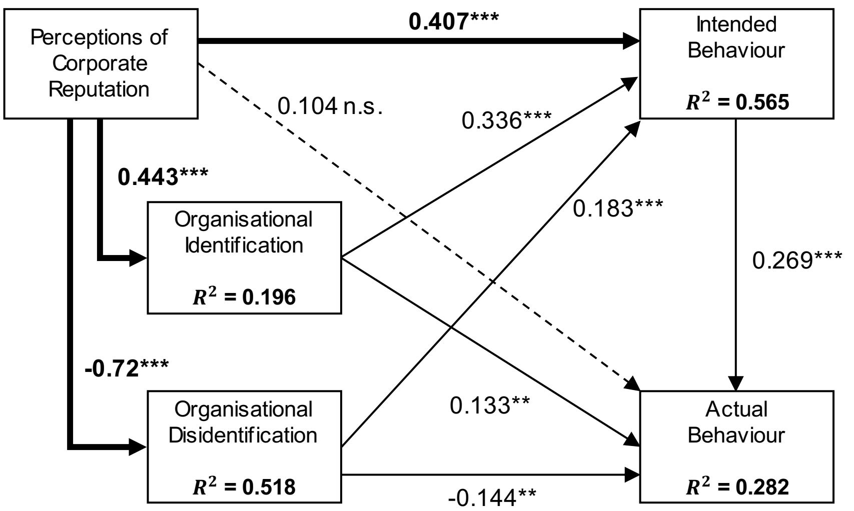


**Figure 7-10. The path model for the participants who do not drive a car**

The findings can be interpreted in the following way. It is in line with the suggestion that people who can drive a car would tend to identify with a car manufacturer, whereas those who do not drive would tend to disidentify with the car company. Therefore, ‘drivers’ might exhibit supportive intended behaviour towards the car manufacturer as a result of their high levels of organisational identification with Volkswagen. On the other hand, people who do not drive may experience organisational disidentification with the car manufacturer, simply because they are not involved with cars in their everyday lives. Therefore, such separation from cars (as well as car manufacturers) might lead to high levels of organisational disidentification.

In summary, the analysis of the control groups suggests that there are significant differences identified when controlling for three characteristics of the population: age, gender, and ability to drive a car. A more detailed discussion on the control group effects is presented in Chapter 8.

### 7.11 Scale preparation and examination of modeling moderating effects

Following Chapter 3, it is suggested that messages and messengers can have an impact on the relationships between individuals’ perceptions of corporate reputation, their levels of organisational (dis)identification, and their supportive intended and actual behaviour. The interaction between messages and levels of (dis)identification with the messenger are hypothesised to act as a moderator within the proposed path model (see Chapter 4). As such, measurements of stakeholders’ identification and disidentification with the messenger are analysed to test for their reliability and validity prior to being transformed into summated scales for testing the proposed moderating effects.

The preparation of the moderating constructs (identification and disidentification with a messenger) includes two stages: (1) assessment of reliability and validity of the proposed variables; and (2) scale transformation into high and low moderating groups. Following Churchill’s (1979) recommendations on testing internal consistency, a reliability test of the scales is performed. Next, a principal component analysis is conducted in order to evaluate interrelationships among the variables and to identify common underlying factors that group the variables, based on the proposed theory (Hair *et al.*, 2014a). All the tests are run using SPSS Statistics 23. Both scales to measure identification with a messenger (labelled 'MID') and disidentification with a messenger (labelled 'MDID') have been theorised to have six items in each scale (Mael and Ashforth, 1992; Kreiner and Ashforth, 2004) (Table 7-16).

**Table 7-16. (Dis)identification with the messenger scales[1]**

| Identification with the messenger | | Disidentification with the messenger | |
|---|---|---|---|
| MID1 | I am very interested in what others think about the Messenger. | MDID1 | I would be embarrassed if I was part of the Messenger group. |
| *MID2* | ***When I talk about the Messenger, I usually say 'we' rather than 'they'.*** | MDID2 | The Messenger does shameful things. |
| MID3 | The Messenger successes are my successes. | MDID3 | If I was part of the Messenger group, I would try to keep it for a secret from people I meet. |
| MID4 | When someone praises the Messenger, it feels like a personal compliment. | *MDID4* | ***I find the Messenger to be disgraceful.*** |
| MID5 | If a story in the media criticised the Messenger, I would feel embarrassed. | MDID5 | I want people to know that I disagree with how the Messenger behaves. |
| MID6 | When someone criticises the Messenger, it feels like a personal insult. | MDID6 | If I was part of the Messenger group, I would be ashamed of what goes on in among the Messengers. |

However, after a pre-test qualitative phase, it is identified that two items are not clear and somewhat confusing for the participants: one item from the MID measure ('When I talk about the Messenger, I usually say "we" rather than "they"') and one item from the MDID measure ('I find the Messenger to be disgraceful'). Following the confirmatory study by Elsbach and Bhattacharya (2001), those two items are initially eliminated from the study since they could affect reliability and validity of the construct.

The reliability scores for MID and MDID result in Cronbach's alpha scores above the threshold of 0.7, with values of 0.926 and 0.935, respectively. Hence, both measures demonstrate a satisfactory internal scale consistency.

[1] In each questionnaire, the messenger is specified in accordance with the manipulation – the environmental scientist or the Volkswagen driver.

Table 7-17 below shows detailed information on MID and MDID scales reliability.

**Table 7-17. Reliability statistics for (dis)identification with the messenger measures**

| | | Scale mean if item deleted | Scale variance if item deleted | Corrected item-total correlation | Squared multiple correlation | Cronbach's alpha if item deleted |
|---|---|---|---|---|---|---|
| ***Identification with the messenger (= 0.926)*** | | | | | | |
| MID1 | I am very interested in what others think about the messenger. | 10.39 | 36.835 | 0.631 | 0.436 | 0.944 |
| MID3 | The messenger's successes are my successes. | 11.16 | 33.706 | 0.834 | 0.719 | 0.904 |
| MID4 | When someone praises the messenger, it feels like a personal compliment. | 11.41 | 33.575 | 0.898 | 0.833 | 0.892 |
| MID5 | If a story in the media criticised the messenger, I would feel embarrassed. | 11.47 | 35.116 | 0.833 | 0.781 | 0.905 |
| MID6 | When someone criticises the messenger, it feels like a personal insult. | 11.56 | 34.505 | 0.859 | 0.826 | 0.9 |
| ***Disidentification with the messenger (= 0.935)*** | | | | | | |
| MDID1 | I would be embarrassed if I was part of the messenger group. | 11.48 | 33.681 | 0.759 | 0.597 | 0.934 |
| MDID2 | The messenger does shameful things. | 11.67 | 34.862 | 0.821 | 0.704 | 0.922 |
| MDID3 | If I was part of the messenger group, I would try to keep it for a secret from people I meet. | 11.71 | 33.122 | 0.855 | 0.732 | 0.915 |
| MDID5 | I want people to know that I disagree with how the messenger behave. | 11.55 | 33.643 | 0.836 | 0.735 | 0.918 |
| MDID6 | I would be ashamed of what goes on among the messenger. | 11.61 | 33.311 | 0.872 | 0.796 | 0.912 |

Following the reliability test, a principal component factor analysis with Varimax rotation is performed. The initial results are in Appendix 13. Following the recommendations by Hair *et al.* (2014a: p. 115), only loadings above 0.3 are shown in the table, given the sample size of 735, which is the size sufficient to achieve 0.05 significance level ($\alpha$), a power level of 80 per cent, and standard errors assumed to be twice those of conventional correlation coefficients.

Table 7-18 presents a summary of the result of factor analysis of both MID and MDID measures.

**Table 7-18. Factor analysis for (dis)identification with the messenger scales**

| Items | | Components | | Communality | Anti-image correlation |
|---|---|---|---|---|---|
| | | *MID* | *MDID* | | |
| MID1 | I am very interested in what others think about the messenger. | 0.736 | | 0.544 | 0.909 |
| MID3 | The messenger's successes are my successes. | 0.904 | | 0.818 | 0.88 |
| MID4 | When someone praises the messenger, it feels like a personal compliment. | 0.939 | | 0.891 | 0.863 |
| MID5 | If a story in the media criticised the messenger, I would feel embarrassed. | 0.891 | | 0.82 | 0.88 |
| MID6 | When someone criticises the messenger, it feels like a personal insult. | 0.912 | | 0.851 | 0.85 |
| MDID1 | I would be embarrassed if I was part of the messenger group. | | 0.844 | 0.713 | 0.914 |
| MDID2 | The messenger does shameful things. | | 0.883 | 0.789 | 0.901 |
| MDID3 | If I was part of the messenger group, I would try to keep it for a secret from people I meet. | | 0.902 | 0.828 | 0.899 |
| MDID5 | I want people to know that I disagree with how the messenger behave. | | 0.891 | 0.807 | 0.879 |
| MDID6 | I would be ashamed of what goes on among the messenger. | | 0.919 | 0.853 | 0.849 |

The rotated initial solution resulted in two factors, which explain 79.14 per cent of the variance, including the Kaiser–Meyer–Olkin measure of sampling adequacy of 0.88 and the significant Barlett's Test of Sphericity. Hence, it can be concluded that the factor analysis of the proposed variables is appropriate. Therefore, identification and disidentification with the messenger factors each include five items.

The second step in the preparation of the moderating variable involves transformation of the two moderating constructs – MID and MDID – into binary groups with high/low levels. The splitting strategy is typically based on either summated scale mean, median, or on the original scale centre (e.g. '4' on the Likert seven-point scale).

Table 7-19 shows summary statistics for the two moderating variables, including mean, mode, and median.

**Table 7-19. Summary statistics for (dis)identification with the messenger**

| | MID | MDID |
|---|---|---|
| Mean | 2.7997 | 2.901 |
| Std. error of mean | 0.05386 | 0.05312 |
| Median | 2.4 | 3 |
| Mode | 1 | 1 |
| Std. deviation | 1.46026 | 1.44017 |
| Variance | 2.132 | 2.074 |
| Minimum | 1 | 1 |
| Maximum | 7 | 7 |
| Range | 6 | 6 |
| Skewness | 0.55 | 0.371 |
| Kurtosis | -0.525 | -0.523 |
| Scale centre | 4 | 4 |

Examining the central tendency statistics shows that there are two promising ways of splitting the sample into high and low subgroups – based on the scale median (the methodological point of view) and on the scale centre (the theoretical point of view). By adopting the median split, it would be possible to achieve a nearly-equal split in samples, which will allow a complex analysis between groups, avoiding misinterpretations. However, the median split could potentially cause theoretical misinterpretations of the scales, as such highs and lows in MID would be conceptually different, as it could be in splitting the sample based on the scale centre.

On the other hand, splitting the sample based on the scale centre could potentially divide the sample unequally (since the mean and median are below the centre, '4'). Nevertheless, centre scale split would keep comprehensive information on the high and low scores within two constructs (the range in both variables is 6), which is proposed by the adopted theory on identification and disidentification.

In order to avoid misrepresentation of the high and low groups, a preliminary analysis is run to identify whether there is any discrepancy between sample splits when using the median split and the scale centre split. The analysis shows that, despite the different approaches to splitting the sample, the findings are consistent, with few inconsiderable variances. Moreover, the findings based on the scale centre mean are found to be more comprehensive than the median split results, since from the conceptual point of view the former enables the researcher to keep important sample information within the subgroups. Finally, the applied PLS-SEM approach to analysing group differences – Multi- Group Analysis (MGA) – allows unequal subsamples to be compared without losing any statistical power (Henseler *et al.*, 2009). Consequently, the investigation into subgroup split shows that it would be practical to divide the sample into two subsamples based on the scale centre.

### 7.12 Examination of group differences

Following recommendations by Henseler *et al.* (2009), PLS-SEM is built on a non-parametric Multi-Group Analysis (MGA), which is based on a bootstrapping procedure. Ultimately, PLS-MGA is focused on the comparison of bootstrapping estimates between two groups of comparison. These bootstrap estimates used for MGA estimations are calculated as follows:

$$P\left(b^{(1)} > b^{(2)} \middle| \beta^{(1)} \leq \beta^{(2)}\right) = 1 - \sum_{\forall j,i} \frac{\Theta(2\bar{b}^{(1)} - b_j^{(1)} - 2\bar{b}^{(2)} + b_j^{(2)})}{J^2}$$

where $J$ reflects the number of bootstrap samples, $b_j^{(1)}$ and $b_j^{(2)}$ denote the bootstrap parameters estimates for two groups, $\bar{b}^{(1)}$ and $\bar{b}^{(2)}$ represent the means of the focal parameters over the bootstrap samples for group 1 and group 2 respectively, $\Theta$ is the unit step function, which could have a value of 1 if its argument is greater than 0 and a value of 0 if its argument is less than or equal to zero (Henseler *et al.*, 2009: p. 309).

### 7.13 Modeling simple moderating effects

The study is aimed at the investigation of moderating effects of the message-messenger interaction on perceptions of corporate reputation, organisational (dis)identification, and behavioural outcomes. More specifically, the researcher is interested in understanding the interaction effects between positively/negatively framed messages and (dis)identification with the messenger. However, before moving towards the interaction effects, it is essential to evaluate *single* or *simple* interaction effects:

1. Moderating effects of messages – positive versus negative framings (Section 7.13.1);
2. Moderating effects of messengers – environmental scientist versus Volkswagen driver (Section 7.13.2);
3. Moderating effects of simple interactions – the same message from different messengers (Section 7.13.3);
4. Moderating effects of identification with the messenger (Section 7.13.4); and
5. Moderating effects of disidentification with the messenger (Section 7.13.5).

Detailed information on all simple moderating effects is presented in Table 7-20.

**7.13.1. Moderating effects of messages – positive versus negative framings.** The message framing is found to have a significant impact on the relationships within the model. The full model results for the positive and negative message framing groups are depicted in Figures 7-11 and 7-12, respectively. Specifically, the relationship between corporate reputation and actual behaviour towards the company is significantly different for individuals who received a positively framed message about the company than for those who received a negatively framed message ($\beta_{pos}$=0.23, $\beta_{neg}$=0.056, $p$<0.1). That is, people who get a positive message show a fairly strong increase in their supportive actual behaviour, while there is no significant relationship between the two constructs for the group who received a negative message.

**Table 7-20. Examination of simple moderating effects in path coefficients**

| | Path coefficients for message | | | Path coefficients for messenger | | | Path coefficients for simple interaction (1) | | | Path coefficients for simple interaction (2) | | | Path coefficients for MID group | | | Path coefficients for MDID group | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | ***Positive*** | ***Negative*** | ***Sig.*** | ***Scientist*** | ***Driver*** | ***Sig.*** | ***P+S*** | ***P+D*** | ***Sig.*** | ***N+S*** | ***N+D*** | ***Sig.*** | ***High*** | ***Low*** | ***Sig.*** | ***High*** | ***Low*** | ***Sig.*** |
| Corporate Reputation → Actual Behaviour | 0.23 | 0.056 | 0.074 | 0.064 | 0.185 | 0.849 | 0.13 | 0.319 | 0.826 | 0.058 | 0.039 | 0.548 | 0.117 | 0.099 | 0.434 | 0.317 | 0.048 | 0.021 |
| Corporate Reputation → Intended Behaviour | 0.483 | 0.477 | 0.465 | 0.444 | 0.522 | 0.846 | 0.509 | 0.47 | 0.362 | 0.434 | 0.598 | 0.053 | 0.423 | 0.507 | 0.852 | 0.415 | 0.474 | 0.768 |
| Corporate Reputation → Organisational Disidentification | -0.672 | -0.625 | 0.81 | -0.641 | -0.653 | 0.406 | -0.713 | -0.633 | 0.845 | -0.603 | -0.675 | 0.849 | -0.515 | -0.733 | 0 | -0.533 | -0.702 | 0.005 |
| Corporate Reputation → Organisational Identification | 0.484 | 0.476 | 0.437 | 0.489 | 0.464 | 0.332 | 0.498 | 0.473 | 0.389 | 0.488 | 0.448 | 0.709 | 0.616 | 0.335 | 0 | 0.654 | 0.44 | 0 |
| Intended Behaviour → Actual Behaviour | 0.116 | 0.254 | 0.876 | 0.222 | 0.209 | 0.455 | 0.019 | 0.206 | 0.822 | 0.277 | 0.216 | 0.672 | 0.163 | 0.232 | 0.728 | -0.012 | 0.278 | 0.984 |
| Organisational Disidentification → Actual Behaviour | -0.181 | -0.189 | 0.474 | -0.2 | -0.144 | 0.719 | -0.289 | -0.092 | 0.9 | -0.173 | -0.227 | 0.667 | -0.162 | -0.169 | 0.471 | -0.106 | -0.187 | 0.203 |
| Organisational Disidentification → Intended Behaviour | -0.152 | -0.102 | 0.769 | -0.145 | -0.084 | 0.814 | -0.136 | -0.162 | 0.403 | -0.143 | 0.012 | 0.045 | -0.108 | -0.143 | 0.307 | -0.124 | -0.122 | 0.511 |
| Organisational Identification → Actual Behaviour | 0.043 | 0.17 | 0.909 | 0.137 | 0.086 | 0.301 | 0.123 | -0.042 | 0.135 | 0.145 | 0.221 | 0.27 | 0.237 | 0.133 | 0.149 | 0.19 | 0.108 | 0.238 |
| Organisational Identification → Intended Behaviour | 0.356 | 0.382 | 0.67 | 0.377 | 0.369 | 0.438 | 0.321 | 0.39 | 0.795 | 0.394 | 0.337 | 0.766 | 0.46 | 0.255 | 0.001 | 0.498 | 0.303 | 0.001 |

On the other hand, a significant difference is identified in the path between organisational identification and actual behaviour. This path is stronger for people who received a negative message than for those who received a positive one ($\beta_{neg}$=0.17, $\beta_{pos}$=0.043, $p$<0.1). Moreover, while the group with the negative message demonstrates a significant impact on their supportive actual behaviour towards a company, there is no significant relationship between the two constructs for the group with a positive message.

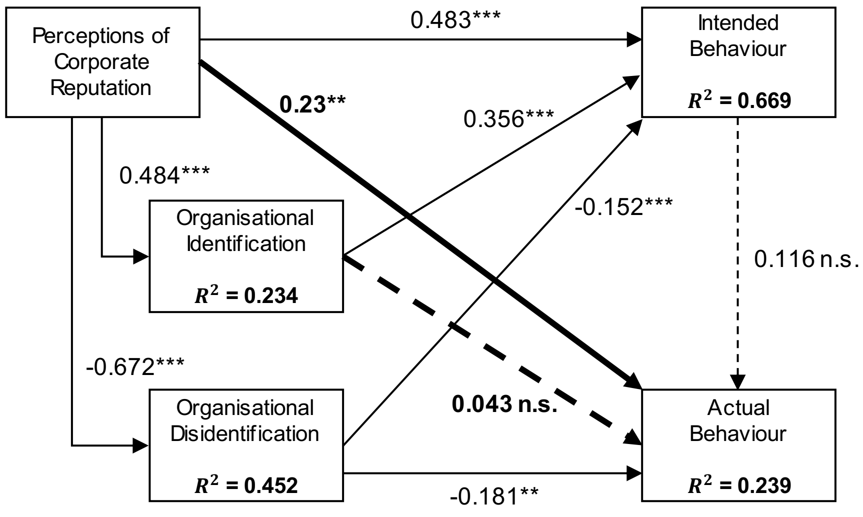


**Figure 7-11. The path model for the positive message framing**

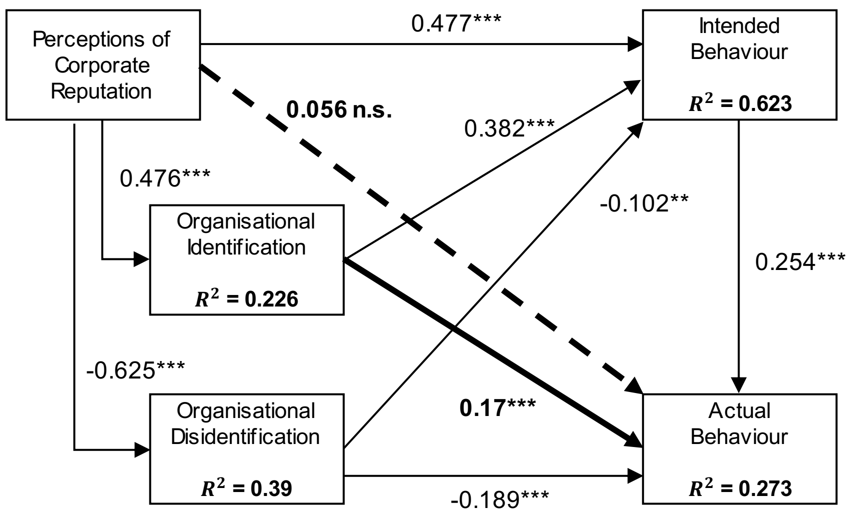


**Figure 7-12. The path model for the negative message framing**

The findings suggest that a message alone (negative or positive) can trigger individuals' actual behaviour towards a company. Positive messages can trigger actual behaviour when they are conditioned by positive perceptions of corporate reputation. It can be argued that when a person perceives a company's reputation as good, without assumptions about their organisational identification or disidentification, a positive message can trigger supportive actual behaviour.

However, when a person already possesses a certain level of organisational identification with a particular company, a negative message about this company can trigger supportive actual behaviour. This suggests that when a person experiences positive organisational identification, or, in other words, an overlap between the company's values and their own, any negatively framed information can 'provoke' individuals to defend their values as well as the company they share these values with by exhibiting supportive, and maybe defensive, behaviour.

**7.13.2. Moderating effects of messengers – environmental scientist versus Volkswagen driver.** The messenger is found to have no impact on any of the proposed relationships within the path model. It is then argued that the messenger as a separate entity does not affect individuals' perceptions of corporate reputation, their levels of (dis)identification, and behavioural outcomes.

There might be, therefore, some underlying individual factors (such as (dis)identification with the messenger) that can explain why people perceive and act upon the same information in different ways. However, before exploring effects of (dis)identification with the messenger, it is important to assess whether a simple interaction between a message and a messenger have any impact on the relationships within the proposed model.

**7.13.3. Moderating effects of simple interactions – the same message from different messengers.** Moving on to the analysing of simple message–messenger interactions, two sets of groups are compared:

1. Positive message from an environmental scientist (P+scientist) versus positive message from a Volkswagen driver (P+driver);
2. Negative message from an environmental scientist (N+scientist) versus negative message from a Volkswagen driver (N+driver).

When exploring the effect of the same (positive) message delivered by the environmental scientist or the Volkswagen driver, there is one significant difference found within the model (Figures 7-13 and 7-14).

In particular, the path between organisational disidentification and actual behaviour is significantly different for the P+scientist group compared to the P+driver group ($\beta_{p+scientist}$ = -0.289, $\beta_{\text{p+dirver}}$= -0.092, $p$ <0.1), such that the P+scientist group demonstrates a strong decrease in their supportive actual behaviour, while there is no significant relationship between the two constructs for the P+driver group.

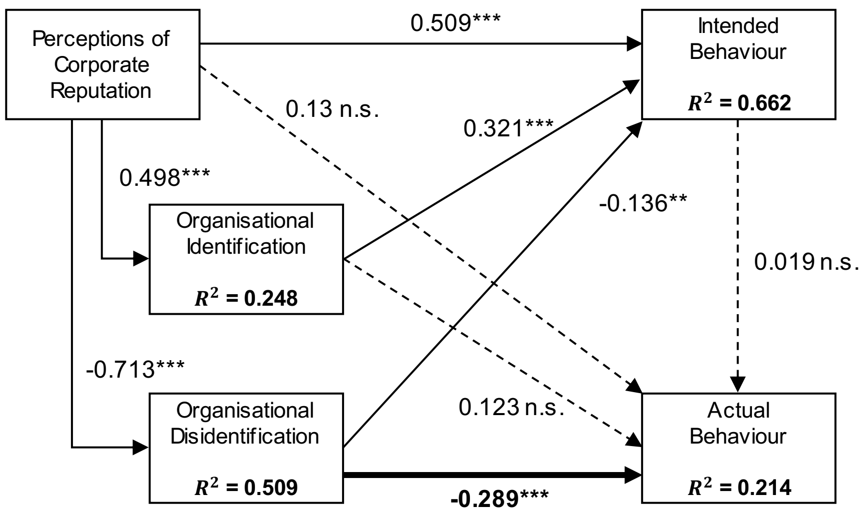


**Figure 7-13. The path model for P+S group**

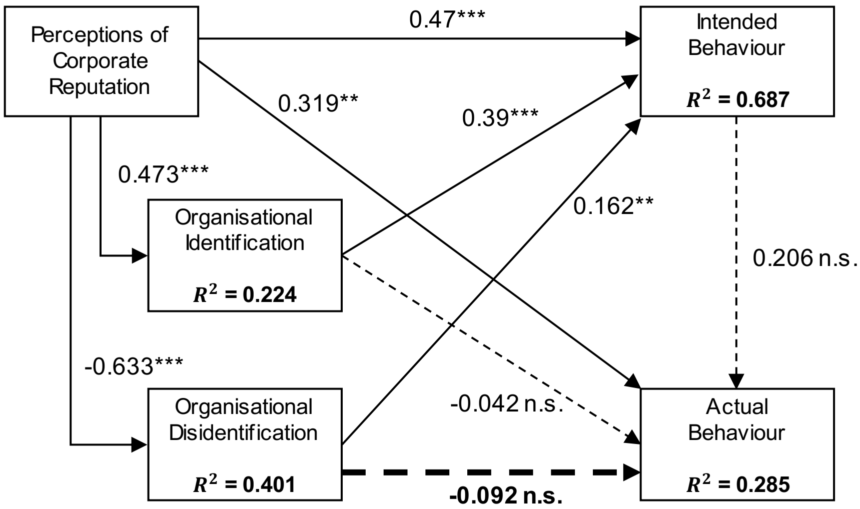


**Figure 7-14. The path model for P+D group**

Next, when comparing N+scientist and N+driver groups, the findings suggest that the path leading from corporate reputation to intended behaviour is significantly stronger for the group who received a negative message from the Volkswagen driver compared to those who received the same negative message from the environmental scientist ($\beta_{n+driver}$=0.598, $\beta_{\text{n+scientist}}$=0.434, $p$<0.1) (Figures 7-15 and 7-16).

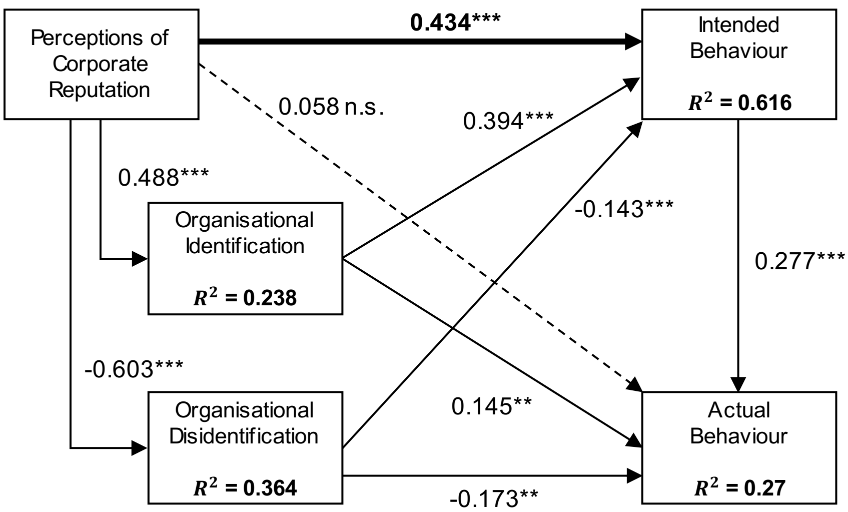


**Figure 7-15. The path model for N+S group**

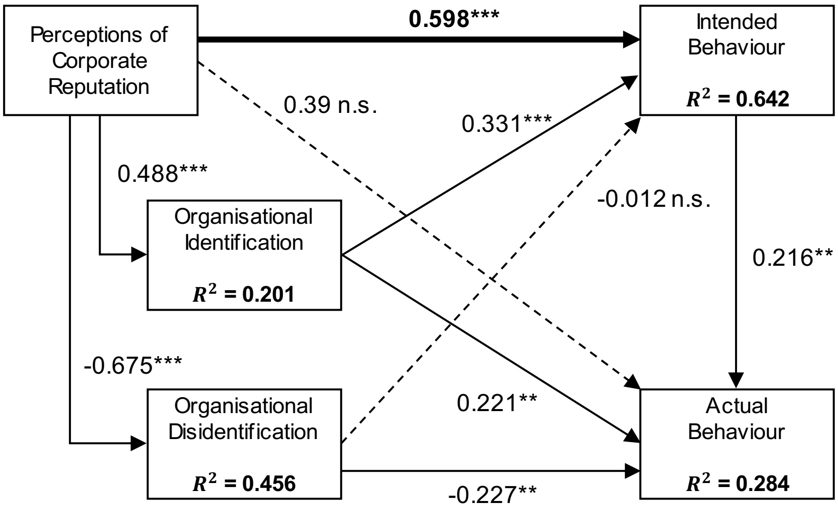


**Figure 7-16. The path model for N+D group**

The findings on a simple interaction moderating effects suggest the message–messenger interaction has its moderating capability to impact the relationships within the proposed model. A positive message about a company, when delivered by a specific messenger (i.e. an environmental scientist), helps to decrease organisational disidentification, which, in turn, leads to increases in stakeholder's supportive actual behaviour. This may be explained by the fact that a scientist as a messenger can provide solid – scientific – facts about a company, which may be perceived by people as informative, and decrease their disidentification with the company.

When the same negative message is delivered by two different messengers, the interaction has a moderating impact on the relationship between corporate reputation and supportive intended behaviour. However, it is not yet clear whether people relate to these two interactions in the same way. In other words, the simple interaction between a message and its messenger does not explain why and how people's positive perceptions of corporate reputation lead to increases in behavioural outcomes. Therefore, the next tests for moderation will focus on (dis)identification with a messenger.

**7.13.4. Moderating effects of identification with the messenger.** Moving on to the detailed understanding of underlying factors of the message–messenger interaction, it is vital to investigate whether different levels of identification with the messenger ($MID_{high}$ and $MID_{low}$) have any impact on the model's paths (Figures 7-17 and 7-18).

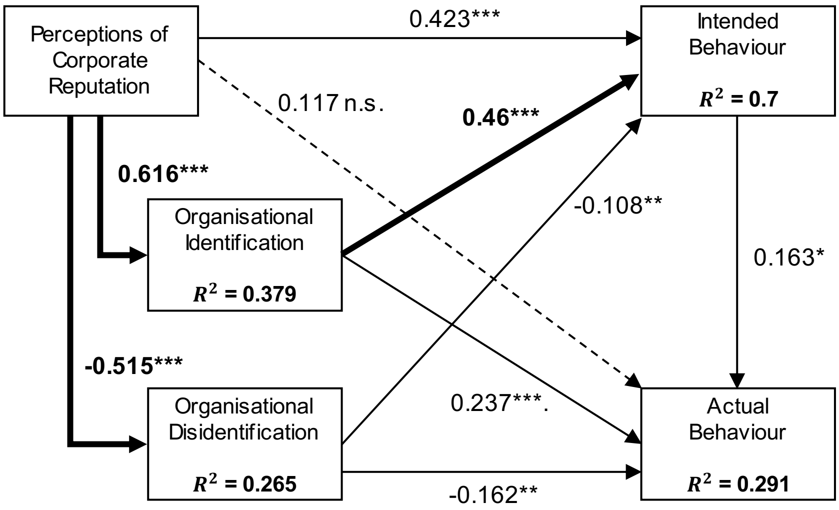


**Figure 7-17. The path model for high in MID group**

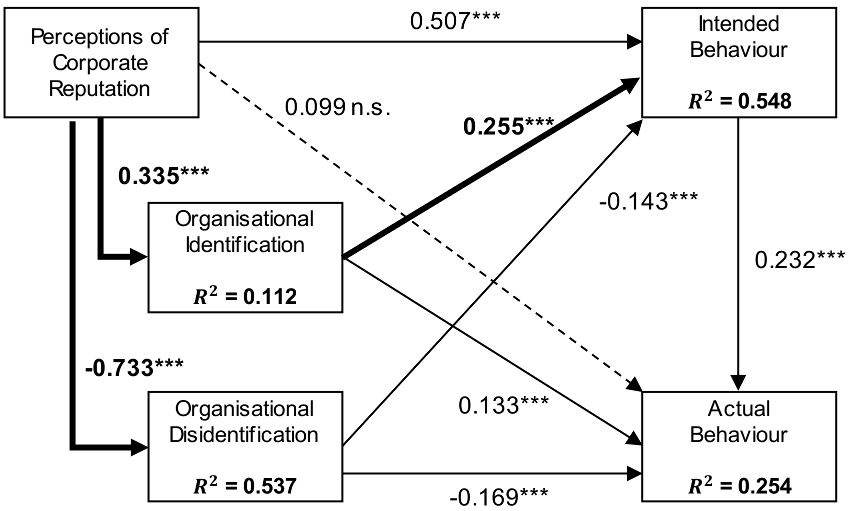


**Figure 7-18. The path model for low in MID group**

The results suggest there are three significant differences found within the model's paths when comparing the $MID_{high}$ and $MID_{low}$ groups. The path between corporate reputation and organisational identification is significantly stronger for the $MID_{high}$ group than for the $MID_{low}$ group ($\beta_{MIDhigh}$=0.616, $\beta_{MIDlow}$=0.335, $p$<0.01). The second identified path, between organisational identification and intended behaviour, is significantly stronger for the $MID_{high}$ group ($\beta_{MIDhigh}$=0.46, $\beta_{MIDlow}$=0.255, $p$<0.01). Finally, the third path, leading from corporate reputation to organisational disidentification, is significantly stronger for the $MID_{low}$ group ($\beta_{MIDlow}$=-0.733, $\beta_{MIDhigh}$=-0.515, $p$<0.01).

**7.13.5. Moderating effect of disidentification with the messenger.** Moving on to the understanding disidentification with the messenger, it is important to investigate whether there is any significant difference between the $MDID_{high}$ and $MDID_{low}$ groups (Figures 7-19 and 7-20).

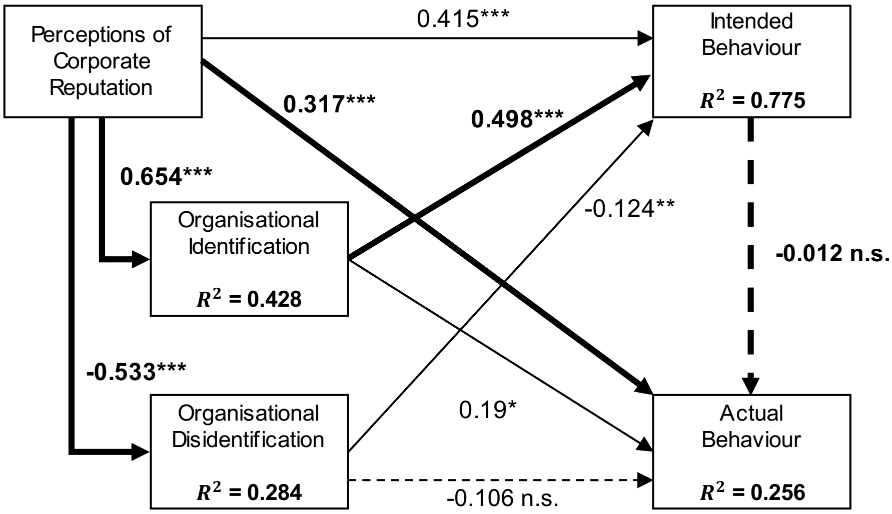


**Figure 7-19. The path model for high in MDID group**

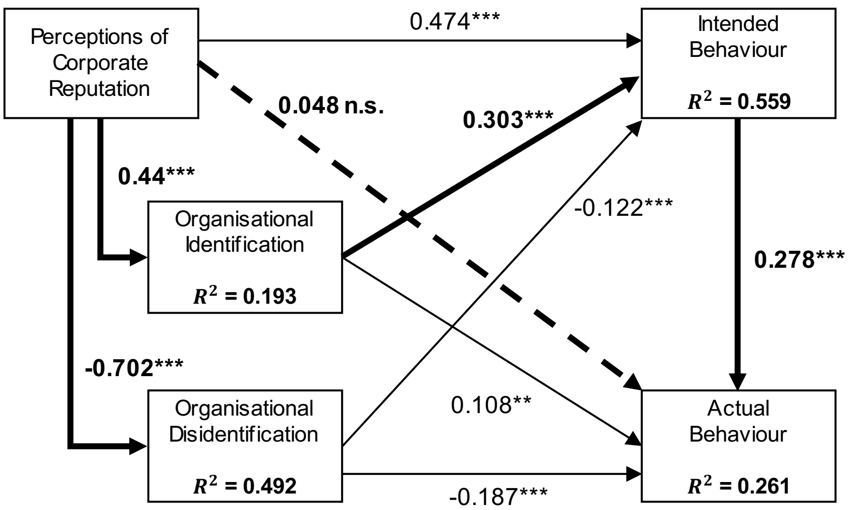


**Figure 7-20. The path model for low in MDID group**

The findings show that there are several significant differences between the $MDID_{high}$ and $MDID_{low}$ groups. The first path relates to the link between corporate reputation and actual behaviour. This path is found to be significantly stronger for the $MDID_{high}$ group ($\beta_{MDIDhigh}$=0.317, $\beta_{\mathrm{MDIDlow}}$=0.048, $p$<0.05), while there is no significant relationship between the two constructs for the $MDID_{low}$ group. The next path is between corporate reputation and organisational identification, which is likewise significantly stronger for the $MDID_{high}$ group than for the $MDID_{low}$ group ($\beta_{MDIDhigh}$=0.654, $\beta_{\mathrm{MDIDlow}}$=0.440, $p$<0.01).

On the other hand, the path leading from corporate reputation to organisational disidentification is found to be significantly stronger for the $MDID_{low}$ group than for the $MDID_{high}$ group ($\beta_{\mathrm{MDIDlow}}$=-0.702, $\beta_{MDIDhigh}$=-0.533, $p$<0.01). The fourth path, between organisational identification and intended behaviour, is significantly stronger for the $MDID_{high}$ group ($\beta_{MDIDhigh}$=0.498, $\beta_{\mathrm{MDIDlow}}$=0.303, $p$<0.01).

Finally, the path reflecting the link between intended behaviour and actual behaviour is found to be significantly different for the $MDID_{low}$ and $MDID_{high}$ groups ($\beta_{\mathrm{MDIDlow}}$=0.278, $\beta_{MDIDhigh}$=-0.012, $p$<0.05), such that the $MDID_{low}$ group shows a fairly strong increase in individuals' supportive actual behaviour, while there is no significant relationship between the two constructs for the $MDID_{high}$ group.

In summary, the discussed results provide evidence that the underlying mechanisms of (dis)identification with a messenger have various significant moderating effects on the proposed relationships within the model. This is particularly important, since the messenger as a single entity did not have any impact on how people perceive corporate reputation, their organisational (dis)identification, and intended and actual behaviour (see Section 7.13.2 for the reference).

However, the obtained results should not be interpreted in isolation from the message effects. To reiterate, the messenger always accompanies the message (O'Rourke, 2013: p. 79), hence the interaction between a positive/negative message and (dis)identification with a messenger should be tested in order to infer how and why the message–messenger interaction affects people's perceptions of corporate reputation, their organisational (dis)identification, and their behavioural responses. The full discussion of the message–messenger interaction effects is presented in Chapter 8.

## 7.14 Modeling moderating effects of the message-messenger interaction (context-free)

The study is aimed at investigating and understanding the interaction effects between positively/negatively framed messages and (dis)identification with the messenger (Figure 7-21 below) on perceptions of corporate reputation, organisational (dis)identification, and associated behavioural outcomes. The investigation of moderating effects will start from the top-left quadrant, (1), the interaction between a positive message and MID, then move down to quadrant (2), the interaction between a positive message and MDID, then quadrant (3), the interaction between a negative message and MID, and finally to quadrant (4), the interaction between a negative message and MDID.

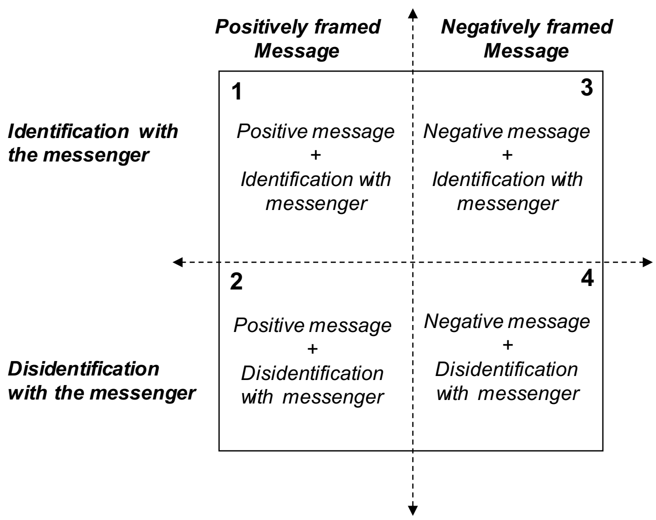


**Figure 7-21. The interaction effects (context-free)**

The detailed information on moderating effects of the message-messenger interaction (context-free) is presented in Table 7-21.

**Table 7-21. Interaction moderating effects (context-free): Examination of subgroup differences in path coefficients**

| | Path coefficients for P+MID group | | | Path coefficients for P+MDID group | | | Path coefficients for N+MID group | | | Path coefficients for N+MDID group | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | *High* | *Low* | *p-Value* | *High* | *Low* | *p-Value* | *High* | *Low* | *p-Value* | *High* | *Low* | *p-Value* |
| Corporate Reputation → Actual Behaviour | 0.2 | 0.247 | 0.59 | 0.323 | 0.206 | 0.311 | 0.143 | 0.015 | 0.177 | 0.329 | -0.041 | 0.009 |
| Corporate Reputation → Intended Behaviour | 0.492 | 0.471 | 0.43 | 0.403 | 0.486 | 0.745 | 0.409 | 0.519 | 0.847 | 0.413 | 0.491 | 0.769 |
| Corporate Reputation → Organisational Disidentification | -0.503 | -0.756 | 0.003 | -0.617 | -0.7 | 0.184 | -0.525 | -0.712 | 0.009 | -0.459 | -0.705 | 0.003 |
| Corporate Reputation → Organisational Identification | 0.637 | 0.315 | 0.001 | 0.622 | 0.463 | 0.043 | 0.605 | 0.355 | 0 | 0.674 | 0.428 | 0 |
| Intended Behaviour → Actual Behaviour | -0.083 | 0.156 | 0.854 | -0.229 | 0.182 | 0.951 | 0.19 | 0.252 | 0.672 | 0.079 | 0.311 | 0.929 |
| Organisational Disidentification → Actual Behaviour | -0.228 | -0.133 | 0.719 | -0.217 | -0.161 | 0.637 | -0.123 | -0.203 | 0.249 | -0.065 | -0.219 | 0.101 |
| Organisational Disidentification → Intended Behaviour | -0.041 | -0.259 | 0.017 | -0.169 | -0.107 | 0.725 | -0.127 | -0.084 | 0.687 | -0.101 | -0.121 | 0.41 |
| Organisational Identification → Actual Behaviour | 0.254 | 0.022 | 0.09 | 0.343 | -0.013 | 0.018 | 0.265 | 0.211 | 0.328 | 0.109 | 0.195 | 0.714 |
| Organisational Identification → Intended Behaviour | 0.451 | 0.165 | 0.002 | 0.5 | 0.324 | 0.04 | 0.465 | 0.306 | 0.042 | 0.499 | 0.282 | 0.009 |

**7.14.1 Quadrant (1) – the interaction between a positive message and identification with a messenger.** This section is focused on the investigation of the moderating impact described in quadrant (1) of Figure 7-22, and reflects Hypothesis 5:

***Hypothesis 5: The interaction between a positively framed message and identification with a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company.***

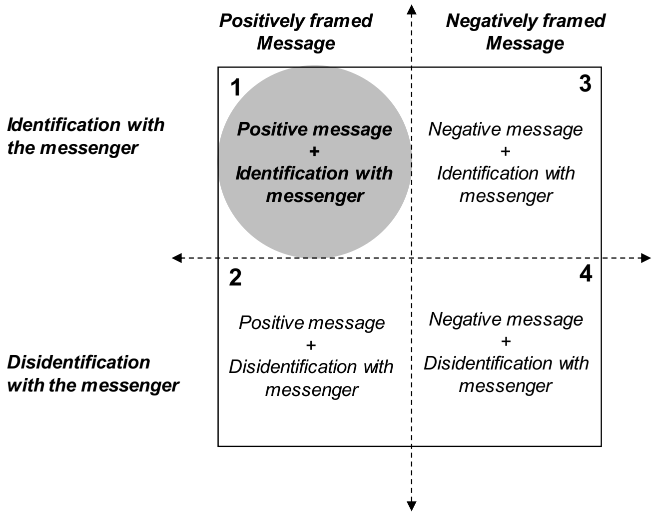


**Figure 7-22. The moderating effect within quadrant (1) (context-free)**

Two groups related to quadrant (1) are compared:

- Positive message + high levels of identification with the messenger (P+MID$_{high}$)
- Positive message + low levels of identification with the messenger (P+MID$_{low}$).

The full model results for P+MID$_{high}$ and P+MID$_{low}$ groups are depicted in Figures 7-23 and 7-24, respectively.

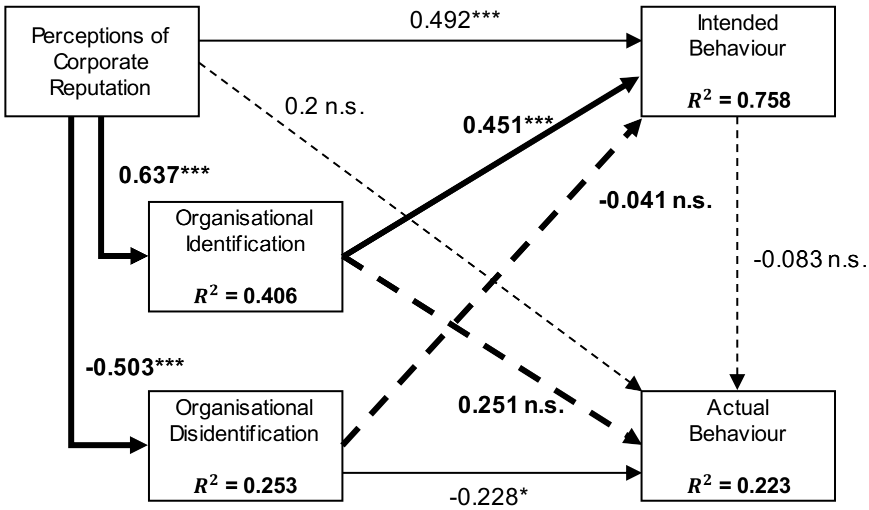


**Figure 7-23. The path model for P+MID$_{high}$ group**

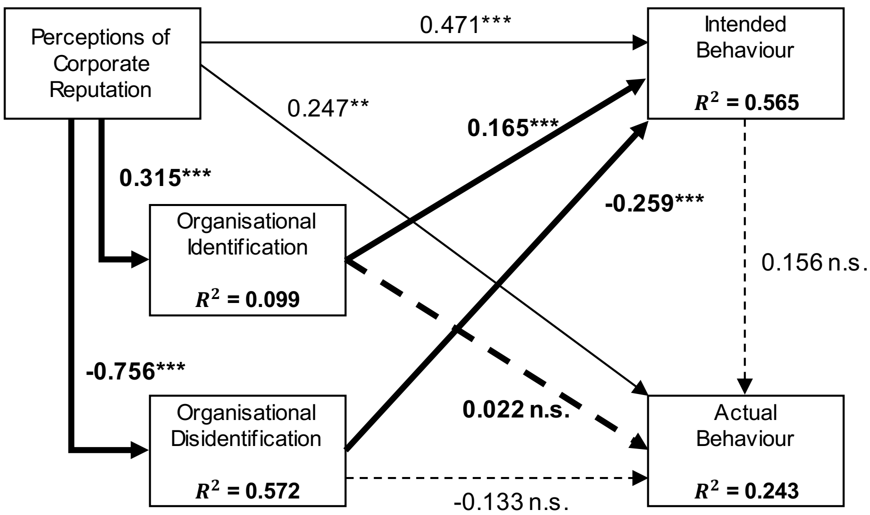


**Figure 7-24. The path model for P+MID$_{low}$ group**

A significant difference exists between several paths when comparing two proposed groups, P+MID$_{high}$ and P+MID$_{low}$. The P+MID$_{high}$ group demonstrates a significantly stronger relationship between corporate reputation and organisational identification than the P+MID$_{low}$ group ($\beta_{P+MIDhigh}$=0.637, $\beta_{\mathrm{P+MIDlow}}$=0.315, $p$<0.01). Similarly to the first path, the next path, between organisational identification and intended behaviour, is significantly stronger for the P+MID$_{high}$ group than for the P+MID$_{low}$ group ($\beta_{P+MIDhigh}$=0.541, $\beta_{\mathrm{P+MIDlow}}$=0.165, $p$<0.01).

Next, the path from organisational identification to actual behaviour is found to be significantly different when comparing the P+MID$_{low}$ group with the P+MID$_{high}$ group ($\beta_{P+MIDlow}$=0.022, $\beta_{P+MIDhigh}$=0.254, $p$ <0.1). However, the relationships between the two constructs are found to be not significant for either the P+MID$_{low}$ group or the P+MID$_{high}$ group. Therefore, it can be argued that in this case, despite the interaction of P+MID has a significant moderating impact, it has a cancellation effect on this specific link.

Moving on to the next path, between corporate reputation and organisational disidentification, this is found to be significantly stronger for people who are in the P+MID$_{low}$ group then those who are in the P+MID$_{high}$ group ($\beta_{P+MIDlow}$=-0.756, $\beta_{P+MIDhigh}$=-0.503, $p$<0.01). Finally, the path leading from organisational disidentification to intended behaviour is found to be significantly different when comparing the P+MID$_{low}$ and P+MID$_{high}$ groups ($\beta_{P+MIDlow}$=-0.259, $\beta_{P+MIDhigh}$=-0.041, $p$<0.05). In particular, the P+MID$_{low}$ group shows a fairly strong decrease in supportive intended behaviour in response to individuals' feelings of organisational disidentification, while the same path is not significant for the P+MID$_{high}$ group.

**7.14.2 Quadrant (2) – the interaction between a positive message and disidentification with a messenger.** This section is focused on the investigation of the moderating impact described in quadrant (2) of Figure 7-25, and reflects Hypothesis 6:

***Hypothesis 6: The interaction between a positively framed message and disidentification with a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company.***

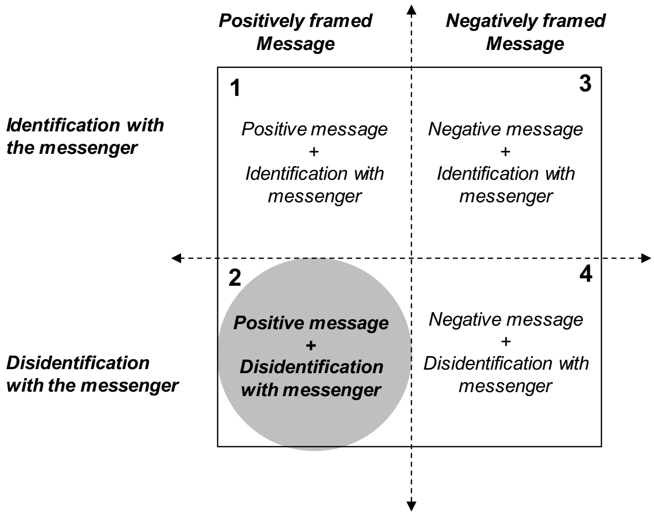


**Figure 7-25. The moderating effect within quadrant (2) (context-free)**

Two groups related to quadrant (2) are compared:

- Positive message + high levels of disidentification with the messenger ($P+MDID_{high}$)
- Positive message + low levels of disidentification with the messenger ($P+MDID_{low}$)

The full model results for $P+MDID_{high}$ and $P+MDID_{low}$ groups are depicted in Figures 7-26 and 7-27, respectively.

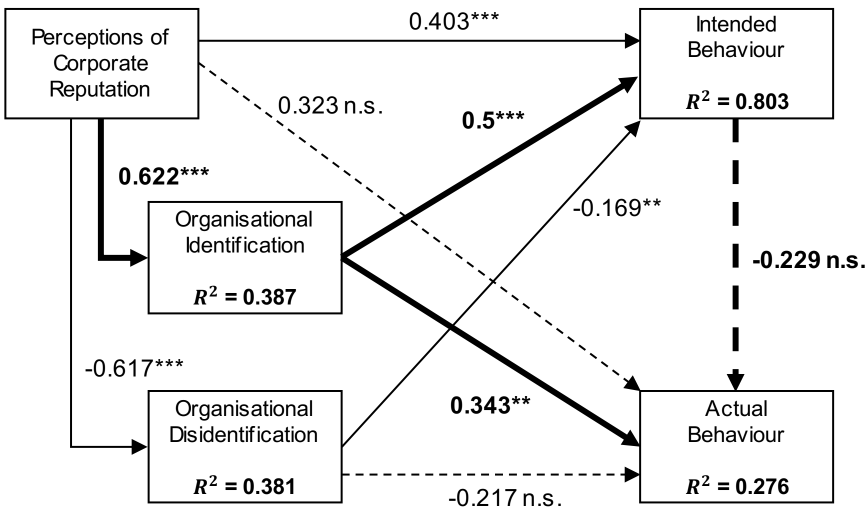


**Figure 7-26. The path model for $P+MDID_{high}$ group**

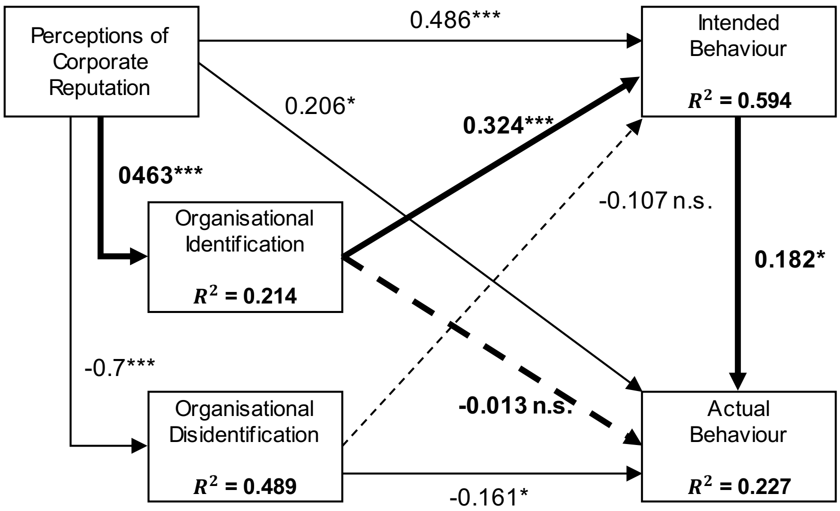


**Figure 7-27. The path model for P+MDID$_{low}$ group**

There are four paths found to be significantly different when comparing the P+MDID$_{high}$ group and the P+MDID$_{low}$ group. The path between corporate reputation and organisational identification is significantly stronger for the P+MDID$_{high}$ group than for the P+MDID$_{low}$ group ($\beta_{P+MDIDhigh}$=0.622, $\beta_{\text{P+MDIDlow}}$=0.463, $p$<0.05). Next, the path between organisational identification and intended behaviour is likewise significantly stronger for the P+MDID$_{high}$ group ($\beta_{P+MDIDhigh}$=0.5, $\beta_{\text{P+MDIDlow}}$=0.324, $p$<0.05).

The next path relates to the relationship between organisational identification and actual behaviour, and it is found to be significantly different for the P+MDID$_{high}$ and P+MDID$_{low}$ groups ($\beta_{P+MDIDhigh}$=0.343, $\beta_{\text{P+MDIDlow}}$=-0.13, $p$<0.05), such that the P+MDID$_{high}$ group show a fairly strong increase in their supportive actual behaviour in response to their feeling of organisational identification, while there is no significant relationship between the two constructs for the P+MDID$_{low}$ group.

Finally, the path from intended behaviour to actual behaviour is also found to be significantly different for the groups discussed ($\beta_{\text{P+MDIDlow}}$=0.182, $\beta_{P+MDIDhigh}$=-0.229, $p$ <0.05). More specifically, the impact of intended behaviour on actual behaviour is identified for the group P+MDID$_{high}$, however the relationship is not significant between the two constructs. On the contrary, despite the weaker effect identified for the $P+MDID_{low}$ group, the link between intended and actual behaviour is significant. Hence, it can be suggested that the moderating impact is identified only for the group $P+MDID_{low}$, whereas for the $P+MDID_{high}$ group the moderation has a cancellation effect.

**7.14.3 Quadrant (3) – the interaction between a negative message and identification with a messenger.** This section is focused on the investigation of the moderating impact described in quadrant (3) of Figure 7-28, and reflects Hypothesis 7:

***Hypothesis 7: The interaction between a negatively framed message and identification with a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company.***

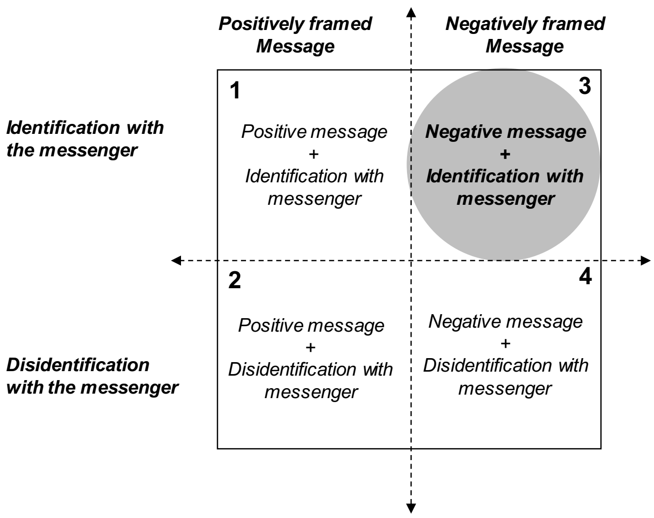


**Figure 7-28. The moderating effect within quadrant (3) (context-free)**

Two groups related to quadrant (3) are compared:

- Negative message + high levels of identification with the messenger ($N+MID_{high}$)
- Negative message + low levels of identification with the messenger ($N+MID_{low}$)

The full model results for N+MID$_{high}$ and N+MID$_{low}$ groups are depicted in Figures 7-29 and 7-30, respectively.

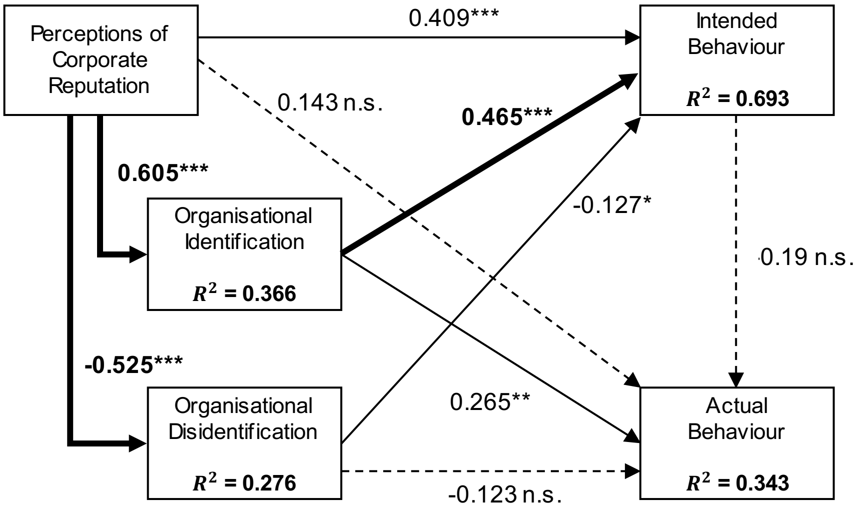


**Figure 7-29. The path model for N+MID$_{high}$ group**

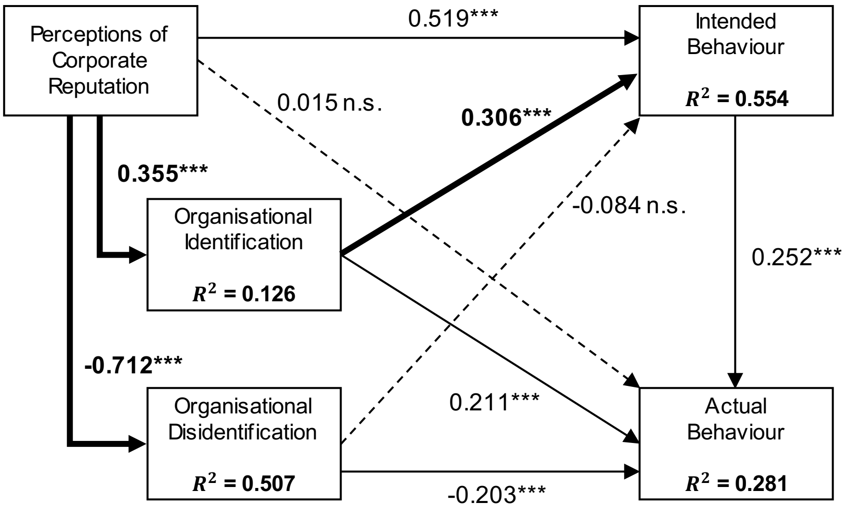


**Figure 7-30. The path model for N+MID$_{low}$ group**

There are three paths that are identified to be significantly different when comparing the two groups, N+MID$_{high}$ and N+MID$_{low}$. In the N+MID$_{low}$ group, corporate reputation is found to have a statistically significant impact on organisational disidentification, whereas in the N+MID$_{high}$ group the impact of corporate reputation on organisational disidentification is weaker ($\beta_{\text{N+MIDlow}}$=-0.712, $\beta_{N+MIDhigh}$=-0.525, $p$<0.01). The path between corporate reputation and organisational identification is significantly stronger for the $\text{N+MID}_{\text{high}}$ group than for the $\text{N+MID}_{\text{low}}$ group ($\beta_{N+MIDhigh}$=0.605, $\beta_{\text{N+MIDlow}}$=0.355, $p$<0.01). Finally, the path from organisational identification to intended behaviour is, likewise, significantly stronger for the $\text{N+MID}_{\text{high}}$ group ($\beta_{N+MIDhigh}$=0.465, $\beta_{\text{N+MIDlow}}$=0.306, $p$<0.05).

**7.14.4 Quadrant (4) – the interaction between a negative message and disidentification with a messenger.** This section is focused on the investigation of the moderating impact described in quadrant (3) of Figure 7-31, and reflects Hypothesis 8:

***Hypothesis 8: The interaction between a negatively framed message and disidentification with a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company.***

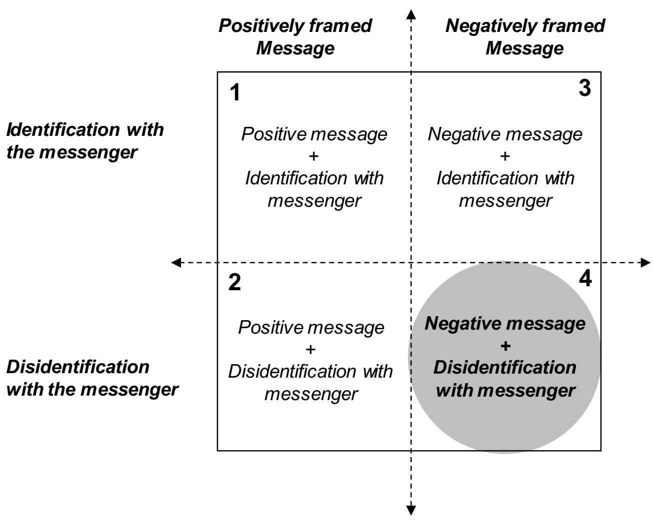


**Figure 7-31. The moderating effect within quadrant (4) (context-free)**

Two groups related to quadrant (4) are compared:

- Negative message + high levels of disidentification with the messenger (N+MDID$_{high}$)
- Negative message + low levels of disidentification with the messenger (N+MDID$_{low}$)

The full model results for N+MID$_{high}$ and N+MID$_{low}$ groups are depicted in Figures 7-32 and 7-33, respectively.

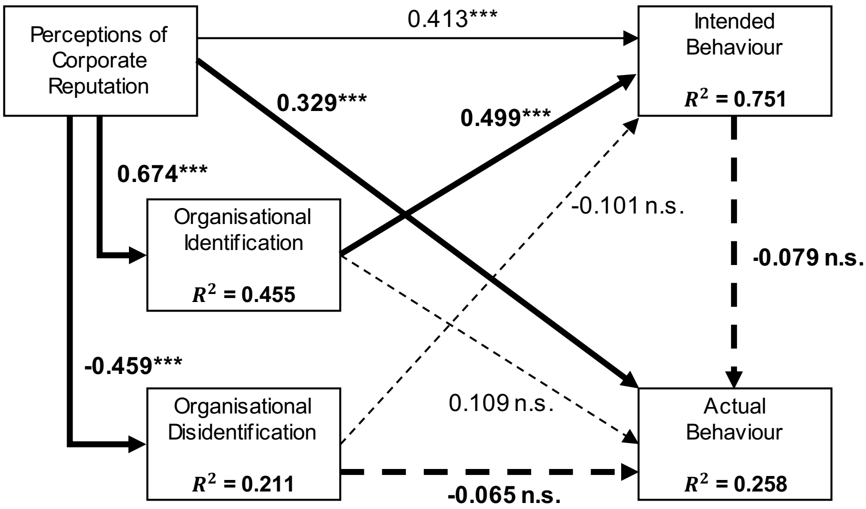


**Figure 7-32. The path model for N+MDID$_{high}$ group**

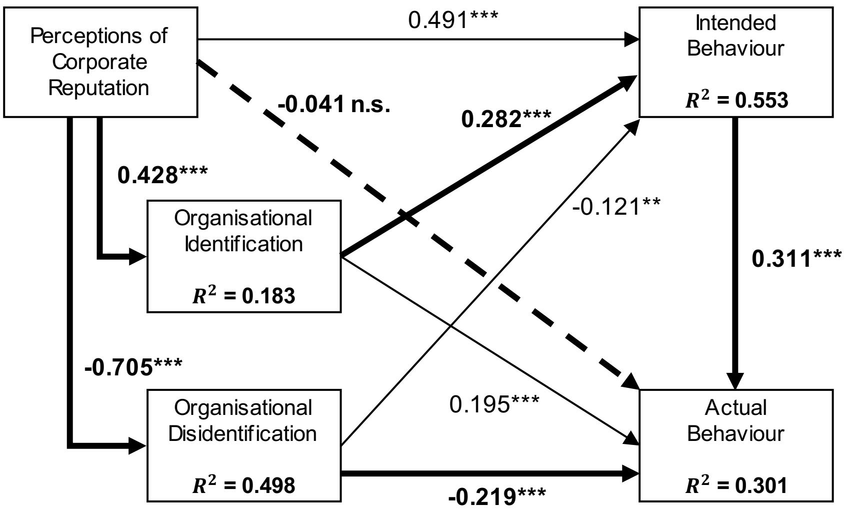


**Figure 7-33. The path model for N+MDID$_{low}$ group**

When comparing the $N+MDID_{high}$ and $N+MDID_{low}$ groups, a significant difference exists within six model paths. As such, in the $N+MDID_{high}$ group, corporate reputation is found to have a significantly stronger impact on organisational identification, whereas this path is weaker for the $N+MDID_{low}$ group ($\beta_{N+MDIDhigh}$=0.674, $\beta_{N+MDIDlow}$=0.438, $p$<0.01). The next path, which is related to the link between organisational identification and intended behaviour, is found to be significantly stronger for the $N+MDID_{high}$ group than for the $N+MDID_{low}$ group ($\beta_{N+MDIDhigh}$=0.499, $\beta_{N+MDIDlow}$=0.282, $p$<0.01).

Similarly, the relationship between corporate reputation and actual behaviour is also significantly different for the $N+MDID_{high}$ and $N+MDID_{low}$ groups ($\beta_{N+MDIDhigh}$=0.329, $\beta_{N+MDIDlow}$=-0.041, $p$ <0.01), such that people in the $N+MDID_{high}$ group show an increase in their supportive actual behaviour towards the company in response to their positive perceptions of corporate reputation, while there is no significant relationship between the two constructs for the $N+MDID_{low}$ group.

On the other hand, in the $N+MDID_{low}$ group corporate reputation is found to have a stronger impact on organisational disidentification, when comparing to the $N+MDID_{high}$ group ($\beta_{N+MDIDlow}$=-0.705, $\beta_{N+MDIDhigh}$=0.459, $p$<0.01). Similar results are found in the relationship between organisational disidentification and actual behaviour, such as this path is significantly weaker for the $N+MDID_{high}$ group than for $N+MDID_{low}$ ($\beta_{N+MDIDhigh}$=-0.065, $\beta_{N+MDIDlow}$=-0.219, $p$<0.1).

Finally, the impact of intended behaviour on supportive actual behaviour is identified as significantly different when comparing the $N+MDID_{high}$ and $N+MDID_{low}$ groups ($\beta_{N+MDIDlow}$=0.311, $\beta_{N+MDIDhigh}$=0.079, $p$<0.1). In particular, the $N+MDID_{low}$ group shows a fairly strong increase in their supportive actual behaviour in response to their supportive intended behaviour, while there no significant relationship exists between the two constructs for the $N+MDID_{high}$ group.

## 7.15 Modeling moderating effects with a specific messenger – the environmental scientist

This chapter has explored complex moderating effects, i.e. moderating effects of the interaction between a message and (dis)identification with a specific messenger. Considering two messengers that were manipulated in the experiment – the environmental scientist and the Volkswagen driver – it is important to investigate, how the interaction between a message (positive and/or negative) and (dis)identification, first, with the environmental scientist ('S') and, second, with the Volkswagen driver ('D') can affect the paths within the reputation/(dis)identification model.

The analysis follows the proposed structure of the moderating impact adopted in the previous section of this chapter (Figure 7-34).

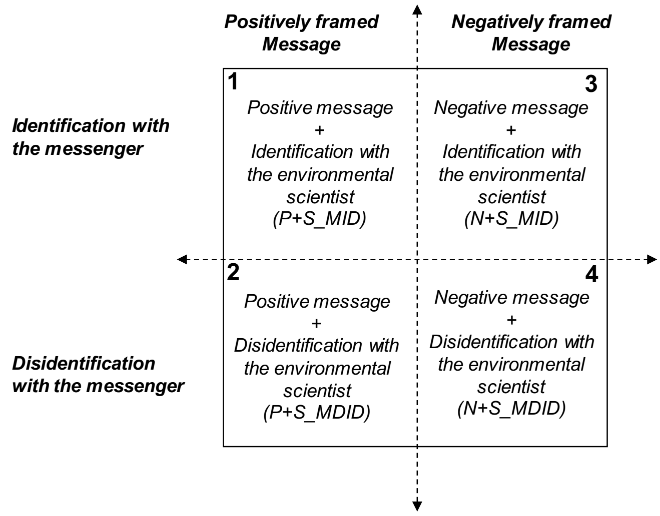


**Figure 7-34. Modeling moderating effect of the interaction between messages and (dis)identification with the environmental scientist as a messenger**

First, the analysis focuses on the environmental scientist as a messenger and includes the following moderating effects:

- Quadrant (1): the interaction between a positive message and identification with the environmental scientist as a messenger (P+S_MID)
- Quadrant (2): the interaction between a positive message and disidentification with the environmental scientist as a messenger (P+S_MDID)
- Quadrant (3): the interaction between a negative message and identification with the environmental scientist as a messenger (N+S_MID)
- Quadrant (4): the interaction between a negative message and disidentification with the environmental scientist as a messenger (N+S_MDID)

Detailed information on moderating effects of the message-messenger interactions (environmental scientist as a messenger) is presented in Table 7-22.

**7.15.1 Quadrant (1): the interaction between a positive message and identification with the environmental scientist.** This section is focused on the investigation of the moderating impact described in quadrant (1) of Figure 7-35, and reflects the following hypothesis:

***Hypothesis 5[1*]: The interaction between a positively framed message and identification with the environmental scientist as a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company.***

[*] Hypotheses, labelled '*', are tested in the context of the environmental scientist as a messenger.

**Table 7-22. Interaction moderating effects (environmental scientist): Examination of subgroup differences in path coefficients**

| | Path coefficients for SP+MID group | | | Path coefficients for SP+MDID group | | | Path coefficients for SN+MID group | | | Path coefficients for SN+MDID group | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | *High* | *Low* | *p-Value* | *High* | *Low* | *p-Value* | *High* | *Low* | *p-Value* | *High* | *Low* | *p-Value* |
| Corporate reputation → actual behaviour | 0.194 | 0.078 | 0.356 | 0.016 | 0.169 | 0.638 | 0.204 | -0.02 | 0.091 | 0.386 | -0.056 | 0.013 |
| Corporate reputation → intended behaviour | 0.56 | 0.46 | 0.263 | 0.555 | 0.474 | 0.304 | 0.369 | 0.466 | 0.777 | 0.384 | 0.465 | 0.727 |
| Corporate reputation → organisational disidentification | -0.549 | -0.838 | 0.003 | -0.733 | -0.726 | 0.54 | -0.492 | -0.695 | 0.022 | -0.328 | -0.714 | 0.002 |
| Corporate reputation → organisational identification | 0.579 | 0.43 | 0.141 | 0.607 | 0.476 | 0.175 | 0.617 | 0.433 | 0.015 | 0.669 | 0.421 | 0.006 |
| Intended behaviour → actual behaviour | -0.168 | 0.077 | 0.78 | -0.345 | 0.065 | 0.791 | 0.176 | 0.265 | 0.697 | 0.171 | 0.304 | 0.721 |
| Organisational disidentification → actual behaviour | -0.245 | -0.327 | 0.363 | -0.594 | -0.235 | 0.923 | -0.093 | -0.178 | 0.282 | -0.014 | -0.241 | 0.09 |
| Organisational disidentification → intended behaviour | -0.049 | -0.251 | 0.069 | -0.166 | -0.135 | 0.591 | -0.174 | -0.101 | 0.747 | -0.17 | -0.155 | 0.554 |
| Organisational identification → actual behaviour | 0.261 | 0.087 | 0.201 | 0.479 | 0.038 | 0.036 | 0.27 | 0.24 | 0.414 | -0.016 | 0.17 | 0.821 |
| Organisational identification → intended behaviour | 0.347 | 0.194 | 0.125 | 0.355 | 0.285 | 0.301 | 0.501 | 0.339 | 0.072 | 0.507 | 0.277 | 0.029 |

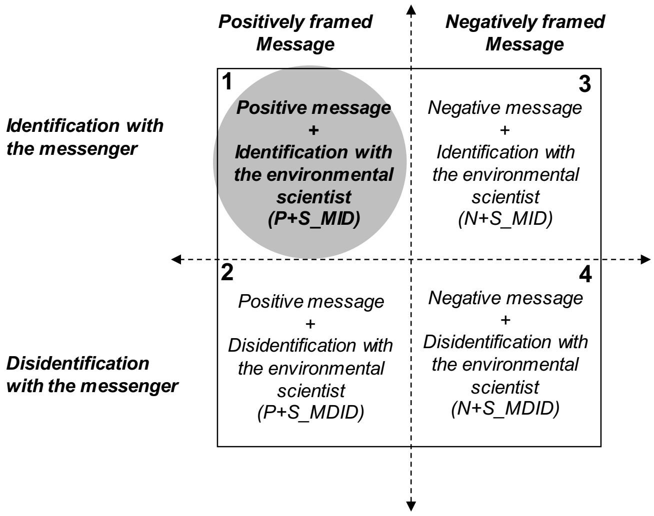


**Figure 7-35. The moderating effect within quadrant (1) (environmental scientist).**

Two groups related to quadrant (1) are compared:

- Positive message + high levels of identification with the environmental scientist as a messenger (P+S_MID$_{high}$)
- Positive message + low levels of identification with the environmental scientist as a messenger (P+S_MID$_{low}$)

The full model results for P+S_MID$_{high}$ and P+S_MID$_{low}$ groups are depicted in Figures 7-36 and 7-37, respectively.

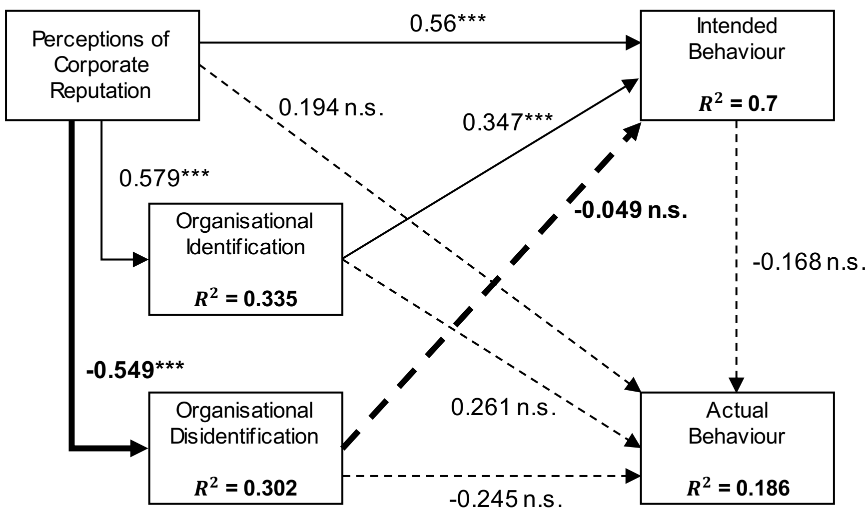


**Figure 7-36. The path model for P+S_MID$_{high}$ group**

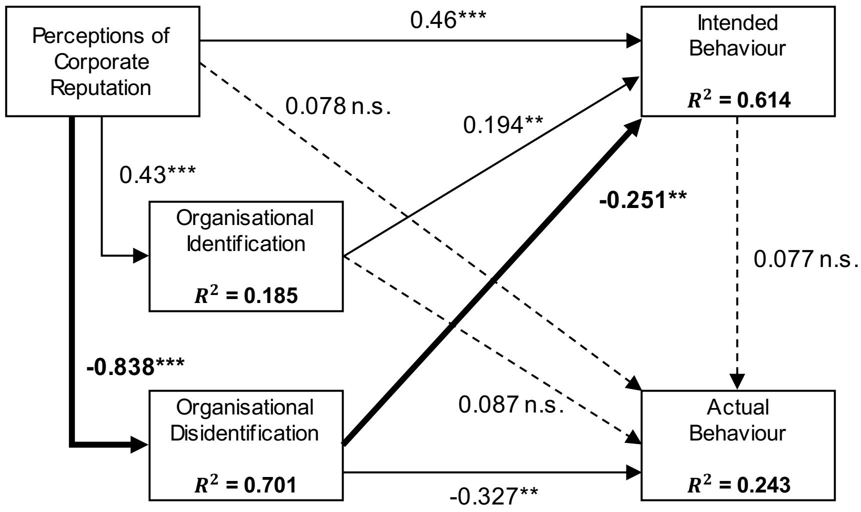


**Figure 7-37. The path model for P+S_MID$_{low}$ group**

A significant difference exists in two of the model's paths when comparing the P+S_MID$_{high}$ and P+S_MID$_{low}$ groups. The first path relates to the impact of corporate reputation on organisational disidentification. This path is significantly stronger for the P+S_MID$_{low}$ group than for the P+S_MID$_{high}$ group ($\beta_{P+S\_MIDlow}$=-0.838, $\beta_{P+S\_MIDhigh}$=-0.549, $p$<0.01).

The second path, from organisational disidentification to supportive intended behaviour, is significantly different for the two groups ($\beta_{P+S\_MIDlow}$= -0.251, $\beta_{P+S\_MIDhigh}$=-0.049, $p$<0.1), such that the P+S_MID$_{low}$ group demonstrates a fairly strong decrease in supportive intended behaviour in response to their organisational disidentification, while there is no significant relationship between the two constructs for the P+S_MID$_{high}$ group.

**7.15.2 Quadrant (2): the interaction between a positive message and disidentification with the environmental scientist.** This section is focused on the investigation of the moderating impact described in quadrant (2) of Figure 7-38, and reflects the following hypothesis:

***Hypothesis 6*: The interaction between a positively framed message and disidentification with the environmental scientist as a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company.***

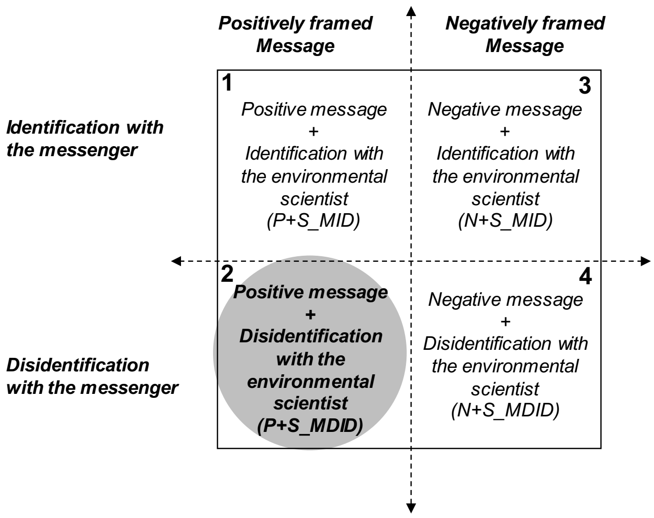


**Figure 7-38. The moderating effect within quadrant (2) (environmental scientist).**

Two groups related to quadrant (2) are compared:

- Positive message + high levels of disidentification with the environmental scientist as a messenger ($P+S\_MDID_{high}$)
- Positive message + low levels of disidentification with the environmental scientist as a messenger ($P+S\_MDID_{low}$)

The full model results for $P+S\_MDID_{high}$ and $P+S\_MDID_{low}$ groups are depicted in Figures 7-39 and 7-40, respectively.

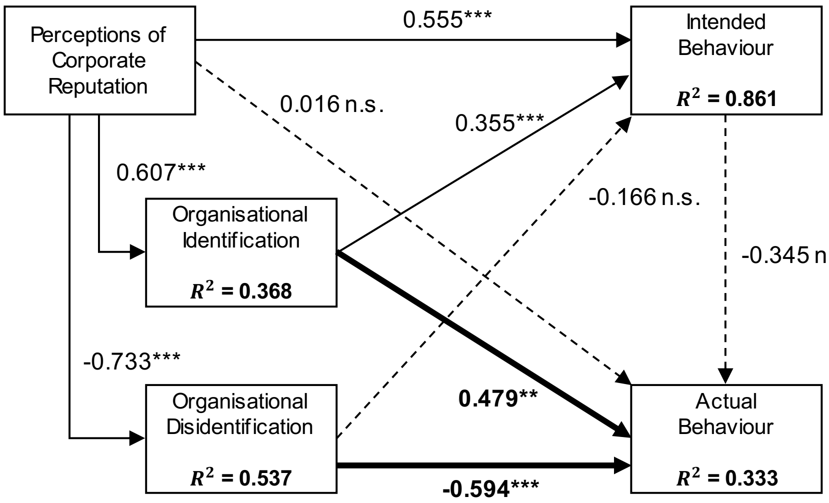


**Figure 7-39. The path model for P+S_MDID$_{high}$ group**

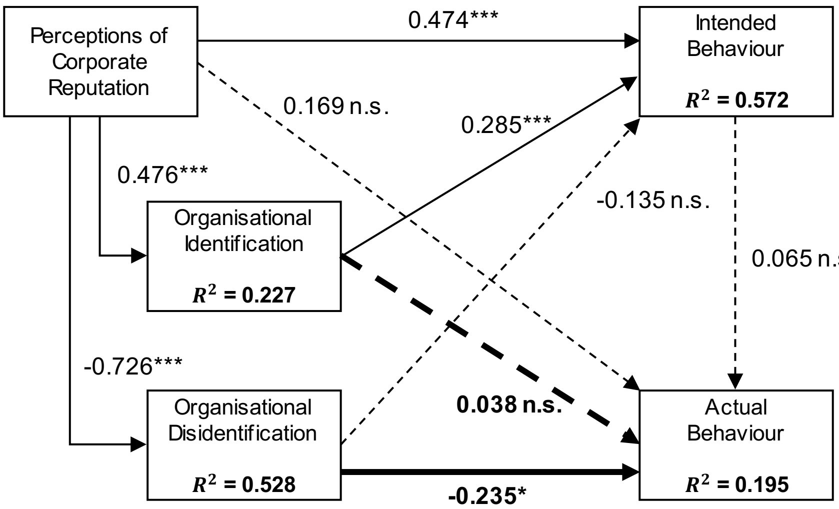


**Figure 7-40. The path model for P+S_MDID$_{low}$ group**

There are two significant differences identified within the model paths between the P+S_MDID$_{high}$ and P+S_MDID$_{low}$ groups. Regarding the impact of individuals' organisational identification on their supportive actual behaviour, the path for the P+S_MDID$_{high}$ group is significantly stronger than in the P+S_MDID$_{low}$ group ($\beta_{P+S\_MDIDhigh}$=0.479, $\beta_{\text{P+S\_MDIDlow}}$=0.038, $p$ <0.05). Moreover, while the P+S_MDID$_{high}$ group shows a substantial increase in their supportive actual behaviour in response to their feelings of organisational identification, there is no significant relationship between the two constructs for the P+S_MDID$_{low}$ group. The second path difference relates to the relationship between organisational disidentification and supportive actual behaviour, which is weaker for the P+S_MDID$_{low}$ group ($\beta_{P+S\_MDIDlow}$=-0.235, $\beta_{P+S\_MDIDhigh}$=-0.594, $p$<0.1).

**7.15.3 Quadrant (3): the interaction between a negative message and identification with the environmental scientist.** This section is focused on the investigation of the moderating impact described in quadrant (3) of Figure 7-41, and reflects the following hypothesis:

***Hypothesis 7*: The interaction between a negatively framed message and identification with the environmental scientist as a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company.***

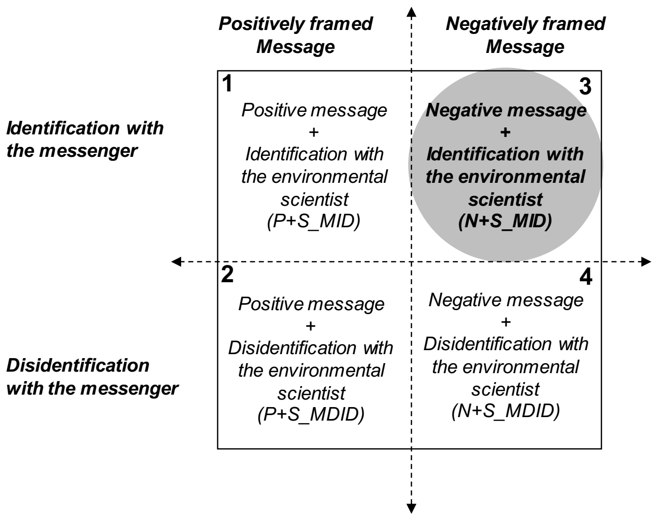


**Figure 7-41. The moderating effect within quadrant (3) (environmental scientist).**

Two groups related to quadrant (3) are compared:

- Negative message + high levels of identification with the environmental scientist as a messenger (N+S_MID$_{high}$)
- Negative message + low levels of identification with the environmental scientist as a messenger (N+S_MID$_{low}$)

The full model results for N+S_MDID$_{high}$ and N+S_MDID$_{low}$ groups are depicted in Figures 7-42 and 7-43, respectively. There is a significant difference between the N+S_MID$_{high}$ and N+S_MID$_{low}$ groups in four paths within the model. The first two paths are related to how positive perceptions of corporate reputation impact individuals' organisational identification and organisational disidentification.

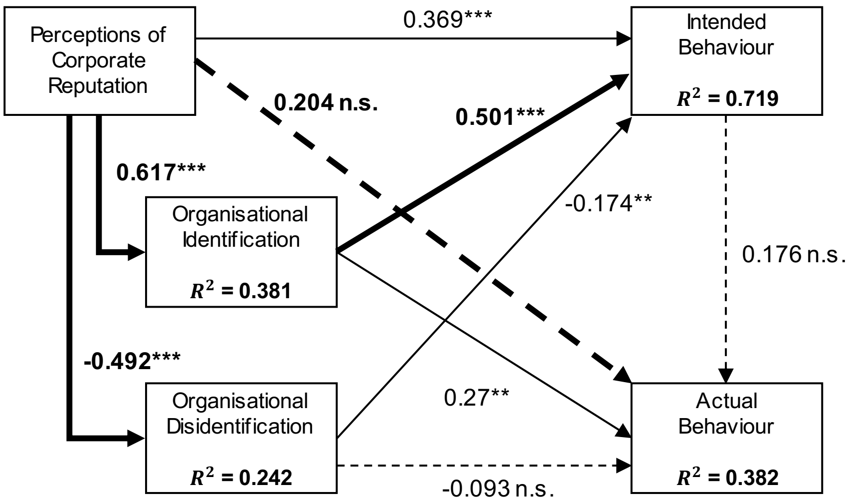


**Figure 7-42. The path model for N+S_MID$_{high}$ group**

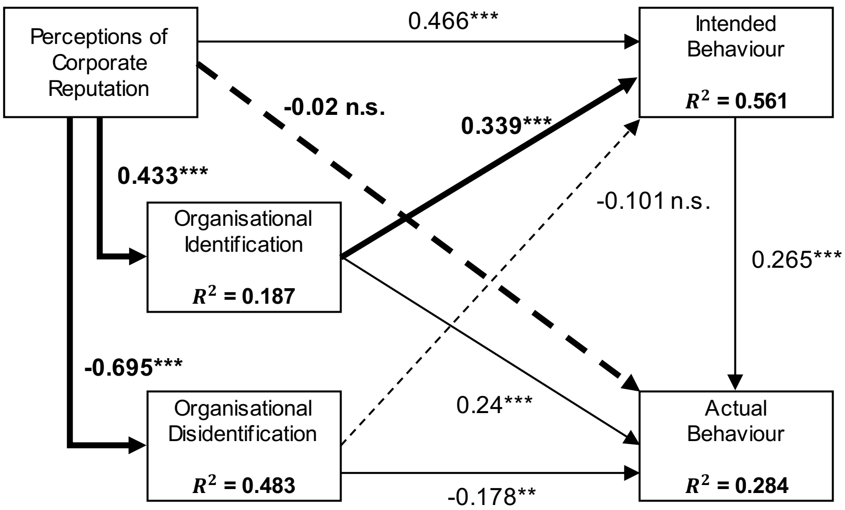


**Figure 7-43. The path model for N+S_MID$_{low}$ group**

The path leading from corporate reputation to organisational identification is significantly weaker for the N+S_MID$_{low}$ group than for the N+S_MID$_{high}$ group

($\beta_{N+S\_MIDlow}$=0.433, $\beta_{N+S\_MIDhigh}$=0.617, $p$ <0.05). Conversely, the path from corporate reputation to organisational disidentification is significantly stronger for the N+S_MID$_{low}$ group than for the N+S_MID$_{high}$ group ($\beta_{N+S\_MIDlow}$=-0.695, $\beta_{N+S\_MIDhigh}$=-0.492, $p$<0.05).

The third path, from organisational identification to supportive intended behaviour, is significantly stronger for the N+S_MID$_{high}$ group than for the N+S_MID$_{low}$ group ($\beta_{N+S\_MIDhigh}$=0.501, $\beta_{N+S\_MIDlow}$=0.339, $p$<0.1). Finally, the path from corporate reputation to actual behaviour is significantly different for the N+S_MID$_{high}$ and N+S_MID$_{low}$ groups ($\beta_{N+S\_MIDhigh}$=0.204, $\beta_{N+S\_MIDlow}$=-0.02, $p$<0.1). Interestingly, despite the significant difference between the groups, the relationships between corporate reputation and supportive actual behaviour are insignificant in both the N+S_MID$_{high}$ and N+S_MID$_{low}$ groups. Therefore, it can be concluded that in this path the moderating effect of the interaction between a negative message and identification with the environmental scientist has a cancellation effect.

**7.15.4 Quadrant (4): the interaction between a negative message and disidentification with the environmental scientist.** This section is focused on the investigation of the moderating impact described in quadrant (3) of Figure 7-44, and reflects the following hypothesis:

***Hypothesis 8*: The interaction between a negatively framed message and disidentification with the environmental scientist as a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company.***

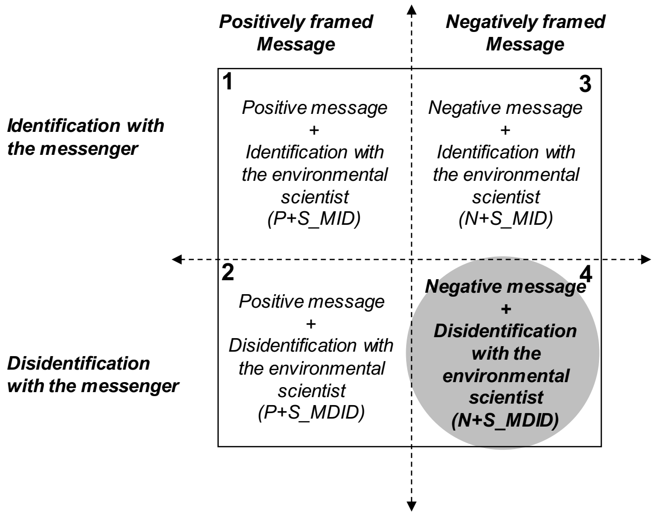


**Figure 7-44. The moderating effect within quadrant (4) (environmental scientist)**

Two groups related to quadrant (4) are compared:

- Negative message + high levels of identification with the environmental scientist as a messenger (N+S_MDID$_{high}$)
- Negative message + low levels of identification with the environmental scientist as a messenger (N+S_MDID$_{low}$)

The full model results for P+S_MDID$_{high}$ and P+S_MDID$_{low}$ groups are depicted in Figures 7-45 and 7-46, respectively.

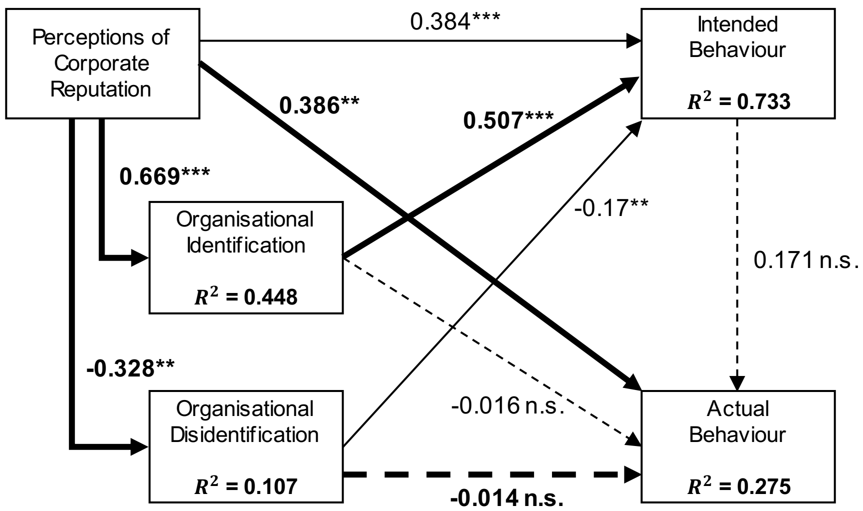


**Figure 7-45. The path model for N+S_MDID$_{high}$**

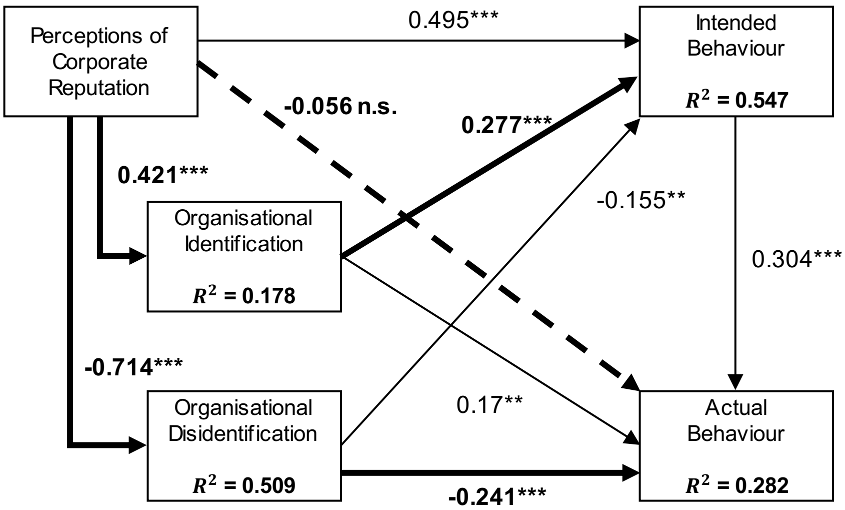


**Figure 7-46. The path model for N+S_MDID$_{low}$**

A significant difference exists in five of the model's paths when comparing the N+S_MDID$_{high}$ and N+S_MDID$_{low}$ groups. The first path relates to the impact of stakeholders' perceptions of corporate reputation on their organisational identification. This path is significantly stronger for the N+S_MDID$_{high}$ group than for the N+S_MDID$_{low}$ group ($\beta_{N+S\_MDIDhigh}$=0.669, $\beta_{\text{N+S\_MDIDlow}}$=0.421, $p$<0.01).

In the second path, which involves the positive relationship between organisational identification and intended behaviour, the results for the N+S_MDID$_{high}$ group also show a stronger coefficient than the results in the N+S_MDID$_{low}$ group do ($\beta_{N+S\_MDIDhigh}$=0.507, $\beta_{\text{N+S\_MDIDlow}}$=0.277, $p$<0.05). The third path relates to the impact of perceptions of corporate reputation on organisational disidentification. This path is significantly stronger for the N+S_MDID$_{low}$ group than for the N+S_MDID$_{high}$ group ($\beta_{\text{N+S\_MDIDlow}}$=-0.714, $\beta_{N+S\_MDIDhigh}$=-0.328, $p$<0.01).

In the next path, which describes the positive relationship between perceptions of corporate reputation and supportive actual behaviour, the results for the N+S_MDID$_{high}$ group show a stronger coefficient than the results in the N+S_MDID$_{low}$ group do ($\beta_{N+S\_MDIDhigh}$=0.386, $\beta_{\text{N+S\_MDIDlow}}$=-0.56, $p$ <0.05). Besides this, while the N+S_MDID$_{high}$ group demonstrates a fairly strong increase in individuals' supportive actual behaviour, there is no significant relationship between the two constructs identified for the $N+S\_MDID_{low}$ group.

Finally, the path relating to the impact of individuals' organisational disidentification on their supportive actual behaviour towards the company is significantly different for the $N+S\_MDID_{low}$ and $N+S\_MDID_{high}$ groups ($\beta_{N+S\_MDIDlow}$=-0.241, $\beta_{N+S\_MDIDhigh}$=-0.0.14, $p$<0.1). As such individuals in the $N+S\_MDID_{low}$ group exhibit a reduction in their supportive actual behaviour in response to their feelings of organisational disidentification, while there is no significant link between the two constructs for the $N+S\_MDID_{high}$ group.

## 7.16 Modeling moderating effects with a specific messenger – the Volkswagen driver

Following the previous section, which investigated moderating effects of the interaction between messages and (dis)identification with the environmental scientist as a messenger, this section focuses on the Volkswagen driver as a messenger. Moreover, this section aims to explore how the interaction between messages (positive and/or negative) and (dis)identification with the Volkswagen driver ('D') may affect the paths within the reputation/(dis)identification model.

The analysis follows the proposed structure of the moderating matrix (Figure 7-47) adopted in the previous section of this chapter.

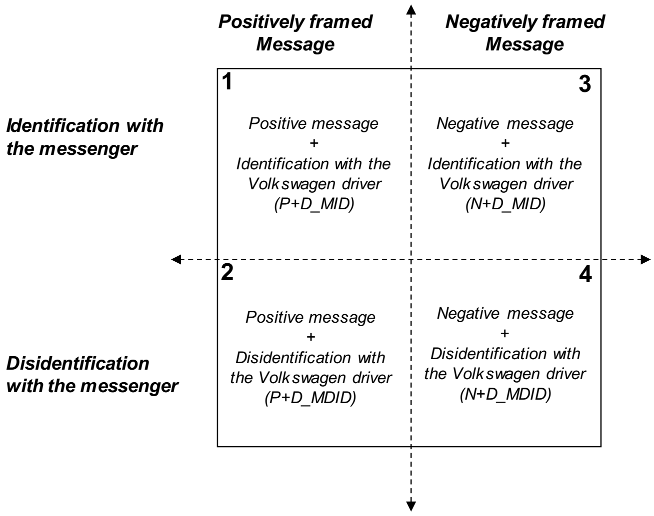


**Figure 7-47. Modeling the moderating effect of the interaction between messages and (dis)identification with the Volkswagen driver as a messenger**

First, the analysis focuses on the Volkswagen driver as a messenger and includes the following moderating effects:

- Quadrant (1): the interaction between a positive message and identification with the Volkswagen driver as a messenger (P+D_MID)
- Quadrant (2): the interaction between a positive message and disidentification with the Volkswagen as a messenger (P+D_MDID)
- Quadrant (3): the interaction between a negative message and identification with the Volkswagen driver as a messenger (N+D_MID)
- Quadrant (4): the interaction between a negative message and disidentification with the Volkswagen driver as a messenger (N+D_MDID)

Detailed information on moderating effects of the interaction between a message and the Volkswagen driver as a messenger is presented in Table 7-23.

**Table 7-23. Interaction moderating effects (Volkswagen driver): Examination of subgroup differences in path coefficients**

| | Path coefficients for DP+MID group | | | Path coefficients for DP+MDID group | | | Path coefficients for DN+MID group | | | Path coefficients for DN+MDID group | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | ***High*** | ***Low*** | ***Sig.*** | ***High*** | ***Low*** | ***Sig.*** | ***High*** | ***Low*** | ***Sig.*** | ***High*** | ***Low*** | ***Sig.*** |
| Corporate reputation → actual behaviour | 0.305 | 0.309 | 0.545 | 0.574 | 0.226 | 0.116 | -0.013 | 0.071 | 0.622 | 0.181 | -0.009 | 0.249 |
| Corporate reputation → intended behaviour | 0.241 | 0.479 | 0.942 | 0.311 | 0.502 | 0.872 | 0.533 | 0.637 | 0.681 | 0.514 | 0.555 | 0.605 |
| Corporate reputation → organisational disidentification | -0.393 | -0.688 | 0.048 | -0.473 | -0.663 | 0.081 | -0.542 | -0.746 | 0.032 | -0.619 | -0.656 | 0.369 |
| Corporate reputation → organisational identification | 0.691 | 0.232 | 0 | 0.631 | 0.451 | 0.069 | 0.29 | 0.206 | 0.282 | 0.679 | 0.398 | 0.003 |
| Intended behaviour → actual behaviour | -0.1 | 0.206 | 0.707 | -0.337 | 0.323 | 0.978 | 0.157 | 0.213 | 0.601 | -0.06 | 0.308 | 0.932 |
| Organisational disidentification → actual behaviour | -0.245 | -0.052 | 0.795 | 0.064 | -0.106 | 0.206 | -0.22 | -0.236 | 0.475 | -0.156 | -0.185 | 0.443 |
| Organisational disidentification → intended behaviour | -0.099 | -0.255 | 0.124 | -0.118 | -0.069 | 0.64 | 0.094 | -0.02 | 0.291 | 0.055 | -0.022 | 0.295 |
| Organisational identification → actual behaviour | 0.318 | -0.007 | 0.274 | 0.321 | -0.089 | 0.035 | 0.237 | 0.214 | 0.426 | 0.319 | 0.255 | 0.379 |
| Organisational identification → intended behaviour | 0.76 | 0.146 | 0 | 0.618 | 0.371 | 0.04 | 0.268 | 0.253 | 0.44 | 0.477 | 0.274 | 0.064 |

**7.16.1 Quadrant (1): the interaction between a positive message and identification with the Volkswagen driver.** This section is focused on the investigation of the moderating impact described in quadrant (1) of Figure 7-48, and reflects the following hypothesis:

***Hypothesis 5**: The interaction between a positively framed message and identification with the Volkswagen driver as a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company.***

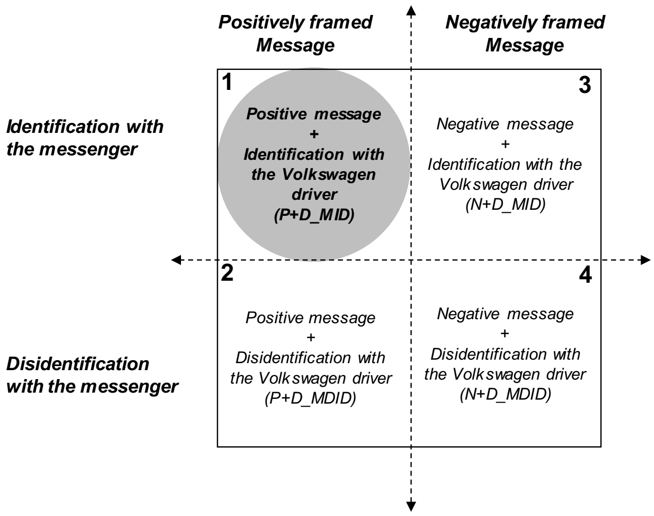


**Figure 7-48. The moderating effect within quadrant (1) (Volkswagen driver).**

Two groups related to quadrant (1) are compared:

- Positive message + high levels of identification with the Volkswagen driver as a messenger ($P+D\_MID_{high}$)
- Positive message + low levels of identification with the Volkswagen driver as a messenger ($P+D\_MID_{low}$)

The full model results for $P+D\_MID_{high}$ and $P+D\_MID_{low}$ groups are depicted in Figures 7-49 and 7-50, respectively.

** Hypotheses, labelled '**', are tested in the context of the Volkswagen driver as a messenger.

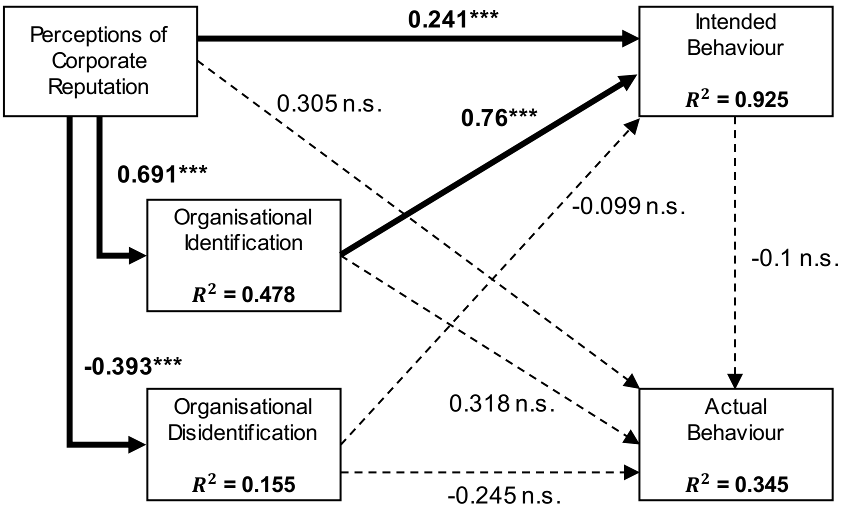


**Figure 7-49. The path model for P+D_MID$_{high}$ group**

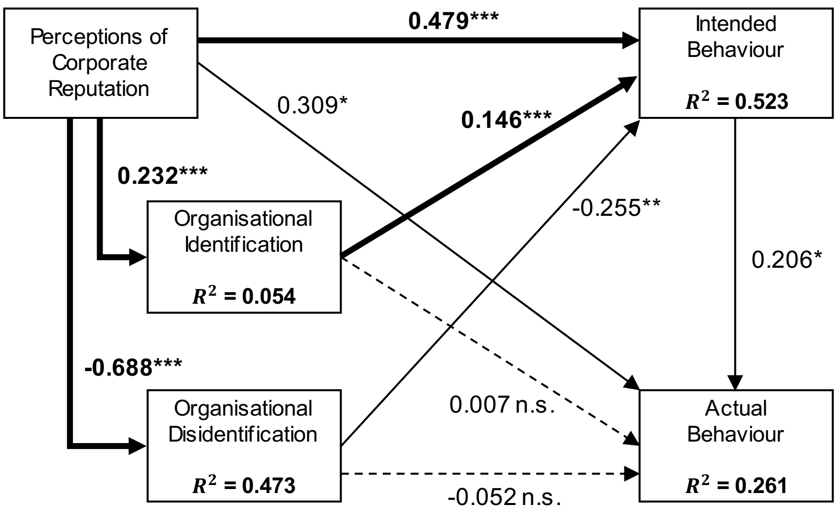


**Figure 7-50. The path model for P+D_MID$_{low}$ group**

There are several significant differences identified within the model paths between the P+D_MID$_{high}$ and P+D_MID$_{low}$ groups. The first two paths are related to the impact that positive perceptions of corporate reputation have on organisational identification and organisational disidentification. The path leading from perceptions of corporate reputation to organisational identification is found to be significantly stronger for the P+D_MID$_{high}$ group than for the P+D_MID$_{low}$ group ($\beta_{P+D\_MIDhigh}$=0.691, $\beta_{P+D\_MIDlow}$=0.232, $p$<0.01).

The second path describes the link between perceptions of corporate reputation and organisational disidentification, and it is found to be significantly weaker for the P+D_MID$_{high}$ group ($\beta_{P+D\_MIDhigh}$=-0.393, $\beta_{P+D\_MIDlow}$=-0.688, $p$<0.05). The next path relates to the impact of organisational identification and intended behaviour, and it is identified as significantly stronger for the P+D_MID$_{high}$ group than for the P+D_MID$_{low}$ group ($\beta_{P+D\_MIDhigh}$=0.76, $\beta_{P+D\_MIDlow}$=0.146, $p$<0.01). Finally, the fourth path difference relates to the link between perceptions of corporate reputation and intended behaviour, which is stronger for the P+D_MID$_{low}$ group ($\beta_{P+D\_MIDlow}$=0.479, $\beta_{P+D\_MIDhigh}$=0.241, $p$<0.1).

**7.16.2 Quadrant (2): the interaction between a positive message and disidentification with the Volkswagen driver.** This section is focused on the investigation of the moderating impact described in quadrant (2) of Figure 7-51, and reflects the following hypothesis:

***Hypothesis 6**: The interaction between a positively framed message and disidentification with the Volkswagen driver as a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company.***

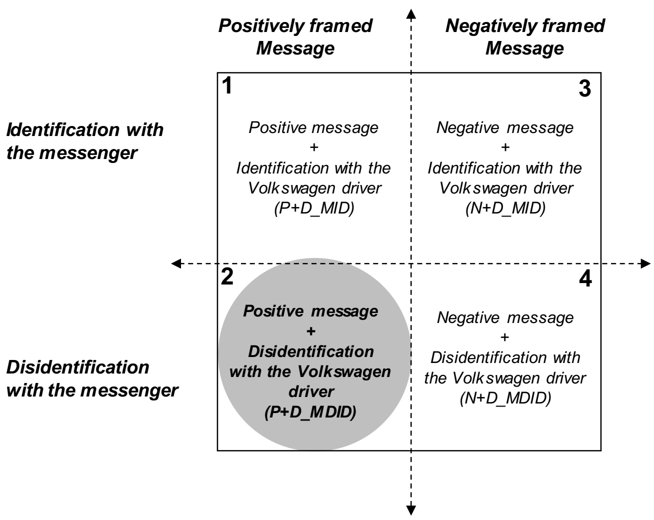


**Figure 7-51. The moderating effect within quadrant (2) (Volkswagen driver).**

Two groups related to quadrant (2) are compared:

- Positive message + high levels of disidentification with the Volkswagen driver as a messenger (P+D_MDID$_{high}$)
- Positive message + low levels of disidentification with the Volkswagen driver as a messenger (P+D_MDID$_{low}$)

The full model results for P+D_MDID$_{high}$ and P+D_MDID$_{low}$ groups are depicted in Figures 7-52 and 7-53, respectively.

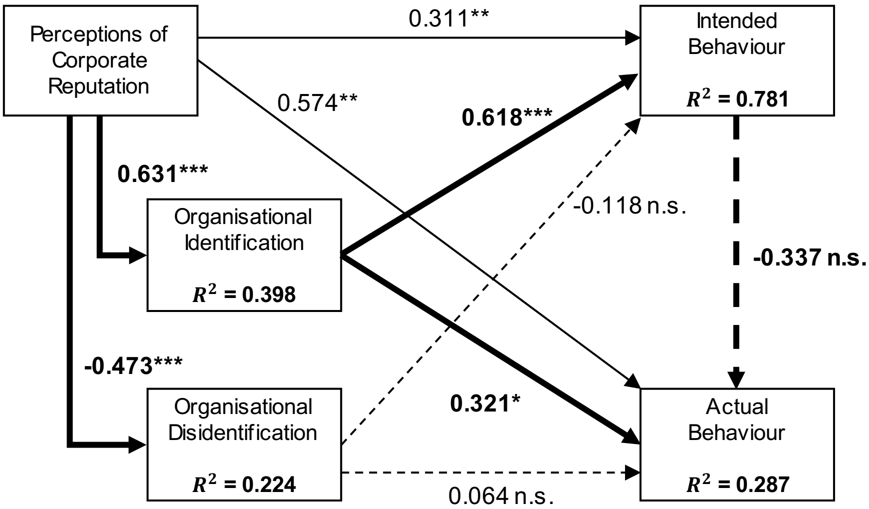


**Figure 7-52. The path model for P+D_MDID$_{high}$ group**

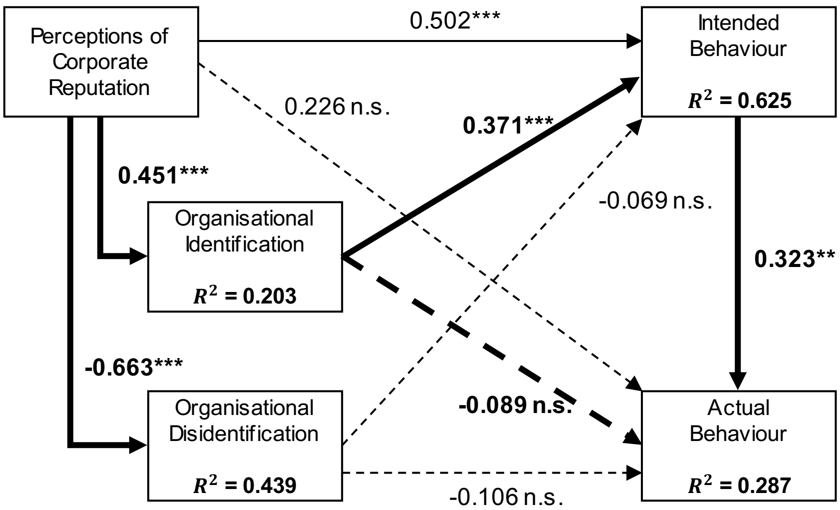


**Figure 7-53. The path model for P+D_MDID$_{low}$ group**

A significant difference exists within five paths in the model. The first two paths relate to the impact of perceptions of corporate reputation on organisational identification and disidentification. In particular, the path between corporate reputation and organisational identification is significantly stronger for the $P+D\_MDID_{high}$ group than for the $P+D\_MDID_{low}$ group ($\beta_{P+D\_MDIDhigh}$=0.631, $\beta_{P+D\_MDIDlow}$=0.451, $p$<0.1). The second path is related to the relationship between corporate reputation and organisational disidentification, which is found to be significantly weaker for the $P+D\_MDID_{high}$ group than for the $P+D\_MDID_{low}$ group ($\beta_{P+D\_MDIDhigh}$=-0.473, $\beta_{P+D\_MDIDlow}$=-0.663, $p$ <0.1).The next two paths relate to the impact of organisational identification on supportive intended and actual behaviour. As such, the path between organisational identification and intended behaviour is significantly stronger for the $P+D\_MDID_{high}$ group than for the $P+D\_MDID_{low}$ group ($\beta_{P+D\_MDIDhigh}$=0.618, $\beta_{P+D\_MDIDlow}$=0.371, $p$<0.05).

On the other hand, the path between organisational identification and actual behaviour is significantly different for $P+D\_MDID_{high}$ and $P+D\_MDID_{low}$ groups ($\beta_{P+D\_MDIDhigh}$=0.321, $\beta_{P+D\_MDIDlow}$=-0.089, $p$<0.05), where the $P+D\_MDID_{high}$ group shows a fairly strong increase in supportive actual behaviour as a result of their organisational identification, while there is no significant relationship between the two constructs in the $P+D\_MDID_{low}$ group. Finally, the path between supportive intended behaviour and actual behaviour is found to be significantly different for both groups discussed ($\beta_{P+D\_MDIDhigh}$=-0.337, $\beta_{P+D\_MDIDlow}$=0.323, $p$<0.05).

**7.16.3 Quadrant (3): the interaction between a negative message and Identification with the Volkswagen driver.** This section is focused on the investigation of the moderating impact described in quadrant (3) of Figure 7-54, and reflects the following hypothesis:

***Hypothesis 7**: The interaction between a negatively framed message and identification with the Volkswagen driver as a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company.***

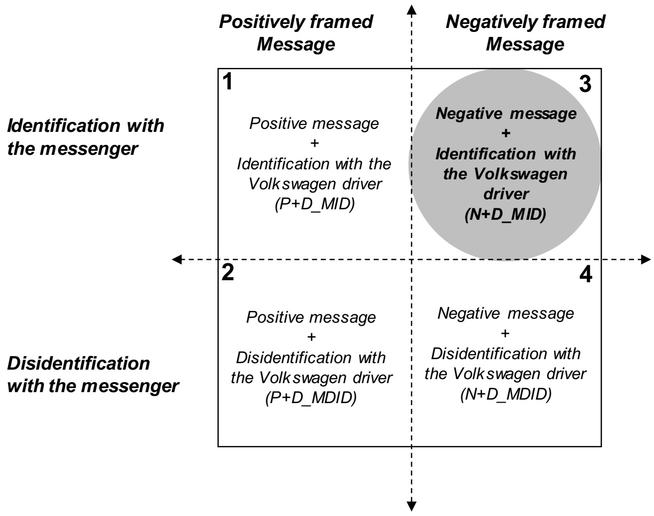


**Figure 7-54. The moderating effect within quadrant (3) (Volkswagen driver).**

Two groups related to quadrant (3) are compared:

- Negative message + high levels of identification with the Volkswagen driver as a messenger (N+D_$MID_{high}$)
- Negative message + low levels of identification with the Volkswagen driver as a messenger (N+D_$MID_{low}$)

The full model results for N+D_$MID_{high}$ and N+D_$MID_{low}$ are depicted in Figures 7-55 and 7-56, respectively.

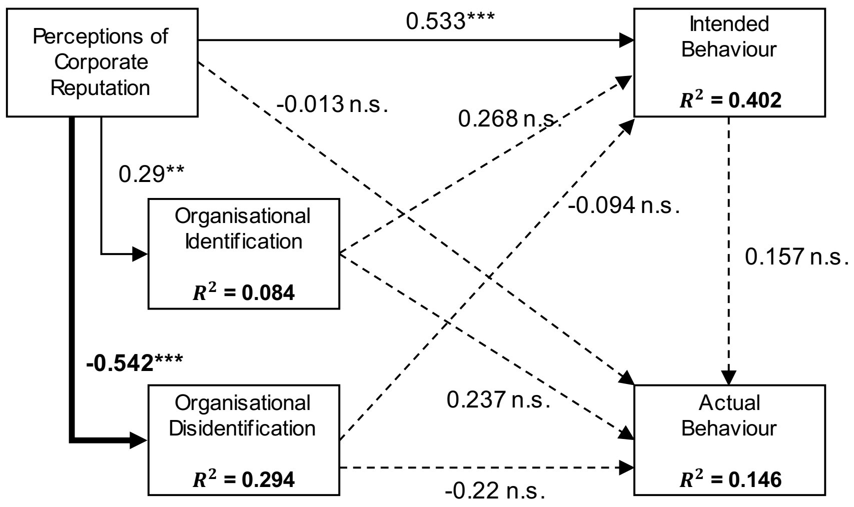


**Figure 7-55. The path model for N+D_$MID_{high}$ group**

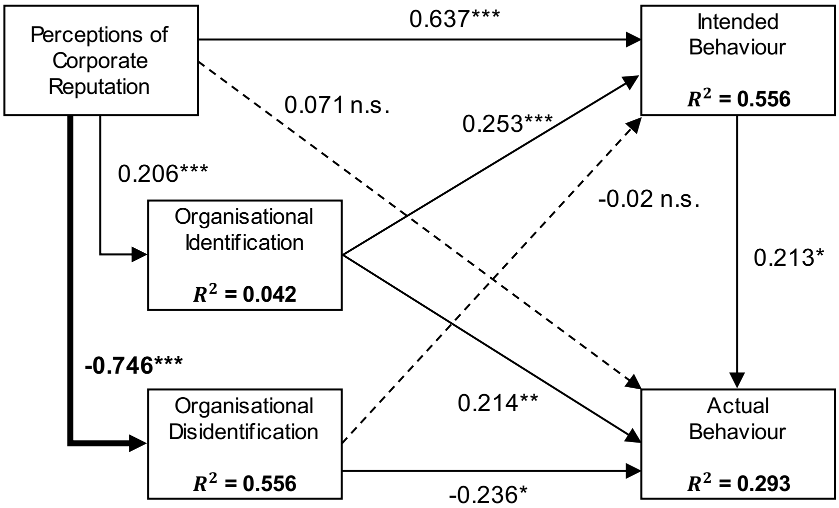


**Figure 7-56. The path model for N+D_MID$_{low}$ group**

There is a significant difference in one path of the model when comparing the N+D_MID$_{high}$ and N+D_MID$_{low}$ groups. The path involving perceptions of corporate reputation and organisational disidentification is significantly stronger for the N+D_MID$_{low}$ group than for the N+D_MID$_{high}$ group ($\beta_{N+D\_MIDlow}$=-0.746, $\beta_{N+D\_MIDhigh}$=-0.542, $p$<0.05).

**7.16.4 Quadrant (4): the interaction between a negative message and disidentification with the Volkswagen driver.** This section is focused on the investigation of the moderating impact described in quadrant (4) of Figure 7-57, and reflects the following hypothesis:

***Hypothesis 8**: The interaction between a negatively framed message and disidentification with Volkswagen driver as a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company.***

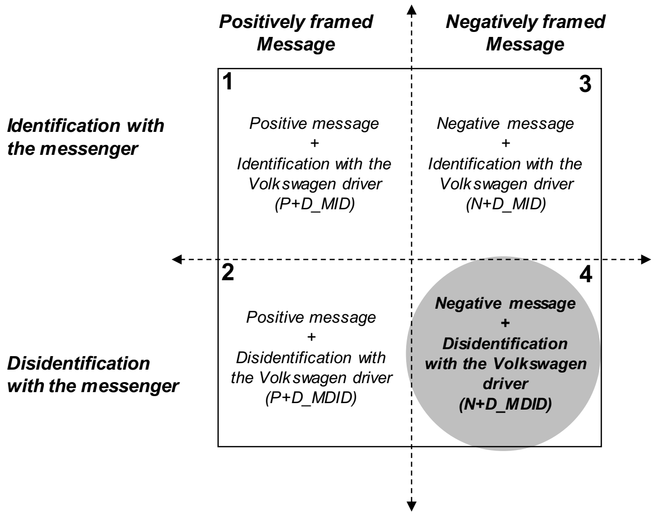


**Figure 7-57. The moderating effect within quadrant (4) (Volkswagen driver).**

Two groups related to quadrant (4) are compared:

- Negative message + high levels of disidentification with the Volkswagen driver as a messenger (N+D_MDID$_{high}$)
- Negative message + low levels of disidentification with the Volkswagen driver as a messenger (N+D_MDID$_{low}$)

The full model results for N+D_MID$_{high}$ and N+D_MID$_{low}$ are depicted in Figures 7-58 and 7-59, respectively.

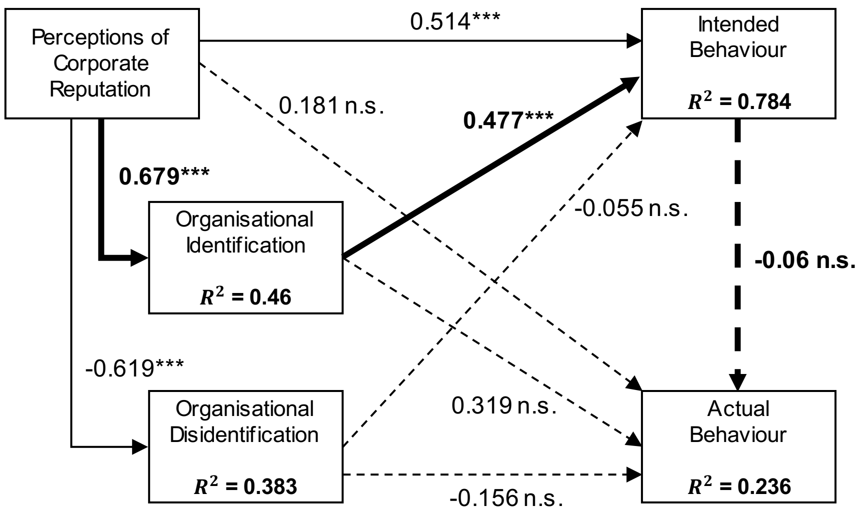


**Figure 7-58. The path model for N+D_MDID$_{high}$ group**

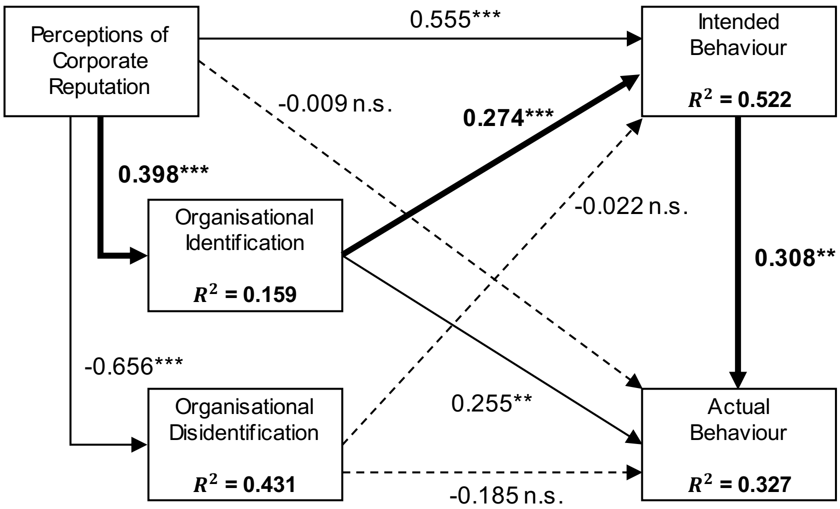


**Figure 7-59. The path model for N+D_MDID$_{low}$ group**

There is a significant difference identified in three paths within the model. The first path describes the relationships between perceptions of corporate reputation and organisational identification, and it is found to be significantly stronger for the N+D_MDID$_{high}$ group than for the N+D_MDID$_{low}$ group ($\beta_{N+D\_MDIDhigh}$=0.679, $\beta_{N+D\_MDIDlow}$=0.398, $p$<0.01). A similar effect is found in the next path, which relates to the impact of organisational identification on supportive intended behaviour. This path is significantly weaker for the N+D_MDID$_{low}$ group than for the N+D_MDID$_{high}$ group ($\beta_{N+D\_MDIDlow}$=0.274, $\beta_{N+D\_MDIDhigh}$=0.477, $p$<0.1).

Finally, the path between supportive intended behaviour and supportive actual behaviour is significantly different for the discussed groups ($\beta_{N+D\_MDIDlow}$=0.308, $\beta_{N+D\_MDIDhigh}$=-0.06, $p$<0.1), such that in the N+D_MDID$_{low}$ group individuals show fairly strong increases in their supportive actual behaviour as a result of their intended behaviour, while there is no significant difference between the two constructs for the N+D_MDID$_{high}$ group.

## 7.17 Conclusion

This chapter presented the results of the quantitative stage of the present study by means of the structural equation technique of Partial Least Squares (PLS-SEM). Following the initial data preparation and cleaning, the measurement and structural models were evaluated. The research hypotheses related to the reputation/(dis)identification model were then addressed.

Finally, moderating effects of the message–messenger interactions were identified and all the related hypotheses were tested. The next chapter will address the findings and discuss the results relevance as well as theoretical and practical implications.

# CHAPTER 8. DISCUSSION

**This chapter of the thesis discusses the research findings and their implications. The introduction in Section 8.1 provides an overview to the chapter. Section 8.2 reminds the reader of the research purposes and outlines theoretical, empirical, and methodological contributions of this study. Next, the chapter will go on discussing research findings related to the reputation/(dis)identification model (Sections 8.4 to 8.8), followed by an overall view on the reputation/(dis)identification model findings. The second part of this chapter is focused on discussing the research findings related to the moderated reputation/(dis)identification model (Sections 8.9 to 8.12). The chapter will conclude in Section 8.13.**

## 8.1 Introduction

To investigate the role of the message–messenger interaction in affecting stakeholders' perceptions of corporate reputation, their organisational (dis)identification, and associated behaviour, an empirical research framework was developed and tested. The study began with a detailed review of the extant literature on corporate reputation in order to assess the current state of understanding of the corporate reputation phenomenon and its related concepts (i.e. organisational (dis)identification, and stakeholders' intended and actual behaviour). In addition, the literature review allowed the identification of potential gaps in the field of corporate reputation and related research fields such as stakeholder–company relationships, organisational (dis)identification, and the message–messenger interaction.

The comprehensive literature review of the identified areas of research provided a foundation for the development of a provisional theoretical framework and related research hypotheses. After the applied methodology was reviewed, the proposed model and its hypotheses were subject to testing in a specific organisational context of Volkswagen emissions scandal via a quasi-experimental design. This was followed by the presentation of the research analysis and findings.

This chapter is aimed at the discussion of the research outcomes and their theoretical and practical implications. To guide the reader, the research framework, first presented in Chapter 1, represented in Figure 8-1 below, which highlights the relevant areas of the thesis structure related to this chapter.

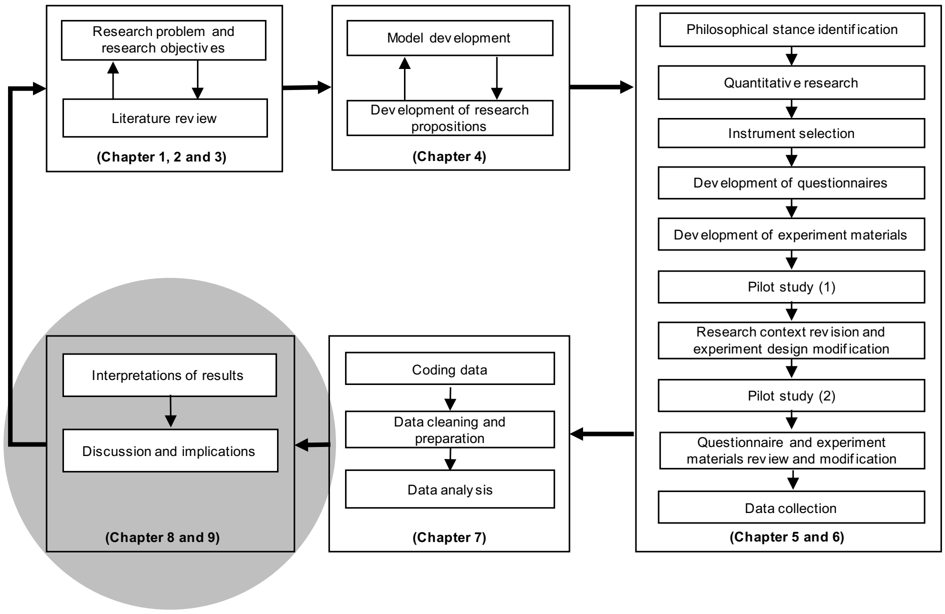


**Figure 8-1. Framework for research design outlines areas addressed in Chapter 8**

## 8.2 Contributions to the body of knowledge

A doctoral thesis is expected to be original and to make a valuable and substantial contribution to the body of knowledge. On the one hand, one might argue that a doctoral study should reveal and explain something that was not known before but is important to a particular area of research. On the other hand, some academics, such as Remenyi *et al.* (1998: p. 248), believe that a PhD thesis contribution 'adds only a grain of new knowledge to an already established mountain'. While they outline PhD contributions as 'modest', the scholars direct researchers' attentions to one or more of the following elements every doctoral thesis should contain: 'extending our ability to understand phenomena, new ways of applying existing science or theories, creating new theories, rejecting theories, providing unifying explanations for events and circumstances' (Remenyi *et al.*, 1998: p. 20).

Summers (2001) classifies contributions a researcher should account for into *conceptual*, *empirical*, and *methodological*. A conceptual (theoretical) contribution might involve development of new constructs and/or identification of additional constructs added to the conceptual model (i.e. new mediating or moderating variables) or development of new causal links within the model. An empirical contribution typically includes identification but is not limited to testing new causal relationships between constructs that have not been previously tested, or evaluation of new added moderating and mediating variables to the model.

Finally, contributions to methodology tend to focus on changes in the research design, which may help to reduce common method bias issues, offer higher levels of construct validity of key constructs within the model, increase generalisability through more detailed samplings, or to use advanced statistical techniques. With respect to experiments, a methodological contribution might also include an increase in more realistic approaches to experiments.

On the final note regarding contributions, a researcher must address the significance of each contribution rather than how many contributions have been made (Summers, 2001). Following Summers's classification, the present research offers the following conceptual, empirical, and methodological contributions to the body of knowledge.

***<u>Conceptual contributions</u>***

1. This thesis offers a novel framework (labelled as reputation/(dis)identification model), which brings together a number of elements from the extant literature. This framework provides a unique approach to understanding perceptions of corporate reputation and related behavioural outcomes within stakeholder–company relationships. As such, perceptions of corporate reputation (Fombrun *et al.*, 2000) are found to be positively linked to stakeholders' behavioural responses (intended and actual

behaviour) (Hillenbrand, 2007; West, 2011; Money *et al.*, 2012b). This provides additional support and evidence to the literature on corporate reputation, stakeholders' behavioural responses towards a company, and stakeholder–company relationships.

Furthermore, the reputation/(dis)identification model explicitly outlines that perceptions of corporate reputation can also influence organisational (dis)identification. This leads to the second theoretical contribution.

2. The second conceptual contribution is focused on bringing together for the first time the concepts of organisational identification and disidentification (Elsbach, 1999; Elsbach and Bhattacharya, 2001; Kreiner and Ashforth, 2004) into the corporate reputation domain, and specifically to the reputation/(dis)identification model. This allows to expand the understanding of stakeholder–company relationships by including not only positive connections between stakeholders and companies (organisational identification) but also negative relationships (organisational disidentification).

Moreover, this study contributes to organisational identification theory (Mael and Ashforth, 1992) by theorising simultaneously organisational identification and disidentification as a critical multiple mediator between perceptions of corporate reputation and supportive intended behaviour. Hence, it is found that perceptions of corporate reputation impact stakeholders' intended behaviour not only directly, but also indirectly through both organisational identification and disidentification (Mael and Ashforth, 1992; Ahearne *et al.*, 2005; Bhattacharya *et al.*, 2009). As a result, these effects ultimately lead to changes in actual behaviour of stakeholders

3. As for the third conceptual contribution, the present study brings together the areas of corporate reputation and the interaction between messages and messengers for the first time, by adding the message–messenger interplay to the proposed reputation/(dis)identification framework. This message–messenger interaction allows to explore not only the impact of messages (message framings) on perceptions of corporate reputation, organisational

(dis)identification, and related behavioural outcomes (Ruth and York, 2004), but also the role of messengers and their interaction with messages.

As it has been supported here, individuals' feelings towards messengers (their identification and disidentification) can have a significant impact on how people perceive information and act upon it. As a result, understanding individual differences in how people view messengers plays a critical role in the formation of perceptions of corporate reputation as well as people's intentions and behaviour. Thus, acknowledging moderating effects of the interaction between messages and messengers responds to calls in the literature to investigate why there are still a number of unanticipated behavioural responses from stakeholders towards companies (Money *et al.*, 2012a).

***Empirical contributions***

1. Although there are a few studies that explain the impact of messages and messengers (messenger credibility specifically) (Aronson *et al.*, 1963; Sternthal *et al.*, 1978; Lafferty and Goldsmith, 2004; Tormala *et al.*, 2007), the proposed moderating effect of the interaction between messages and (dis)identification with messengers has not been previously explored. As such, there has not been any empirical evidence on how this interaction (between a positive/negative message and (dis)identification with a messenger) may affect individuals' feelings and behaviours towards a company. Hence, the empirical contribution of this thesis is the examination of the moderating impact of the message–messenger interaction on the relationships between stakeholders' perceptions of corporate reputation, their organisational (dis)identification, and their intended and actual behaviour.

2. This thesis contributes to the large body of knowledge on organisational identification by testing for the first time multiple mediating effect of both identification and disidentification within the reputation/(dis)identification model.

3. The present study is conducted in a real-life context of the recent Volkswagen emissions scandal. Besides this, the study involves UK citizens as the target population. Both the real-life context and the target population provide significant value to the existing body of literature.

Finally, considering stakeholders' behavioural outcomes as a vital element of the proposed reputation/(dis)identification framework, this study includes both intended and actual behaviour of UK citizens towards Volkswagen. Individuals' intended behaviour has been widely investigated in the corporate reputation domain (Hillenbrand, 2007; Money *et al.*, 2012b) and is considered a useful predictor of actual behaviour (Fishbein and Ajzen, 1975; Ajzen and Fishbein, 1980). This thesis offers a quantitative approach to actual behaviour of stakeholders via an online live voting poll. This sheds additional light on the relationship between intended and actual behaviour as well as provides a unique set of behavioural primary data, which adds methodological and empirical value to the study.

***Methodological contributions***

1. The present study uses the PLS-SEM technique for model testing. This technique allows the researcher to test the proposed complex reputation/(dis)identification model with the use of PLS-SEM. Despite its wide application in other disciplines (e.g. marketing, international business, etc.), PLS-SEM is still less applied in the corporate reputation domain.

2. Moreover, when examining the moderating impact of the message–messenger interaction, the recently developed statistical procedure of Multi-Group Analysis (MGA) is applied (Henseler *et al.*, 2009; Henseler and Fassot, 2010; Sarstedt *et al.*, 2011; Henseler, 2012). The MGA technique has been typically used to evaluate subgroup differences among respondents who are identified as high and low in a specific category (e.g. high and low in social axioms by West *et al.* (2015a); West *et al.* (2015b); and Money *et al.* (2016). The present study applies MGA to analyse subgroup differences based on each of the message–messenger interactions, which provides more complex analysis of subgroups.

3. Finally, considering multiple mediation effect of organisational identification and disidentification, a traditional approach by Baron and Kenny (1986) was found insufficient. Thus, a more advanced method for testing multiple mediation, developed by Hair *et al.* (2016b), was applied for the first time to a study in the field of corporate reputation.

After discussing the achieved contributions to the body of knowledge, a doctoral thesis is required to directly address implications for researchers and practitioners (Remenyi *et al.*, 1998). Therefore, the next section of this chapter will establish how and why the findings of the research are relevant and important to theory and practice.

## 8.3 Discussion of the research findings and implications

The research findings offer support on how perceptions of corporate reputation can impact stakeholders' behaviour towards a company through the mediating role of organisational (dis)identification. Moreover, the study provides new evidence on and support for the moderating impact of the message–messenger interaction on the links between perceptions of corporate reputation, organisational (dis)identification, and associated behavioural outcomes.

Given the complexity of the tested framework, this chapter is structured in the following order to help the reader to follow the discussion:

*Section 8.4: The reputation/(dis)identification model – Proposition 1 and related hypotheses*
*Section 8.5: The reputation/(dis)identification model – Proposition 2 and related hypotheses*
*Section 8.6: The reputation/(dis)identification model – Proposition 3 and related hypotheses*
*Section 8.7: The reputation/(dis)identification model – Proposition 4 and related hypotheses*

*Section 8.8: The reputation/(dis)identification model – mediating role of organisational (dis)identification*
*Section 8.9: Overall view on the reputation/(dis)identification framework*
*Section 8.10: Implications of the results relating to control group findings*
*Section 8.11: Simple moderation – discussing the findings*
*Section 8.12: The moderating impact of the message–messenger interaction*

## 8.4 The reputation/(dis)identification model – Proposition 1 and related hypotheses

Individual stakeholder's responses are key outcomes in this thesis. The value of perceptions of corporate reputation is initially operationalised through its direct impact on intended and actual behaviour of stakeholders towards the company.

A summary of the research hypotheses and results is provided in Table 8-1.

**Table 8-1. Summary of research hypotheses related to Proposition 1**

| Hypothesis number | Hypothesis | Support for hypothesis |
|---|---|---|
| **H1a** | Increases in perceptions of corporate reputation lead to increases in stakeholders' supportive intended behaviour towards the company. | **Supported**<br>The results presented in Chapter 7 support the hypothesis that increases in positive perceptions of corporate reputation lead to increases in supportive intended behaviour towards the company. The relationship between perceptions of corporate reputation and supportive intentions are significant at the $\alpha$<0.01 level with the path coefficient of 0.474. |
| **H1b** | Increases in perceptions of corporate reputation lead to increases in stakeholders' supportive actual behaviour towards the organisation. | **Supported**<br>The results presented in Chapter 7 support the hypothesis that increases in positive perceptions of corporate reputation lead to increases in supportive actual behaviour towards the company. The relationship between perceptions of corporate reputation and supportive actual behaviour are significant at the $\alpha$<0.05 level with the path coefficient of 0.112. |

The relevant section of the reputation/(dis)identification model is highlighted in Figure 8-2 below.

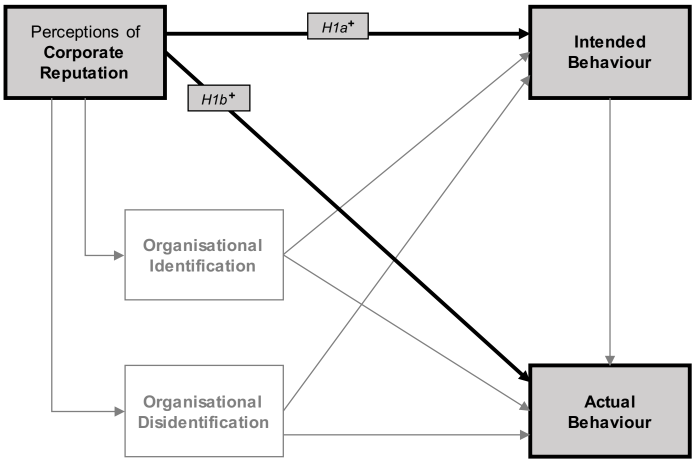

**Figure 8-2. Proposition 1 and related hypotheses**

The development of stakeholders' supportive behavioural responses towards the company is addressed by two research hypotheses, each of which is briefly outlined below before discussing their joint effects.

***Hypothesis 1a***

The results confirm that perceptions of corporate reputation as a valuable construct within the model is positively linked to supportive intended behaviour. The path coefficient in the model is fairly high ($\beta$ = 0.474, $p$<0.01). Furthermore, the effect size of the Corporate Reputation construct on the Intended Behaviour construct is found to be moderate-to-large, which confirms the usefulness of the employed measures.

From a conceptual perspective, this is in accordance with the extant literature from social psychology and corporate reputation management (Fishbein and Ajzen, 1975, 2011; Hillenbrand, 2007; Ponzi *et al.*, 2011; Money *et al.*, 2012b). This also accords with the SCV literature, where it is generally supported that positive attitudes (perceptions of corporate reputation via trust, admiration, and good overall feelings (Fombrun *et al.*, 2000) impact the development of supportive intended behaviour of individual stakeholder towards a focal company (Morgan and Hunt, 1994; MacMillan *et al.*, 2004; MacMillan *et al.*, 2005).

In practical terms, this finding suggests that individual stakeholders' intentions to engage in a supportive behaviour depend to a significant extent on whether or not they perceive corporate reputation positively. It also means that an increase in these desired supportive intentions among stakeholders would happen when corporate reputation perceptions are improved (increased).

***<u>Hypothesis 1b</u>***

The results provide a support for this hypothesis. The path coefficient reflects the link between perceptions of corporate reputation and supportive actual behaviour ($\beta$ = 0.112, $p$<0.05) and suggests a positive relationship between the related constructs. However, the effect size of corporate reputation on supportive actual behaviour is found to be small.

From a theoretical perspective, studies on perceptions of corporate reputation typically focus on measuring intended behaviour, arguing that intentions are key predictors of actual behaviour (McEachan *et al.*, 2011). However, real behaviour remains a critical indicator of how people perceive a company and its reputation. Therefore, this finding provides important empirical evidence to the body of literature in the field of social psychology, but, more importantly, that of corporate reputation (Ajzen and Fishbein, 1980; Ponzi *et al.*, 2011), that positive perceptions of corporate reputation lead to increases in supportive actual behaviour.

***<u>Overall implications of the results relating to Hypotheses 1a and 1b</u>***

The findings related to Hypotheses 1a and 1b provide evidence to preceding studies on how perceptions of corporate reputation contribute to the development of stakeholders' supportive intended and actual behaviour towards a company (MacMillan *et al.*, 2005; Walsh *et al.*, 2006; Walsh *et al.*, 2009; Money *et al.*, 2012a; Money *et al.*, 2012b).

Additional evidence is obtained when analysing different stakeholder characteristics (i.e. age, gender, and ability to drive a car). It appears that positive perceptions of corporate reputation are better predictors of supportive intended behaviour among male participants than among female participants. Moreover, when looking at drivers versus non-drivers, similar results are obtained – those respondents who can drive a car show a higher increase in their supportive intended behaviour in response to positive perceptions of corporate reputation. This can be closely linked to a specific context of the experiment. As such, the applied context of a car manufacturer (Volkswagen) would probably resonate more for males and those who can drive a car, since they are more interested in or could be more involved with cars and the automotive industry in general. A more detailed discussion on control group implications is outlined in Section 8.10.

In summary, from a practical perspective, these findings are apparent that individuals rely on their perceptions of corporate reputation when they enact behaviour towards a company. Hence, it is important for a company to act in a way that would increase stakeholders' positive feelings of the company and its reputation, since it may ensure stakeholders' positive intentions to continue their relationships with the company. However, companies should keep in mind that actual behaviour of stakeholders might not be affected as much by positive reputation. In other words, positive perceptions of a company are not enough for individuals to enact company-favouring responses. This can be explained in more detail by the 'quality of relationships' – their organisational identification and (dis)identification (Bhattacharya *et al.*, 2009) (see Section 8.6 for more detail).

## 8.5 The reputation/(dis)identification model – Proposition 2 and related hypothesis

The findings in the previous section make it important to understand that perceptions of corporate reputation have a positive impact on behavioural outcomes (intended and actual behaviour). Therefore, it is also vital to see how intentions and actual behaviour are linked. As such, the results confirm that actual behaviour is positively affected by intended behaviour. A summary of the research hypothesis and results relating to the value of intended and actual behaviour is provided in Table 8-2 below.

**Table 8-2. Summary of research hypotheses related to Proposition 2**

| Hypothesis number | Hypothesis | Support for hypothesis |
|---|---|---|
| **H2** | Increases in stakeholders' supportive intended behaviour towards the company leads to increases in stakeholders' supportive actual behaviour towards the company. | <u>**Supported**</u><br>The results presented in Chapter 7 support the hypothesis that increases in stakeholders' supportive intended behaviour towards the company leads to increases in stakeholders' supportive actual behaviour towards the company. The relationship between perceptions of corporate reputation and supportive intentions are significant at the $\alpha$<0.01 level with the path coefficient of 0.22. |

The relevant section of the reputation/(dis)identification model is highlighted in Figure 8-3 below.

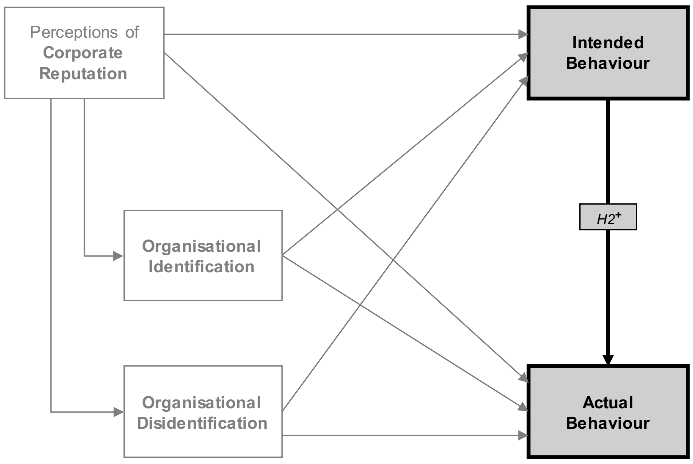


**Figure 8-3. Proposition 2 and related hypotheses**

The research findings support this hypothesis. The path coefficient that links intended behaviour and actual behaviour ($\beta$ = 0.22, $p$<0.01) suggests a positive relationship between the two constructs, which is in line with the theory of planned behaviour by Fishbein and Ajzen (1975, 1980, 2011). Even though many scholars in the management field believe that intentions are good predictors of behaviour, it is not always the case. In this research context, empirical evidence suggests that there is a small effect of intentions on actual behaviour of individuals. This is in line with Kor and Mullan's (2011) study. One of the reasons for such a weak link between intended and actual behaviour may lie beyond the individual's control and may be caused by external uncontrolled forces (see Ajzen and Fishbein (2011) for reference). From a practical perspective, companies should keep in mind that in certain contexts individuals' intentions can have a small effect on their real behaviour towards the company. It is important for companies to effectively anticipate stakeholders' intentions and develop external proactive ways to help their stakeholders to turn intentions into behaviour.

## 8.6 The reputation/(dis)identification model – Proposition 3 and related hypotheses

The current research proposes that both organisational identification and disidentification directly impact the development of behavioural outcomes (intended and actual behaviour). A summary of research hypotheses and results relating to the value of behavioural outcomes is provided in Table 8-3 below.

**Table 8-3. Summary of research hypotheses related to Proposition 3**

| Hypothesis number | Hypothesis | Support for hypothesis |
|---|---|---|
| **H3a** | Increases in stakeholders' organisational identification lead to increases in stakeholders' supportive intended behaviour towards the company. | **Supported**<br>The results presented in Chapter 7 support the hypothesis that increases in stakeholders' organisational identification lead to increases in stakeholders' supportive intended behaviour towards the company. The relationship between organisational identification and supportive intentions is significant at the $\alpha$<0.01 level with the path coefficient of 0.375. |
| **H3b** | Increases in stakeholders' organisational identification lead to increases in stakeholders' supportive actual behaviour towards the company. | **Supported**<br>The results presented in Chapter 7 support the hypothesis that increases in stakeholders' organisational identification lead to increases in stakeholders' supportive actual behaviour towards the company. The relationship between organisational identification and supportive actual behaviour is significant at the $\alpha$<0.05 level with the path coefficient of 0.114. |
| **H3c** | Increases in stakeholders' organisational disidentification lead to decreases in stakeholders' supportive intended behaviour towards the company. | **Supported**<br>The results presented in Chapter 7 support the hypothesis that increases in stakeholders' organisational disidentification lead to decreases in stakeholders' supportive intended behaviour towards the company. The relationship between organisational disidentification and supportive intentions is significant at the $\alpha$<0.01 level with the path coefficient of -0.121. |
| **H3d** | Increases in stakeholders' organisational disidentification lead to decreases in stakeholders' supportive actual behaviour towards the company. | **Supported**<br>The results presented in Chapter 7 support the hypothesis that increases in stakeholders' organisational disidentification lead to decreases in stakeholders' supportive actual behaviour towards the company. The relationship between organisational disidentification and supportive actual behaviour is significant at the $\alpha$<0.01 level with the path coefficient of -0.177. |

Figure 8-4 highlights the model paths and research hypotheses related to Proposition 3 discussed in this section.

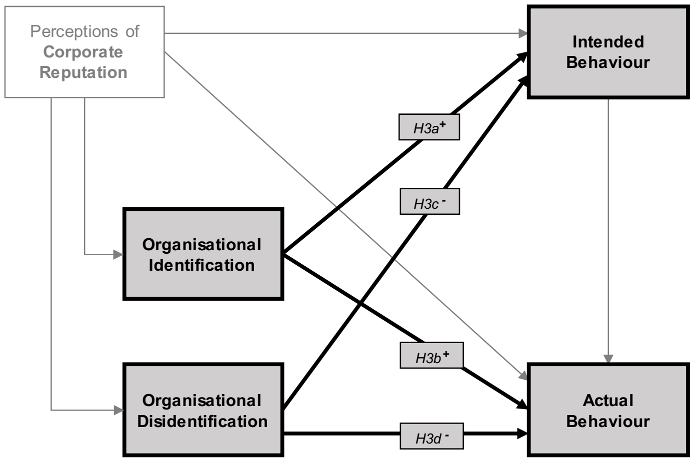


**Figure 8-4. Proposition 3 and related hypotheses**

The development of behavioural outcomes is addressed by four research hypotheses. The hypotheses are discussed in pairs based on the related dependent variable (H3a and H3c for Intended Behaviour; H3b and H3d for Actual Behaviour, accordingly) and addressed below.

***Hypotheses 3a and 3c***

The research findings provide support for how organisational (dis)identification can enable individuals to engage in supportive intended behaviour towards a company (Elsbach and Bhattacharya, 2001; Bhattacharya and Elsbach, 2002; Kreiner and Ashforth, 2004; Lii and Lee, 2012). The path coefficients of 0.375, linking organisational identification and supportive intended behaviour, and -0.121, linking organisational disidentification and intended behaviour, suggest significant relationships among these constructs at the $p$<0.01 level. More specifically, the path between organisational identification is positively linked to intended behaviour, while organisational disidentification and intended behaviour have a negative relationship.

The finding related to Hypothesis 3a (that increases in organisational identification lead to increases in stakeholders' supportive intended behaviour towards the company) accords with the literature on organisational identification as well as stakeholder–company relationships. Organisational identification and its related outcomes are well researched. The statistical confirmation of the relationships between the two concepts is not regarded as a new finding, however it confirms the existing theory (e.g. Kreiner and Ashforth (2004); Bhattacharya *et al.* (2009).

The finding related to Hypothesis 3c (that increases in organisational disidentification lead to decreases in stakeholders' supportive intended behaviour towards the company) is also in line with the existing studies. However, due to limited evidence on the relationship between organisational disidentification and its related behavioural outcomes, this finding provides support and confirmation to organisational disidentification theory (e.g. Elsbach (1999); Kreiner and Ashforth (2004).

***<u>Implications of the results relating to Hypotheses 3a and 3c</u>***

Importantly, the findings in this section shed light on how stakeholders' feelings of (dis)identification are linked to supportive behavioural intentions towards a company. Interestingly, based on the descriptive statistics, the path coefficient for organisational identification ($\beta$ = 0.375) is much higher in its value than for organisational disidentification ($\beta$ = -0.121), suggesting that organisational identification may play a more important role in increasing positive relationships between stakeholders and companies.

This is also accords with the preceding study on organisational disidentification by Bhattacharya and Elsbach (2002), who found that disidentifiers are less likely to engage in a proactive behaviour. It suggests that organisational disidentification may lead to higher word-of-mouth ('as talking about the focal organisation'), while 'identifiers go beyond talking and act on their beliefs' (Bhattacharya and Elsbach, 2002: p. 34). Hence, the present study provides support to the (dis)identification literature that organisational identification has an ability to 'push' action – beyond words – as its critical benefit to the individual–company relationships (Ashforth and Mael, 1989; Mael and Ashforth, 1992; Bergami and Bagozzi, 2000).

From a practical perspective, it is crucial to address that increases in organisational identification lead to increases in supportive intended behaviour. Moreover, increases in disidentification with a company can lead to decreases in supportive intended behaviour or non-behaviour. Hence, when companies are trying to engage their stakeholders to exhibit more supportive behaviour, organisations may need to employ strategies initially aimed at increasing organisational identification.

Furthermore, in order to avoid unsupportive behaviour (in response to organisational disidentification), companies should employ strategies that would decrease organisational disidentification in the first place (this will be discussed in more detail in Section 8.7). As a result of the decreases in disidentification, supportive intended behaviour may increase among stakeholders.

***<u>Hypothesis 3b and 3d</u>***

The finding related to Hypothesis 3b (that increases in organisational identification lead to increases in stakeholders' supportive actual behaviour towards the company) accords with the existing literature, e.g. Mael and Ashforth (1992). The path coefficient for organisational identification and supportive actual behaviour ($\beta$ = 0.114, $p$<0.05) suggests that there is a positive relationship between the two constructs. Here, when individuals feel identified with a company, their actual support for the company increases. This finding is regarded as important due to the lack of evidence in the literature on individuals' actual behaviour.

The finding related to Hypotheses 3d (that increases in organisational disidentification lead to decreases in stakeholders' supportive actual behaviour towards the company) provides new evidence on the relationship between the two constructs. Although Elsbach and Bhattacharya (2001) and Bhattacharya and Elsbach (2002) looked at the relationship between organisational disidentification and behaviour, they measured behaviour as 'past actions', which may not reflect the initial notion of *actual* and *current* behaviour. The path coefficient for organisational disidentification and supportive actual behaviour ($\beta$ = -0.177, $p$<0.01) suggests that there is a negative relationship between the two constructs. This implies that when individuals feel a separation from a company or are in conflict with it they feel less likely to engage in supportive behaviour.

In practical terms, the findings suggest that stakeholders are more likely to engage in supportive actual behaviour when their organisational identification is increasing and/or disidentification is decreasing. Moreover, they suggest that an increase in actual behaviours would occur if organisational identification increases and disidentification decreases.

***Overall implications of the results relating to Hypotheses 3a–3d***

The research findings provide important evidence on how organisational (dis)identification impact related behavioural outcomes (intended and actual behaviour) from stakeholders towards companies. As such, stakeholders who feel identified with a company demonstrate an increase in their willingness to support the company. As discussed in Chapter 2, organisational identification theory suggests that individuals feel identified with companies when they perceive a certain overlap between their own identity and that of the company. Therefore, by responding in a supportive (intended and actual) manner in response to their identification with the company, they contribute not only to the development of a company–stakeholder relationships but also to, for example, their self-esteem (Mael and Ashforth, 1992).

On the other hand, those stakeholders, who feel disidentified with the company, demonstrate a reduction in their supportive intended and actual behaviour to maintain their existing negative relationships with the company. In this case, individuals experience a separation from a company and, hence, the likelihood to engage in supportive behaviours reduces.

In this study intended behaviour is conceptualised as commitment, advocacy, and extension behaviours (Hillenbrand, 2007), and actual behaviour is a reflection of the intended behaviour (see Section 8.5). Hence, it is suggested that individual stakeholders' intentions to enact these behaviours may depend on the quality of the relationship that exists between a company and stakeholders – i.e. their organisational (dis)identification. This means that an increase occurs in stakeholders' supportive behaviour towards a company when there is an increase in their positive organisational identification with a company and a decrease in their organisational disidentification.

In practical terms, distinction between and evaluation of organisational identification and disidentification is crucial, when a company is willing to anticipate specific stakeholders' behaviours. Moreover, it is increasingly important to anticipate stakeholders' behaviours, since they are the driving force behind achieving corporate goals. For instance, individuals who hold high levels of organisational identification are more likely to maintain positive relationship with a company by being committed and supportive, even in situations when a company is in distress. On the contrary, those individuals who feel even a little disidentified may not support the company or even terminate the existing relationships.

As such, implications for practitioners may involve a recommendation to strengthen/weaken organisational (dis)identification in order to receive desired supportive behaviour. As an important implication, people do hold levels of identification or disidentification with a company, and this may lead to certain systematic behavioural responses. In order to be able to manage these responses, practitioners need to promote identification and contain disidentification among their stakeholders.

This may be achieved by, for example, repositioning the company in people's minds (e.g. the attempts of Philip Morris to reposition as a socially responsible company; the efforts of BP and Volkswagen to reposition as environmentally friendly companies). However, organisations should bear in mind that promoting identification in one stakeholder group can trigger high levels of disidentification across other stakeholder groups. Hence, strategies aimed at organisational (dis)identification should be carefully considered.

In summary, from an organisational perspective, in order to effectively anticipate and manage stakeholders' intentions and actual behaviour, it is important to understand what stakeholders value most and whether these values are also shared by the company. If stakeholders do not feel identified with the company, it seems impractical to expect them to act in a supportive manner. Furthermore, it is important for companies to carefully articulate what the company stands for in order to help individuals to identify with the company. This can be done through developing various strategies (e.g. CSR strategies, corporate communication, engagement with the media, etc.) to help the company to engage more fully with stakeholders. Finally, it is highly relevant for companies to understand how *corporate reputation* affects feelings of identification and disidentification among stakeholders, in order to be able to reliably anticipate stakeholders' behavioural responses. This is addressed in full in the next section.

## 8.7 The reputation/(dis)identification model – Proposition 4 and related hypotheses

The current research proposes that perceptions of corporate reputation directly impact the development of both organisational identification and disidentification. A summary of the research hypothesis and results relating to the value of organisational (dis)identification is provided in Table 8-4 below.

**Table 8-4. Summary of research hypotheses related to Proposition 4**

| Hypothesis number | Hypothesis | Support for hypothesis |
|---|---|---|
| **H4a** | Increases in perceptions of corporate reputation lead to increases in stakeholders' organisational identification with the company. | **Supported**<br>The results presented in Chapter 7 support the hypothesis that increases in stakeholders' positive perceptions of corporate reputation lead to increases in stakeholders' organisational identification with the company. The relationship between corporate reputation and organisational identification is significant at the $\alpha$<0.01 level with the path coefficient of 0.479. |
| **H4b** | Increases in perceptions of corporate reputation lead to decreases in stakeholders' organisational disidentification with the company. | **Supported**<br>The results presented in Chapter 7 support the hypothesis that increases in stakeholders' positive perceptions of corporate reputation lead to decreases in stakeholders' organisational disidentification with the company. The relationship between corporate reputation and organisational disidentification is significant at the $\alpha$<0.01 level with the path coefficient of -0.644. |

Figure 8-5 highlights the model paths and research hypotheses related to proposition 4 discussed in this section.

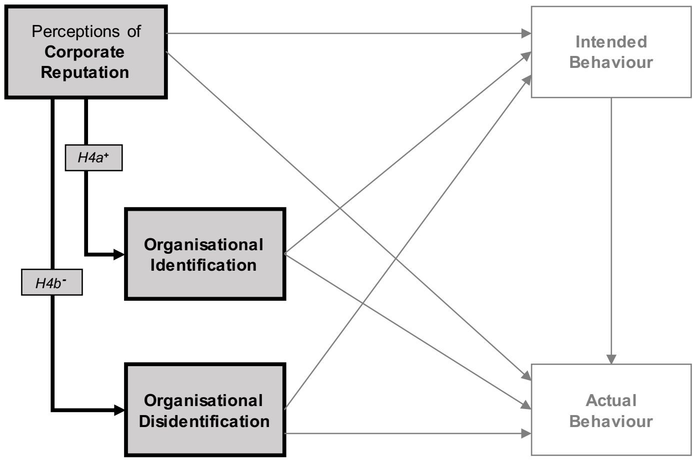


**Figure 8-5. Proposition 4 and related hypotheses**

The development of organisational (dis)identification is addressed by two research hypotheses, each of which is briefly outlined below before a discussion of their joint contribution to the research outcomes.

## ***Hypothesis 4a***

The research finding related to Hypothesis 4a provides support to the previous studies on how perceptions or corporate reputation contributes to the development of organisational identification with a company (Mael and Ashforth, 1992; Bhattacharya and Elsbach, 2002; Ahearne *et al.,* 2005). The path coefficient for the link between perceptions of corporate reputation and organisational identification is moderately high and demonstrates a positive significant relationship between the two constructs ($\beta$ = 0.479, $p$<0.01).

From a conceptual perspective, this finding accords with the existing literature on corporate reputation and organisational identification (Ahearne *et al.*, 2005; Lii and Lee, 2012). Besides, this finding also accords with the individual–company relationship literature (MacMillan *et al.*, 2005; Bhattacharya *et al.*, 2009), where it is argued that a positively perceived corporate reputation largely contributes to stakeholders' willingness to identify with the company.

From a practical viewpoint, it seems apparent that companies' efforts to improve their corporate reputation may ultimately increase stakeholders' identification with the company. Therefore, it is critical for companies to address the value of corporate reputation and its impact on organisational identification, since organisational identification may set the tone – 'quality' – for stakeholder–company relationships (Bhattacharya *et al.*, 2009).

***Hypothesis 4b***

The finding related to Hypothesis 4b sheds additional light on the link between corporate reputation and organisational disidentification (Elsbach and Bhattacharya, 2001; Bhattacharya and Elsbach, 2002). The link between perceptions of corporate reputation and organisational disidentification is fairly high ($\beta$ = -0.644, $p$<0.01) and shows a negative relationship between the two constructs. As such, this finding suggests that increases in positive perceptions of corporate reputation lead to decreases of organisational disidentification. This also suggests that stakeholders' disidentification will decrease if stakeholders' perceptions of corporate reputation improve.

In practical terms, this finding suggests that improvement of corporate reputation will ultimately lead to decreases in organisational disidentification. This will allow focusing on more complex stakeholder–company relationships, where strategies aimed at building reputations would result in improving negative relationships that the company may have with certain stakeholders.

***Overall implications of the results relating to Hypotheses 4a and 4b***

Critically, the findings discussed in this section provide additional support to the existing empirical evidence in the field of corporate reputation and organisational (dis)identification (Bhattacharya *et al.*, 1995; Elsbach and Bhattacharya, 1998; Elsbach and Bhattacharya, 2001; Sen and Bhattacharya, 2001; Bhattacharya and Elsbach, 2002; Bhattacharya and Sen, 2003; Ahearne *et al.*, 2005). Moreover, simultaneously applying two types of organisational identification (positive) identification and disidentification) sheds additional light on how perceptions of corporate reputation may result in diverse feelings of organisational (dis)identification among stakeholders.

Conceptually, these findings suggest that positive perceptions of corporate reputation contribute to increases in organisational identification and decreases of organisational disidentification. It is also interesting to note that, descriptively, the path from corporate reputation to organisational disidentification is stronger than the link from corporate reputation to organisational identification ($\beta$=-0.644 versus $\beta$=0.479).

When examining the relative importance of organisational identification and disidentification within the proposed reputation/(dis)identification model, it is also found that the $R^2$ value for the 'Organisational Identification' construct (0.229) is noticeably lower than the $R^2$ value for the 'Organisational Disidentification' construct (0.415). Descriptively, this suggests that perceptions of corporate reputation may have a stronger effect on organisational disidentification within the overall model than organisational identification.

It is interesting to note that the study on the effects of corporate reputation on organisational disidentification by Bhattacharya and Elsbach (2002) hypothesised that corporate reputation would affect disidentification more than identification. They argued that negative information (i.e. negative corporate reputation) could be perceived as more salient than positive information (i.e. positive corporate reputation) and, therefore, that corporate reputation would be more likely to impact organisational disidentification to a greater extent than organisational identification. Interestingly, the scholars did not find empirical support for this argument. This can be explained that the results were largely affected by the context of the study (the National Rifle Association).

The present study shows that corporate reputation has a large impact on organisational disidentification. Given that Volkswagen and its emissions scandal were chosen as a research context, it would already assume that corporate reputation would be low (Appendix 6). Hence, any further reputational gains are more likely to impact organisational disidentification at first.

In practical terms, companies' strategies aimed at building reputations could lead to and result in increases in organisational identification as well as in decreases in organisational disidentification. This is particularly important, since organisational (dis)identification can provide the company with information about what kind of relationship it has with its stakeholder. Hence, companies should carefully develop and address their reputational strategies to develop or improve their relationships.

However, it should be noted that large increases in organisational identification (or decreases in organisational disidentification) may not have the desired outcome. Following Dukerich *et al.* (1998), significant increases in organisational identification may lead to a '*pathology*', defined as *over-identification*. This type of connection between an individual and a company has a disruptive and destructive nature. As such, Dukerich *et al.* (1998) note that over-identification may lead to an automatic or presumptive trust towards the company, which ultimately leads to decreases in individuals' engagement with the company. Moreover, over-identification may lead to individuals' inability to question whether the company's actions are still legal and ethical, while denying any wrongdoings of the company.

Following the discussed outcomes, in practical terms companies should enhance organisational identification and, of course, reduce organisational disidentification to the extent, which will allow the company to anticipate stakeholders' behaviour reliably. Hence, the continuous monitoring of the current levels of organisational (dis)identification among stakeholders is required. This is because it may help to evaluate whether and which reputational strategies are essential and necessary as well as to estimate the behavioural outcomes of the implemented strategies.

## 8.8 The reputation/(dis)identification model – mediating role of organisational (dis)identification

Both organisational identification and disidentification play a central role in the reputation/(dis)identification model. It is proposed that organisational (dis)identification directly impacts supportive intended behaviour and at least partially mediates the impact of perceptions of corporate reputation on supportive intended behaviour. To decide whether the reputation/(dis)identification model can be described as partially mediated, fully mediated or not mediated at all, several tests were performed.

A summary of the research hypothesis and results relating to the value of organisational (dis)identification is provided in Table 8-5 below.

**Table 8-5. Summary of research hypothesis related to Proposition 4 (mediaton)**

| Hypothesis number | Hypothesis | Support for hypothesis |
|---|---|---|
| **H4c** | Organisational identification and disidentification at least partially mediate the relationship between perceptions of corporate reputation and stakeholders supportive intended behaviour towards the company. | **Supported**<br>The results presented in Chapter 7 support the hypothesis that both organisational identification and disidentification *partially* mediate the relationship between corporate reputation and stakeholders supportive intended behaviour towards the company. |

Figure 8-6 highlights the model paths and the related research hypothesis discussed in this section.

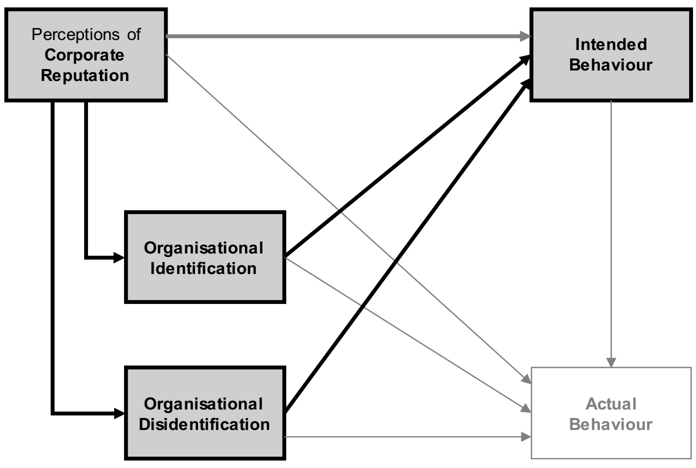


**Figure 8-6. Proposition 4 and related hypothesis (mediation)**

The reputation/(dis)identification model was tested for multiple mediation based on recommendations by Hair *et al.* (2016b) (see Chapters 6 and 7). The results suggest that the model is partially mediated. In other words, perceptions of corporate reputation impact the development of supported intended behaviour directly as well as indirectly via two mediating constructs of organisational identification and disidentification. This finding has important implications for theory development in the field of corporate reputation, organisational (dis)identification, and stakeholder-company relationships (Fishbein and Ajzen, 1975, 2011; Mael and Ashforth, 1992; Morgan and Hunt, 1994; MacMillan *et al.*, 2005).

The mediating role of organisational identification was conceptualised and based on evidence by Mael and Ashforth (1992), while the direct impact of corporate reputation on supportive intentions was based on Ponzi *et al.* (2011). This argument on the mediating role of organisational identification was then extended to the notion of organisational disidentification.

Considering both organisational identification and disidentification simultaneously within the model provides new evidence on complex relationships between individual stakeholders and companies, especially on the effects of perceptions of corporate reputation on supportive behavioural outcomes. The empirical evidence provided in this research supports the integration of both direct and indirect linkages. Researchers who would like to extent the present research and more generally advance the existing theories on corporate reputation and organisational (dis)identification within stakeholder–company relationships may consider including both direct and indirect linkages.

Overall, from a conceptual perspective, the research findings suggest that organisational (dis)identification partially mediates the relationship between perceptions of corporate reputation and supportive intended behaviour. This sheds additional light on the findings by Dutton *et al.* (1994) and Ahearne *et al.* (2005), who argue that individuals' (positive) perceptions of the organisational 'picture' may enhance their organisational identification. Moreover, expanding this argument to the notion of organisational disidentification, it is suggested that stakeholders' (positive) perceptions of the company's reputation may also decrease their disidentification.

The findings suggest that both organisational identification and disidentification can serve as a *buffer* in relationships between individuals and companies. Both organisational identification and disidentification will be influenced by perceptions of corporate reputation, but may not change immediately. For example, people who identify with the company may not be immediately affected by decreases in reputation. Since organisational identification suggests that a company and an individual share the same values, the process of identification can act as a protective shield for the individual's identity as well as that of the company.

It is important to note that positive corporate reputation may also be 'blocked' by feelings of disidentification. This highlights the importance of increasing stakeholders' identification with a company and decreasing disidentification, as the intended strategies aimed at building corporate reputation may not achieve desired outcomes.

From a practical perspective, in order to effectively manage stakeholders' organisational identification and disidentification as well as their behaviour towards the company, it is critical to understand the development each of these processes, specifically how people perceive a company and what they believe the company does. Companies should understand how the processes of organisational (dis)identification affect behaviour and are affected by individuals' perceptions of corporate reputation. Moreover, it is important to build effective (positive) stakeholder–company relationships, which are aimed not only at fostering organisational identification but also at reducing organisational disidentification among stakeholders, which may create additional benefits for a company, especially at times of crisis.

## 8.9 Overall view on the reputation/(dis)identification framework

The research findings suggest several important implications for theory and practice when evaluating the proposed reputation/(dis)identification framework. First, the model allows the expansion of the application of the existing reputational models to more complex stakeholder–company relationships by simultaneously implementing organisational identification and disidentification. Hence, to understand why some stakeholders engage in supportive behaviour while others do not, companies should evaluate whether individuals hold feelings of organisational (dis)identification.

Furthermore, the research findings suggest that organisational disidentification seems a highly influential factor in stakeholder–company relationships. Thus, increasing organisational identification may not be as effective as decreasing organisational disidentification. This is particularly important since organisational disidentification may not only prevent supportive behaviour but rather foster unsupportive and in some cases, destructive behaviour towards a company.

Second, considering positive perceptions of corporate reputation and organisational (dis)identification together within the reputation/(dis)identification model, all three constructs have a large predictive capability in relation to stakeholders' supportive intended behaviour (they explain more than 63 per cent of the variance of the 'Intended Behaviour' construct). Hence, companies should not only provide stakeholders with different reputational gains (e.g. better quality of products, improved leadership and workplace environment, etc.), but also evaluate their (dis)identification levels. More specifically, considering organisational (dis)identification as crucial mediators, employed reputational strategies could have wider effects on various stakeholders.

Third, despite the debate in the literature that positive corporate reputation is a good predictor of organisational identification (Mael and Ashforth, 1992; Ahearne *et al.*, 2005), this study provides additional evidence that, in fact, perceptions of corporate reputation may better predict organisational disidentification. From an organisational perspective, it means that improving corporate reputation via, for example, implementing various CSR practices would have a larger decreasing effect on stakeholders' disidentification with the company than on those who already feel identified with the company.

Fourth, the findings suggest that organisational (dis)identification can act as a buffer in stakeholder–company relationships. As such, organisational (dis)identification is influenced by positive perceptions of corporate reputation, but might not be substantially changed in the same way. For example, people who are already identified with a company may consider some negative events (that ultimately affect corporate reputation) insignificant. Hence their levels of organisational identification may not decrease. On the other hand, those who feel disidentified with a company may increase their negative feelings. Therefore, organisational identification can serve as means of goodwill, which can protect a company from negative events. Moreover, it is crucial to acknowledge that organisational disidentification can prevent positive perceptions of corporate reputation from turning into supportive behaviour on part of stakeholders.

From a practical perspective, companies may use organisational (dis)identification as an indicator of the nature of their relationships with stakeholders, since positive perceptions of corporate reputation do not always lead to supportive behaviours. Therefore, (dis)identification with a company can act as a measure of relationship quality. This is particularly useful at times when a company is going to launch a new reputational strategy, which can be assessed whether it reduces organisational disidentification and/or increases organisational identification.

In summary, the proposed reputation/(dis)identification model provides insight into complex stakeholder–company relationships, where the employed organisational (dis)identification play a special role to explain how perceptions of corporate reputation may affect stakeholder's behaviour towards companies.

### 8.10 Implications of the results relating to control group findings

The present study included three control groups, based on participants' gender, age, and ability to drive a car. The gathered findings are discussed below in that order.

**8.10.1 Controlling for gender.** When comparing male and female respondents, the findings suggest that there is a significant difference between the two groups when assessing perceptions of corporate reputation and behavioural outcomes. These findings suggest that males' perceptions of corporate reputation are major factors that boost their organisational identification and intentions to support a company. Interestingly, female respondents do not demonstrate similar patterns, whereas their supportive behaviour is greatly affected by their (positive) organisational identification feelings with the company.

From a practical perspective, this may mean that in the automotive industry male stakeholders tend to build their relationships with companies based on their feelings towards companies (i.e. positive perceptions of corporate reputation). Therefore, reputational strategies aimed at building reputations may positively contribute to an increase in supportive behaviour from their male stakeholders. However, same reputational gains may not achieve similar results among female stakeholders. Companies need to acknowledge that female stakeholders' behaviour is based on their levels of organisational identification. Hence, organisations, especially those within the automotive industry, should effectively manage their relationships with female stakeholders, aiming at enhancing their positive identification with a company, in order to anticipate their supportive behaviour. For a car manufacturer, this may be of a particular challenge due to the industry specification.

There are still a number of successful practitioners' examples of how a car manufacturer employs effective CSR strategies in order to build positive relationships with female customers as well as enhance their organisational identification. For instance, a Lexus dealer in the US organised a 'Car & Cupcakes' event in order to attract more women to buy cars (Bedgood, 2016).

**8.10.2 Controlling for age.** The study includes seven age groups, ranging from 18 to 75+. For the PLS-SEM purposes, these seven groups are rearranged into two large segments of Age (1) (18–44 years old) and Age (2) (45–75+ years old). The younger group of respondents demonstrate significant increases in their organisational identification levels in response to their positive perceptions of corporate reputation as well as increases in supportive intended behaviour as a result of their identification with the company. On the other hand, the Age (2) group shows a significant decrease in how their disidentification with the company is affected by positive perceptions of corporate reputation.

From a practical perspective, companies' reputation strategies aiming at boosting positive perceptions among stakeholders could largely benefit in increasing young individuals' identification with the company as well as decreasing disidentification among older stakeholders. Furthermore, it is important for companies to monitor organisational disidentification levels and engage with older stakeholders in order to create positive relationships with them, which in turn contributes to supportive intended behaviour.

**8.10.3 Controlling for respondents' ability to drive a car.** The final data-checking processes includes testing whether there is any difference between people who can drive a car and those who do not drive a car. This differentiation is particularly important when testing the model within the automobile industry, since the proposed two groups might reflect how stakeholders' involvement with the car manufacturer can affect their perceptions and behaviour.

The findings provide evidence that there is a significant difference when comparing the two groups. The group of people who could drive a car shows a significant difference within two of the model's paths: from perceptions of corporate reputation to organisational identification and from perceptions of corporate reputation to supportive intended behaviour. The next path, leading from perceptions of corporate reputation to organisational disidentification, is stronger for those who do not drive.

From a practical perspective, people who do not drive a car would exhibit certain levels of organisational disidentification with a company that manufactures cars. Despite the fact that these individuals might not be a priority stakeholder group, they are crucial to the company's well-being for a number of reasons. First, these stakeholders may be prospective consumers or employees. Second, they could also be more likely to spread negative word-of-mouth due to their 'disconnection' with the company, which can be highly destructive. Therefore, organisations might be willing to aim at increasing various reputational benefits for those stakeholders, since they can significantly decrease disidentification with the company.

Increases (or improvements) in corporate reputation could help not only to decrease disidentification among those who do not drive cars but also to increase drivers' identification with the company. This is particularly important in that drivers who exhibit positive identification with a company are more likely to increase their supportive intended behaviour, which in turn would contribute to the development of positive company–stakeholder relationships.

In summary, the proposed differentiation of stakeholders provides additional support for the proposed reputation/(dis)identification model. As such, companies should address at least three groups (age, gender, and, in the case of automotive industry, ability to drive a car) among their stakeholders, as the implication of various strategies may affect stakeholders in different ways.

## 8.11 Simple moderation – discussing the findings

Before discussing the results related to the interaction between messages and (dis)identification with messengers, it is essential to briefly discuss the results that this study provides on simple moderation of separately messages, messengers, and (dis)identification with messengers. This is then followed by the discussion of moderating effects of the interaction tested within two contexts of two diverse messengers (environmental scientist versus Volkswagen driver). To remind the reader of the structure of this chapter, the rest of this chapter is structured in the following order:

*Section 8.11.1: Moderating effects of message framing*
*Section 8.11.2: Moderating effects of messenger contexts*
*Section 8.11.3: Moderating effects of simple interactions*
*Section 8.11.4: Moderating effects of (dis)identification with the messenger*
*Section 8.12: Moderating effects of the message–messenger interaction*

**8.11.1 Moderating effects of message framing.** This study includes two message framings, positive and negative, which demonstrated significantly different moderating impacts on the model's paths.

The research findings provide evidence to the existing body of literature on the message framing moderating effects within the reputation/(dis)identification model. Positive messages are found to have a moderating impact on the relationship between perceptions of corporate reputation and organisational identification. Even though some studies argue that negative messages have a larger impact on people's perceptions, feelings, and attitudes (Herr *et al.*, 1991; Klein and Dawar, 2004; Einwiller *et al.*, 2006b), this study accords with the argument that positively framed messages have a capability of increasing stakeholder's feelings of companies (Levin and Gaeth, 1988; Levin and Behrens, 2003).

From a practical point of view, companies may increase organisational identification among stakeholders by effectively communicating positively framed messages about what the company does and what it stands for (e.g. its mission, vision, core values, etc.). Positively framed messages could be perceived by stakeholders who feel identified with the company as somewhat of a confirmation of already-formed positive perceptions of the company.

Interestingly, there is also a moderating impact of a negatively framed message identified within the model. The negative message has a significant moderating impact on the relationship between organisational identification and supportive actual behaviour. This accords with the preceding studies (e.g. Einwiller *et al.*, 2006b), where researchers argue that negative information may challenge stakeholders' beliefs about the company, but their feeling of organisational identification is so strong that individuals would be more likely to exhibit *protective* behaviour and 'preserve' their perceptions of the company.

This finding is particularly interesting for practice. When a company is interested in enhancing supportive behaviour among stakeholders, negatively framed messages may help to induce supportive behaviour. For example, after the Volkswagen emissions scandal occurred, polls showed that two-thirds of Germans still trusted Volkswagen and three-quarters claimed that they would still buy a Volkswagen car if they liked the vehicle (Löhr, 2015). This example demonstrates that, despite the amount of negative information regarding the scandal, people's intended behaviour was not decreasing. However, it is crucial to realise that these negative messages would affect only stakeholders who already feel identified with the company (as may be the case with the German population and the German car manufacturer Volkswagen).

Despite the provided evidence on the message framing effects, the moderating impact of message framing is not that strong. Following the previous work on message framing, this could mean there may be other factors (i.e. messengers and people's feelings towards them) that would amplify the message framing effects.

**8.11.2 Moderating effects of messenger contexts.** The literature suggests that messengers (i.e. the credibility of 'message sources') have a specific impact on how individuals perceive a company and form their perceptions of corporate reputation (Fombrun, 1996; Duncan and Moriarty, 1998). Furthermore, it is suggested that, typically, messengers per se might not have a direct impact on people's feelings or opinions (Ruth and York, 2004).

In this study, two messengers have been employed – an environmental scientist and a Volkswagen driver, whose credibility scores were found fairly similar. The research findings on whether the messenger (i.e. its context) would have a moderating impact on any of the model's paths do not provide any evidence to support the claim.

In practical terms, companies very often choose a credible source for their communication. However, in some cases people would value more '*who is telling a story*' and what they feeling towards them, rather then just a simple acknowledgment of the messenger as an entity.

**8.11.3 Moderating effects of simple interactions.** Following Ruth and York (2004), messengers might not have a direct effect (as has been discussed in Section 8.11.2 above), but, rather, they have robust interaction with the message effects. To test this assumption, the proposed reputation/(dis)identification model is evaluated whether the interactions between a positively/negatively framed message from the environmental scientist and from the Volkswagen driver would have any significant difference.

The research findings showed fairly weak support for group differences when comparing the interaction between the same message and two different messengers[1] (see Section 7.13.3). However, it is still not clear why people

[1] The findings on simple interaction moderating effects showed that the message–messenger interaction has a moderating capability to impact the relationships within the reputation/(dis)identification model. It is found that a positive message about a company, when delivered by a specific messenger, helps to decrease organisational disidentification, which in turn lead to increases in stakeholders' supportive actual behaviour. When there is the same negative message delivered by two different messengers, the interaction has a moderating impact on the relationship between corporate reputation and supportive intended behaviour.

react differently to the same messenger. In other words, the simple interaction between a message and its messenger does not explain why and how people's positive perceptions of corporate reputation and organisational (dis)identification lead to increases in behavioural outcomes. It is suggested that companies should address the value of *who* is communicating the message and what people feel towards the messenger. Therefore, the results of (dis)identification with the messenger effects will be discussed in the next section.

**8.11.4 Moderating effects of (dis)identification with the messenger.** The research findings provide empirical evidence for the argument that feelings towards a messenger (i.e. (dis)identification with the messenger) play a crucial role in developing of perceptions of corporate reputation, organisational (dis)identification, and related behavioural outcomes.

***Identification with the messenger***

The research findings suggest that when individuals feel identified with a messenger, or, in other words, they feel a strong connection with the messenger, they tend to exhibit their positive attitudes and intended behaviour towards the company (via increases in positive perceptions of corporate reputation and increases in organisational identification) more strongly. On top of that, individuals who feel highly identified with the messenger are more likely to engage in supportive intended behaviour. It is interesting to note that individuals who do not feel strongly identified with the messenger show a larger decrease in their organisational disidentification in response to increases in perceptions of corporate reputation.

***Disidentification with the messenger***

The research findings on the effects of disidentification with the messenger provide support for the notion of its moderating impact. As such, it is suggested that when individuals feel high and low disidentification with messengers, or, in other words, they feel a strong or weak *disconnection* with them, the magnitude of five relationships within the reputation/(dis)identification model becomes significantly larger.

As such, the findings suggest that when individuals feel highly disidentified with the messenger this may trigger larger increases in the effects of corporate reputation on organisational identification and supportive intended and actual behaviour. Interestingly, when individuals feel a weak disidentification with the messenger this triggers a stronger increase in organisational disidentification in response to decreasing perceptions of corporate reputation.

***<u>Overall implications of the results relating to (dis)identification with the messenger effects</u>***

The findings related to (dis)identification with the messenger effects complement and expand the existing body of literature on the effects of the messenger (Birnbaum and Stegner, 1979; Goldsmith *et al.*, 2000; Jones *et al.*, 2003; Tormala *et al.*, 2007; Li *et al.*, 2013; Jin and Phua, 2014). That is, the analysis of (dis)identification with the messenger shows how people's feelings towards *who* is telling a story can affect and change their own attitudes, intentions, and behaviour towards the company.

Theoretically, these findings accord with drama theory by Burke (1969), where he claims that the stronger the audience identifies with the character, the more affected they are by his/her performance. Furthermore, the proposed findings complement the theory by expanding it to disidentification with the messenger.

In practical terms, these findings suggest that people's feelings towards *who is telling a story* have an impact on how they perceive a company and how they act towards it. However, in real-world situations, feelings towards the messenger (dis)identification) are also interlinked with various messages.

Quoting Burke (1969: p. 46),

> *We might well keep in mind that a speaker persuades an audience by the use of stylistic identifications; his act of persuasion may be for the purpose of causing the audience to identify itself with the speaker's interests; and the speaker draws on identification of interests to establish rapport between himself and his audience.*

## 8.12 The moderating impact of the message–messenger interactions

Chapter 3 described the message–messenger interaction as the interplay between message framings (positive or negative) and individuals' (dis)identification with the messenger. In total, these interactions represent four dimensions: positive message and identification with the messenger; negative message and identification with the messenger; positive message and disidentification with the messenger; and negative message and disidentification with the messenger (Figure 8-7). These interactions are assumed to have a moderating impact on the formation of perceptions of corporate reputation, organisational (dis)identification, and related behavioural outcomes. The research findings indicate that all four message–messenger interactions demonstrate significant differences in the related subgroups in the paths within the reputation/(dis)identification model.

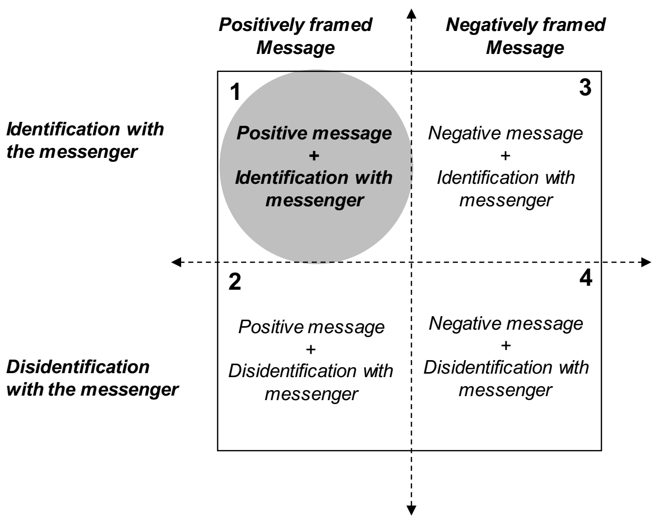


**Figure 8-7. The findings related to quadrant (1) of the message–messenger interaction**

The research findings for all the related hypotheses are presented and discussed below, starting from quadrant (1) and continuing to quadrant (4). The research findings provide support for these hypotheses, testing for moderation free from the context and within the contexts (messenger as the environmental scientist versus the Volkswagen driver).

**8.12.1 Discussing the moderating impact of the interaction related to quadrant (1).** Table 8-6 shows the hypothesis related to quadrant (1) and related results are discussed below.

**Table 8-6. Summary of research Hypothesis 5 related to the moderating effect**

| Hypothesis number | Hypothesis | Support for hypothesis |
|---|---|---|
| **H5** | The interaction between a positively framed message and stakeholder's identification with a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company. | **Supported**<br>The results presented in Chapter 7 support the hypothesis that the interaction between a positively framed message and stakeholder's identification with a messenger moderates five relationships within the reputation/(dis)identification model: between corporate reputation and organisational identification; corporate reputation and organisational disidentification; organisational identification and supportive intended behaviour; organisational identification and supportive actual behaviour; organisational disidentification and supportive intended behaviour. |

***Quadrant (1) (free from context)***

There are significant differences between individuals who received a positive message from the messenger, whom they highly identified with, compared to those who felt less identified with the same messenger, in five paths within the model. The first three paths relate to how perceptions of corporate reputation could amplify stakeholders' organisational identification and result in supportive intended and actual behaviour. These three paths are stronger for those individuals who were highly identified with the messenger and received a positive message. The other two paths, which describe links between perceptions of corporate reputation and organisational disidentification and between organisational disidentification and supportive intended behaviour, are significantly stronger for those individuals whose identification with the messenger was relatively weak.

These findings accord with initial assumptions outlined in Chapter 4. It suggests that the interaction between a positive message and identification with a messenger will help individuals to develop their relationship with a company. These relationships can be developed via strengthening the links between perceptions of corporate reputation, organisational (dis)identification, and supportive behavioural outcomes. More specifically, when an individual feels highly identified with the messenger (i.e. when the individual feels an active connection with the messenger) interlinked with a positive message about the company, this would increase the magnitude between their perceptions of corporate reputation and organisational identification, as well as between organisational identification and supportive intended and actual behaviour.

It is also interesting to note that when individuals' identification with the messenger is weak this interaction triggers a larger effect on the link between perceptions of corporate reputation and organisational disidentification. As a result, a positive message that comes from a messenger whom the audience does not feel strongly about may still increase positive perceptions of corporate reputation, which in turn would significantly decrease organisational disidentification.

These findings also accord with confirmation bias theory (e.g. Trope and Bassok, 1982; Dardenne and Leyens, 1995; Nickerson, 1998). Hence it is possible to argue that those individuals who, for example, already feel positive towards a company in terms of its reputation would increase their positive feelings of the company and supportive intentions under the effect of the positive message from a positively perceived messenger.

The research findings also suggest that when there is an *alignment* between a message and a messenger (positive message comes from a messenger that people feel identified with), this aligned interaction can have a strong positive effect on the development or improvement of relationships between stakeholders and the company. Therefore, it can be suggested that, when an interaction (e.g. between a *positive* message and *identification* with the messenger) is aligned (in terms of its *positive* characteristics), the implementation of such an interaction could lead to a positive (desired) outcomes on part of stakeholders. This is discussed in more detail in Chapter 9.

In practical terms, the findings related to the discussed interaction suggest that, when a company employs positive information about their business and chooses a messenger whom their stakeholders identify with, this may help the company to better predict as well as to increase stakeholders' identification with the company, while decreasing their disidentification. Moreover, this will ultimately lead to an increase in supportive intended behaviour from stakeholders.

The discussed free-from-context results have also been supported when testing for moderation within two contexts – environmental scientist and Volkswagen driver as two diverse messengers.

***<u>Quadrant (1) (environmental scientist versus Volkswagen driver)</u>***

The research findings related to testing Hypothesis 5 within the context of the environmental scientist show a fair confirmation of positive interaction moderating impacts within the reputation/(dis)identification model. As such, the results suggest that those people who did not strongly identify with the scientist (low in identification), who sent a positive message about the company, demonstrated a large effect of corporate reputation on organisational disidentification. This means that when, for example, people perceive a corporate reputation as decreasing, a positive message from a messenger whom they do not feel particularly strong about can trigger even higher levels of organisational disidentification.

The results are again in line with confirmation bias theory. When people perceive a company's reputation as decreasing, positive information that comes from the messenger may not have a positive impact, since it does not confirm their existing perceptions and beliefs about the company. Therefore, this message–messenger interaction would rather lead to a larger negative effect by increasing organisational disidentification.

Similar results are obtained when testing the interaction within the context of the Volkswagen driver. As such, the interaction between a positive message and high identification with the driver is found to have a moderating impact on the relationships between corporate reputation, organisational identification, and supportive intended behaviour. Similar to the discussion on the context-free interaction, these findings accord with drama theory by Burke (1969), such that, when the audience feels a strong connection with the messenger, his/her message may have a large positive effect on people's organisational identification as well as triggering positive supportive intended behaviour towards the company.

***Overall implications of the results relating to Hypothesis 5***

The research findings related to Hypothesis 5 provide new insight into how the positive interaction (between a positively framed message and identification with the messenger) can moderate relationships between perceptions of corporate reputation, organisational (dis)identification, and supportive intended and actual behaviour towards a company. As such, *positively aligned message–messenger interaction* has a capability to help to enhance the effect corporate reputation has on organisational (dis)identification as well as to better predict supportive behaviour from stakeholders towards the company.

This finding contributes to the existing body of literature on corporate reputation, stakeholder–company relationships, and message–messenger effects, such that the positive interaction may help to amplify as well as better predict corporate reputation effects on behavioural outcomes. For example, those stakeholders who perceive corporate reputation as positive might increase in organisational identification (and decrease in disidentification) under the effect of the aligned positive interaction. Moreover, these stakeholders are more likely to exhibit supportive positive behaviours towards the company in response to this interaction. In practical terms, understanding the impact of the message–messenger interaction would help companies to evaluate and assess relationships with their stakeholders.

**8.12.2 Discussing the moderating impact of the interaction related to quadrant (2).** This section will address the findings related to Hypothesis 6 outlined in quadrant (2) of the message–messenger matrix (Figure 8-8).

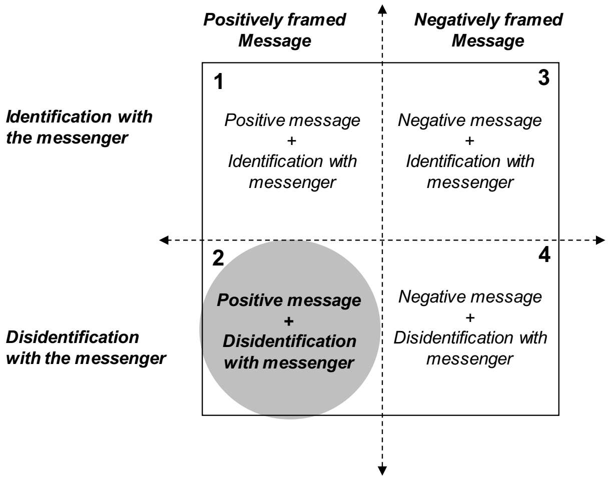


**Figure 8-8. The findings related to quadrant (2) of the message–messenger interaction**

Table 8-7 shows the hypothesis related to quadrant (2) and the related results are discussed below.

**Table 8-7. Summary of research Hypothesis 6 related to the moderating effect**

| Hypothesis number | Hypothesis | Support for hypothesis |
|---|---|---|
| **H6** | The interaction between a positively framed message and stakeholder's disidentification with a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company. | **Supported**<br>The results presented in Chapter 7 support the hypothesis that the interaction between a positively framed message and stakeholder's disidentification with a messenger moderates **four** relationships within the reputation/(dis)identification model between: corporate reputation and organisational identification; organisational identification and supportive intended behaviour; organisational identification and supportive actual behaviour; supportive intended behaviour and supportive actual behaviour. |

***<u>Quadrant (2) (free from context)</u>***

There are significant differences between individuals who received a positive message from a messenger whom they highly disidentified with, compared to those who felt less disidentified with the same messenger, in four paths within the model. Most notably, when individuals possess high levels of disidentification with the messenger, its interaction with a positive message could increase the effect of corporate reputation on organisational identification, which in turn would lead to changes in supportive intended and actual behaviour. Additionally, in cases when individuals do not feel particularly disidentified with the messenger (low in disidentification), the positive message from such a messenger may trigger individuals to enact their supportive actual behaviour towards the company in response to their supportive intentions.

In theoretical terms, these findings provide new evidence on how the message–messenger interaction may affect the reputation/(dis)identification model. These findings shed light on the message–messenger interplay, specifically on this *misaligned interaction*, where a positive message comes from a messenger whom people feel disconnected with. These findings may be addressed from the theory of cognitive dissonance (e.g. Festinger, 1957, 1964). As such, people could face a mismatch between a positive message and a negatively perceived messenger, being unsure why somebody who is totally different from or in conflict with their selves, would say anything positive about the company they like.

Although the messenger is perceived in a negative way, this messenger still provides positive information about the company. Hence, despite its negative qualities, the messenger does not ‘threaten’ the individual’s beliefs about the company (i.e. his/her (positive) perceptions of corporate reputation) and the positive message is perceived in a way that could increase the relationship between perceptions of corporate reputation, organisational identification, and supportive intended and actual behaviour.

***Quadrant (2) (environmental scientist versus Volkswagen driver)***

The findings gathered from testing of Hypothesis 6 within the context of the environmental scientist and the Volkswagen driver are in line with the context-free findings. In addition, the context of the messenger provided more insight into the discussed outcomes.

Looking at the Volkswagen driver as a messenger, the results show that the interaction between a positive message and disidentification with the driver not only moderates the relationship between perceptions of corporate reputation, organisational identification, and supportive behaviours, but also the relationship between perceptions of corporate reputation and organisational disidentification. This may mean that some individuals may openly disidentify with the Volkswagen driver (e.g. they may not drive a car at all) but still hold positive perceptions of the company (Volkswagen’s corporate reputation), which may trigger large decreases in organisational disidentification.

In the case of the environmental scientist, the results also suggest that when people hold high levels of disidentification with the messenger, the positive message could still trigger supportive actual behaviour. This is particularly true when organisational disidentification is decreasing.

***Overall implications of the results relating to Hypothesis 6***

The research findings related to Hypothesis 6 provide new insight into how the interaction between a positively framed message and disidentification with the messenger might moderate relationships between perceptions of corporate reputation, organisational (dis)identification, and supportive intended and actual behaviour towards the company. As such, this *misaligned message–messenger interaction* has the capability to help to enhance effects that perceptions of corporate reputation have on organisational (dis)identification as well as to better predict supportive behaviour from stakeholders towards the company.

In other words, people may feel disconnected with the messenger (such that their identities may be separated or even in conflict with one of the messenger). However, when such a messenger provides a positive information about the company, this may lead to positive outcomes for the company, such that people might demonstrate higher levels of organisational identification as well as a stronger desire to support the company under the effect of this this interaction.

From a conceptual perspective, the research findings related to Hypothesis 6 contribute to the body of literature, suggesting that message and messenger may be perceived as disconnected (i.e. not aligned) but they may still lead to positive outcomes for organisations. On top of that, the results suggest that disidentification with the messenger as a separate stance of understanding how people perceive messengers plays a crucial role in message perceptions.

From a practical perspective, the research findings suggest that companies may use this interaction in situations when the choice of an aligned messenger is difficult. For example, it would be more practical to employ this interaction if a financial officer communicates (positive) messages about increases in financial performance of the company. Thus, it may be expected that some stakeholders (e.g. customers) would still feel disidentified with the officer as a messenger, however the overall interaction with the positive message might increase their positive perceptions of corporate reputation, which will ultimately trigger increases in organisational identification and behavioural outcomes.

**8.12.3 Discussing the moderating impact of the interaction related to quadrant (3).** This section will address the findings related to Hypothesis 6 outlined in quadrant (3) of the message–messenger matrix (Figure 8-9).

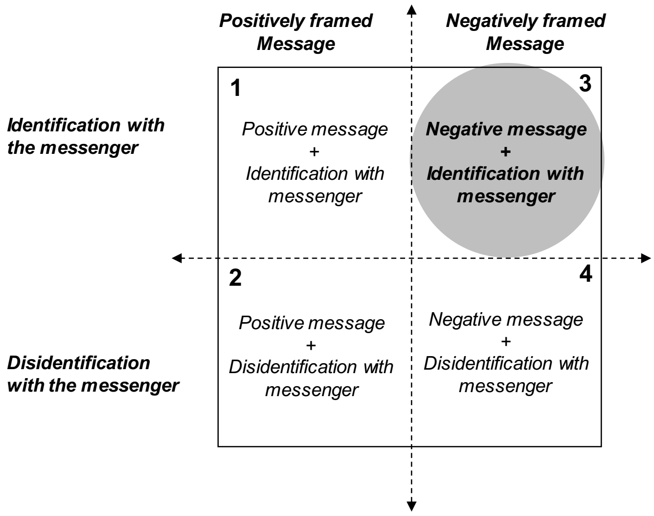


**Figure 8-9. The findings related to quadrant (3) of the message–messenger interaction**

Table 8-8 shows the hypothesis related to quadrant (3) and the related results are discussed below.

**Table 8-8. Summary of research Hypothesis 7 related to the moderating effect**

| Hypothesis number | Hypothesis | Support for hypothesis |
|---|---|---|
| **H7** | The interaction between a negatively framed message and stakeholder's identification with a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company. | **Supported**<br>The results presented in Chapter 7 support the hypothesis that the interaction between a negatively framed message and stakeholder's identification with a messenger moderates **three** relationships within the reputation/(dis)identification model between: corporate reputation and organisational identification; corporate reputation and organisational disidentification; organisational identification and supportive intended behaviour. |

## ***Quadrant (3) (free from context)***

There are significant differences between individuals who received a negative message from a messenger whom they highly identified with, compared to those who felt less identified with the same messenger, in three paths within the model.

Most notably, when individuals do not feel a strong identification with a messenger who sends a negative message about the company, they show a larger negative effect of corporate reputation on their organisational disidentification levels. In order words, it is suggested that negative message from a positively perceived messenger may affect how people perceive corporate reputation and their affiliation (disidentification) with the company. For example, some individuals may already hold a low level of connection with the messenger (low in identification) but find the negative message informative. Hence, this interaction may reduce perceptions of corporate reputation and in turn will trigger a sharp increase in their disidentification.

In addition, the research findings suggest that when people feel highly identified with the messenger the interaction with the negative message may have a significant effect on the links between corporate reputation, organisational identification, and supportive intended behaviour. For example, people may feel a strong connection with the messenger (high in identification), and in turn the negative message will be perceived in a way that will significantly affect how people perceive the company as well as the quality (i.e. organisational identification) of their relationship with the company.

***<u>Quadrant (3) (environmental scientist versus Volkswagen driver)</u>***

The obtained results from the testing of Hypothesis 7 within the context of the environmental scientist and the Volkswagen driver are somewhat in line with the context-free findings.

Looking at the effects of identification with the Volkswagen driver who communicated a negative message, only one path between corporate reputation and organisational disidentification is found to be moderated by the proposed interaction. First, this suggests that the context of the messenger (specifically related to people’s (dis)identification towards them) is highly important. Second, the proposed interaction may enhance the effects of perceived corporate reputation and organisational disidentification. As a result, people who do not feel very strongly identified with the driver perceive the negative message in such a way that their perceptions of corporate reputation would reduce, which will ultimately trigger increases in their organisational disidentification.

When looking at the effects of the interaction between identification with the environmental scientist and a negative message, the research findings provide additional support to the results obtained when testing for moderating effects free from context. Moreover, the findings on the testing of Hypothesis 7 within the context provide new insight into how the interaction between a negative message and identification with the messenger may impact the relationships within the reputation/(dis)identification model.

As such, it is suggested that this interaction has a cancellation effect on the link between corporate reputation and supportive actual behaviour. In other words, it suggests that when people receive this *misaligned* message–messenger interaction, it prevents them from enacting supportive behaviour. This is because, for example, people may find the mismatch between a negative message and identification with the messenger perplexing, such that they would not comprehend why the messenger (whom they think is very like their selves) would say anything negative about the company that they like (i.e. positive perceptions of corporate reputation).

***Overall implications of the results relating to Hypothesis 7***

The research findings related to Hypothesis 7 provide new insight into how the interaction between a negatively framed message and identification with the messenger may moderate relationships between perceptions of corporate reputation, organisational (dis)identification, and supportive intended and actual behaviour towards the company.

As such, the research findings suggest one more *misaligned message–messenger interaction* – between a negative message and identification with the messenger – and this interaction is found to have a significant impact on how people perceive corporate reputation, their organisational (dis)identification, and supportive intended and actual behaviour.

From a conceptual perspective, the research findings related to Hypothesis 7 contribute to the body of literature, suggesting that message and messenger may be perceived as disconnected (i.e. not aligned) and that the outcomes of the interaction effects are fairly difficult to predict.

As a result, companies should carefully assess current stakeholders' perceptions of corporate reputation as well as the quality (organisational (dis)identification) of the existing relationship, before implementing this message–messenger interaction. For example, if current corporate reputation is fairly positive, the discussed interaction may enhance the impact of corporate reputation on how much people identify with the company, and in turn would enable them to enact supportive intended behaviour. On the other hand, it should also be noted that this interaction may be found confusing by some stakeholders, which will lead to a disruption or prevention of supportive actual behaviour.

**8.12.4 Discussing the moderating impact of the interaction related to quadrant (4).** This section will address the findings related to Hypothesis 6 outlined in quadrant (4) of the message–messenger matrix.

Figure 8-10 shows the message-messenger interaction matrix and highlights the interaction that is discussed below.

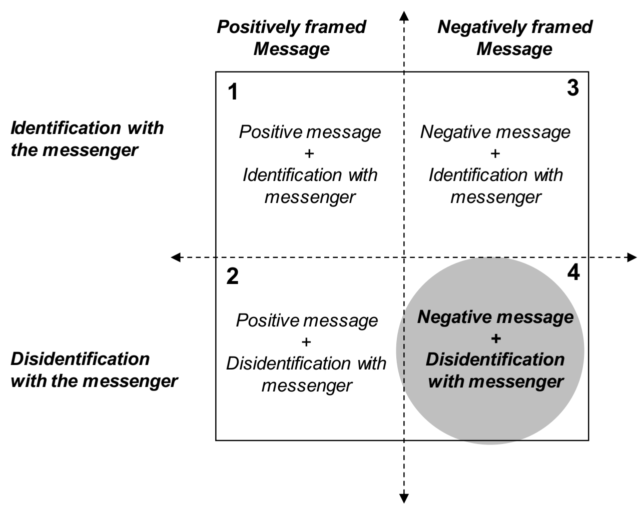


**Figure 8-10. The findings related to quadrant (4) of the message–messenger interaction**

Table 8-9 shows the hypothesis related to quadrant (4) and the related results are discussed below.

**Table 8-9. Summary of research Hypothesis 8 related to the moderating effect**

| Hypothesis number | Hypothesis | Support for hypothesis |
|---|---|---|
| **H8** | The interaction between a negatively framed message and stakeholder's disidentification with a messenger moderates the relationships between perceptions of corporate reputation, stakeholders' organisational (dis)identification, and their supportive intended and actual behaviour towards the company. | **Supported**<br>The results presented in Chapter 7 support the hypothesis that the interaction between a negatively framed message and stakeholder's disidentification with a messenger moderates **six** relationships within the reputation/(dis)identification model between: corporate reputation and organisational identification; corporate reputation and organisational disidentification; corporate reputation and supportive actual behaviour; organisational identification and supportive intended behaviour; organisational disidentification and supportive actual behaviour; supportive intended behaviour and supportive actual behaviour. |

***Quadrant (4) (free from context)***

There are significant differences between individuals who received a negative message from a messenger whom they highly disidentified with, compared to those who felt less disidentified with the same messenger, in six paths within the model.

The research findings related to Hypothesis 8 demonstrate most interesting (and somewhat unexpected) results for the moderating effect of the message–messenger interaction. As such, the results show that when individuals receive a negative message from a messenger that they feel highly disidentified with, they tend to demonstrate a larger effect of perceptions of corporate reputation on organisational identification, and in turn on supportive intended behaviour.

This finding accords with the recent work by Einwiller *et al.* (2006b: p. 187), suggesting that when individuals hold strong (positive) perceptions of corporate reputation as well as feel high levels of identification with the company, negative information may 'evoke the motivation to protect self-defining beliefs and the meaning derived from a relationship with a company'.

Hence, this study provides additional evidence to the effect of negative messages, specifically coming from a negatively perceived messenger (high in disidentification). This *negative* interaction is found to have a large effect on how people perceive a company and act upon it.

On top of that, the research findings show that this negative interaction also has a strong effect on the link between perceptions of corporate reputation and supportive actual behaviour, such that this interaction (negative message + high disidentification with the messenger) triggers individuals to act in a supportive manner towards the company about which they receive negative messages. This finding alone adds a significant value to reputation theory as well as the literature on the interaction between messages and messenger.

Finally, the interaction between a negatively framed message and weak disidentification with the messenger is also found to have a moderating impact on the relationships between perceptions of corporate reputation, organisational disidentification, and supportive actual behaviour. Interestingly, when people do not see a messenger in a strong negative way (i.e. low in disidentification), they may perceive provided negatives message about the company as informative and somewhat accurate. This in turn may lead to, for example, decreases in perceptions of corporate reputation and ultimate increases in organisational disidentification. Following the reputation/(dis)identification model, significant increases in organisational disidentification will trigger reduction in supportive actions towards the company. These findings also accord with the existing literature (e.g. Ahluwalia, 2002; Einwiller *et al.*, 2006b), where the scholars argue that when individuals 'do not see a company as important to their senses of self and whose beliefs about the company are not as strongly self-defining', they may perceive any negative message as accurate and informative, which may lead to reconsideration of their attitudes, intentions, and behaviour towards the company (Einwiller *et al.*, 2006b: p. 187).

***Quadrant (4) (environmental scientist versus Volkswagen driver)***

The obtained results from the testing of Hypothesis 8 within the context of the environmental scientist and the Volkswagen driver provide additional support to the context-free findings. More specifically, the findings provide evidence to the initial claim made in this thesis that disidentification with the messenger matters when people assess a message and act upon it.

Looking at the environmental scientist as a messenger, who sent a negative message about the company, the research findings provide full additional support to the outcomes of the testing of Hypothesis 8. For example, people who found their selves distant from (or maybe in conflict with) the scientist could perceive the message–messenger interaction as a potential 'threat' to their beliefs or an extra motivation to protect their views and opinion about the company, which in turn triggered more supportive and defensive behaviour towards the company.

Interestingly, when looking at the Volkswagen driver as a messenger, the research findings are in line with the context-free outcomes, however with some distinctive differences. The findings showed only three significantly different paths when comparing high and low disidentification with the driver, who sent a negative message about the company. All the paths are related to the links between perceptions of corporate reputation, organisational identification and supportive intended behaviour.

Therefore, building upon Ahluwalia (2002) and Einwiller *et al.* (2006b), when people disassociate with a specific messenger, this interaction may affect only whose individuals who feel identified with the company and perceive overall corporate reputation as positive. On an interesting note, this interaction may not have a significant impact on people who hold certain levels of disidentification with the company.

***<u>Overall implications of the results relating to Hypothesis 8</u>***

The research findings related to Hypothesis 8 provide new insights into how the interaction between a negatively framed message and disidentification with the messenger may moderate relationships between perceptions of corporate reputation, organisational (dis)identification, and supportive intended and actual behaviour towards the company. As such, the research findings suggest that the discussed *negative interaction* between a negative message and disidentification with the messenger have various moderating effects within the reputation/(dis)identification model. Moreover, as is discovered, this interaction may be defined as *aligned*, since both entities (a message and a messenger) are perceived in a negative light.

From a theoretical perceptive, the research findings related to Hypothesis 8 largely contribute to the existing body of literature on message framing, message–messenger interactions, corporate reputation, and organisational (dis)identification (Block and Keller, 1995; Maheswaran and Meyers-Levy, 1990; Chaiken and Maheswaran, 1994; Meyers-Levy and Maheswaran, 2004; Ruth and York, 2004; Einwiller *et al.*, 2006b; Einwiller *et al.*, 2010).

When individuals already perceive corporate reputation in a positive light, and in turn their organisational identification is increasing, the negative interaction may trigger extra motivation among those stakeholders to enact supportive (and maybe defensive) actions towards the company. Interestingly, when individuals hold certain levels of disidentification with the company the impact of this negative interaction may lead to more destructive consequences for companies, e.g. decreased or misplaced supportive behaviour on part of stakeholders towards the company.

From a practical perspective, the research outcomes related to the effects of the negative interaction are particularly important, especially in times of crisis. For example, during a crisis, stakeholders may receive negative information from various messengers, which may impact differently. As such, companies should evaluate current levels of stakeholders' (dis)identification with the company, since it may help to anticipate how negative messages and messengers affect stakeholders' perceptions. Such that, those stakeholders who already hold high levels of identification with the company may be positively affected by the negative interaction, and they will be more motivated to protect the company by enacting supportive behaviour.

On the other hand, those individuals who disidentified with the company may be prevented from any supportive actions towards the company by the negative message–messenger interaction.

### 8.13 Conclusion

The chapter provided a detailed discussion of the obtained results related to the proposed reputation/(dis)identification and moderated models. It has been outlined that the research findings have a wide set of theoretical and practical implications.

From a theoretical perspective, the study showed that the reputation/(dis)identification model contributes to the large body of knowledge on corporate reputation within stakeholder–company relationships, organisational (dis)identification, and supportive intended and actual behaviour. Moreover, confirmed moderating effects of the message–messenger interactions (in all four discussed forms) may help to explain why and how reputational strategies aimed at improving reputation may lead to undesired outcomes for companies.

From a practical perspective, the research findings provide mechanisms that may help to explain how stakeholders perceive corporate reputation and how it may trigger their feelings of affiliation with the company (organisational (dis)identification). Furthermore, understanding effects that different message–messenger interactions may have on stakeholders can help companies to better develop and communicate their reputational strategies as well as proactively assess how non-corporate messengers contribute to the development of corporate reputation and organisational (dis)identification and enable stakeholders' behaviour towards the company.

This chapter provided a detailed discussion on the theoretical and practical implications of the research findings. However, due to the complexity of both reputation/(dis)identification and moderated models, as well as the richness of the obtained results, it is essential to summarise the implications of this study. Hence, the final chapter of this thesis will provide the reader with an overview of key themes of the research implications.

# CHAPTER 9. FINAL DISCUSSION AND CONCLUSIONS

**This chapter provides a summary of the research implications as well as wider implications for scholars and practitioners. As such, Section 9.1 provides an introduction and overview of the chapter. Next, Section 9.2 outlines the overall conceptual implications related to the reputation/(dis)identification and moderated models. Then Section 9.3 goes on to discuss the overall practical implications related to the reputation/(dis)identification and moderated models. The chapter concludes with the research limitations and suggestion for future research (Section 9.4), followed by concluding comments related to the whole thesis.**

## 9.1 Introduction

The final chapter of this thesis discusses overall findings of the research. It seems essential to draw a final overview of the obtained results owing to the complexity of the proposed research models and research design and to provide the reader with a summary and final conclusions related to the discussed research problem. Table 9-1, first presented in Chapter 1, outlines a summary of the research key findings and implications related to the reputation/(dis)identification and moderated models.

The chapter begins with an overview of the research findings related to the reputation/(dis)identification and moderated models as well as an outline of the findings in terms of key themes related to academics and practitioners' perspectives. This chapter then moves on to discuss limitations of the present study, which are followed up by possible opportunities for future research.

The chapter will continue in three stages:

*Section 9.2 Overall conceptual implications of the findings*

*Section 9.3 Overall practical implications of the findings*

*Section 9.4 Limitations and suggestions for future research*

**Table 9-1. Summary of key research findings and implications**

| | Key finding | Conceptual implications | Practical implications |
|---|---|---|---|
| REPUTATION/(DIS)IDENTIFICATION MODEL | Increases in perceptions of corporate reputation lead to increases in stakeholders' supportive intended and actual behaviour. | The results provide additional support to the extant studies on corporate reputation (Fishbein and Ajzen, 1975, 2010; Ponzi *et al.*, 2011; Money *et al.*, 2012). | Individual stakeholder's supportive behavioural responses (intentions and actual behaviour) depend to a significant extent on whether or not they perceive corporate reputation as positive. |
| | Increases in supportive intended behaviour lead to increases in supportive actual behaviour. | The results provide additional support to the extant studies on intentions and behaviour (Fishbein and Ajzen, 1975, 1980, 2010; Kor and Mullan, 2011). | In certain contexts, individuals' intentions may have a small effect on their real behaviour towards the company. It is important to effectively anticipate stakeholders' intentions and develop external proactive ways to help stakeholders to turn intentions into behaviour. |
| | Increases in organisational identification lead to increases in stakeholders' supportive intended and actual behaviour. | The results provide additional support on the links between organisational (dis)identification and stakeholders' supportive behavioural responses (Bhattacharya and Elsbach, 2002; Kreiner and Ashforth, 2004; Lii and Lee, 2012). | The findings suggest that stakeholders are more likely to engage in supportive behaviours when their organisational identification is increasing and/or disidentification is decreasing. It suggests that an increase in actual behaviours would occur if organisational identification increases and disidentification decreases. |
| | Increases in organisational Disidentification lead to decreases in stakeholders' supportive intended and actual behaviour. | | |
| | Both organisational identification and disidentification partially mediate the link between perceptions of corporate reputation and stakeholders' supportive intended behaviour. | The results provide new evidence on the mediating role of organisational (dis)identification in the reputational research. | Both organisational identification and disidentification may serve as a buffer in relationships between individuals and companies. Companies should build effective (positive) stakeholder–company relationships, which are aimed at fostering identification and reducing disidentification among stakeholders. |
| | Increases in perceptions of corporate reputation lead to increases/decreases in organisational identification/disidentification. | The results provide additional support to the extant studies on the links between corporate reputation and organisational (dis)identification (Elsbach and Bhattacharya, 2001; Ahearne *et al.*, 2005). | Companies should enhance/reduce organisational (dis)identification to the extent, which will allow the company to anticipate reliably stakeholders' behaviour. The continuous monitoring of the current levels of organisational (dis)identification among stakeholders is required. |
| MODERATED REPUTATION/(DIS)IDENTIFICATION MODEL | The interaction between a positive message and identification with a messenger has a moderating effect on the links within the reputation/(dis)identification model. | The results provide new evidence, suggesting that this interaction may help individuals to develop their relationship with the company. It is also suggested that when there is an alignment between a message and a messenger (positive message comes from a messenger people feel identified) it may have a strong positive effect on the development of individual–company relationships. | When an interaction (e.g. between a positive message and identification with the messenger) is aligned (in terms of its positive characteristics), the implementation of such an interaction may lead to a positive (desired) outcomes on part of stakeholders. |
| | The interaction between a positive message and disidentification with a messenger has a moderating effect on the links within the reputation/(dis)identification model. | The results provide new evidence, suggesting that this misaligned interaction may positively affect links within the reputation/(dis)identification model. It also has a capability to help to enhance the effect corporate reputation has on organisational (dis)identification as well as to better predict supportive behaviour from stakeholders towards the company. | Companies may implement this interaction in situations when a choice of an aligned messenger is difficult. This interaction may still help to increase positive perceptions of the company, which will ultimately trigger increases in organisational identification and behavioural outcomes. |

| | | |
|---|---|---|
| The interaction between a negative message and identification with a messenger has a moderating effect on the links within the reputation/(dis)identification model. | The results provide new evidence, suggesting that message and messenger may be perceived as disconnected (i.e. not aligned), and the outcomes of the interaction effects are fairly difficult to predict. | Companies should carefully assess the current stakeholder's perceptions of corporate reputation as well as the quality of the existing relationship. This interaction may be found confusing by some stakeholders, which will lead to a disruption or prevention of supportive actual behaviour. |
| The interaction between a negative message and disidentification with a messenger has a moderating effect on the links within the reputation/(dis)identification model. | The results provide new evidence, suggesting that when individuals receive this aligned negative interaction, they tend to demonstrate a large positive effect of corporate reputation on organisational identification, and in turn on supportive intended behaviour. | Companies should evaluate the current level of stakeholders' (dis)identification with the company, since it may help to anticipate how the negative interaction may affect corporate reputation. Those stakeholders who already hold high levels of identification with the company may be positively affected by the negative interaction, and they will be more motivated to protect the company by enacting supportive behaviour. This is particularly important in times of crisis. |

## 9.2 Overall conceptual implications of the findings

This section will outline a summary of the theoretical implications of both reputation/(dis)identification and moderated models.

### 9.2.1 The reputation/(dis)identification model – conceptual implications.

The research provides comprehensive empirical evidence on the value and efficacy of modeling effects of corporate reputation at the level of stakeholder–company relationships (i.e. the SCV perspective). The potential value of this approach to understanding corporate reputation has been emerging in the reputation literature (e.g. MacMillan *et al.*, 2000; MacMillan *et al.*, 2004; MacMillan *et al.*, 2005; Brown *et al.*, 2006; Mishina *et al.*, 2012; Money *et al.*, 2012b).

Although the literature addresses the importance of the SCV, the majority of studies mainly focus on positive stakeholder–company relationships (e.g. Bhattacharya *et al.*, 2009; Money *et al.*, 2011; Ghobadian *et al*., 2015). This study extended the existing understanding of stakeholder–company relationship via looking at negative stakeholder-company relationships. This is achieved through the application of both organisational identification and disidentification within the reputation/(dis)identification model.

In terms of theory development, two main themes have emerged. First, stakeholder–company relationships are complex, where both organisational identification and disidentification may help to explain how and why people perceive and act upon corporate reputation in different ways. Second, both organisational identification and disidentification serve as critical (partial) mediators in the relationship between how people perceive corporate reputation and their intended behaviour.

The research findings show that people's perceptions of corporate reputation are buffered (partially mediated) by their feelings of (dis)identification with the company. That is, increases in corporate reputation may be perceived differently across stakeholders who identify with the company compared to those who disidentified. Furthermore, it will be remembered that provided empirical evidence suggests that, descriptively, the $R^2$ value of organisational identification is lower than the $R^2$ value of organisational disidentification (see Chapter 7 for reference). From a conceptual perspective, this suggests that corporate reputation may be considered an important predictor of organisational disidentification among stakeholders rather than of organisational identification.

The claim above leads to the next important implication of this study. The conceptualisation and application of both organisational identification and disidentification within stakeholder–company relationships may offer a new way of classifying stakeholders. This new categorisation may be based on the differentiation of stakeholders into groups according to their levels of organisational (dis)identification. This categorisation underpins a key argument within SCV literature that stakeholders differ not only across groups but also within a group (Bhattacharya *et al.*, 1995; Elsbach and Bhattacharya, 2001; Sen and Bhattacharya, 2001; Bhattacharya and Elsbach, 2002; Bhattacharya *et al.*, 2009; Bartels *et al.*, 2010; Mishina *et al.*, 2012). Potential avenues to further research the proposed categorisation are offered in Section 9.4 of this chapter.

Following this, the research findings provide additional support to understanding corporate reputation as multi-stakeholder concept as suggested by Fombrun *et al.* (2000), Davies *et al.* (2001), and Chun (2005), etc.

The arguments above outline that ultimate outcomes of perceptions of corporate reputation as well as organisational (dis)identification are stakeholders' behavioural responses towards companies. This study extends the understanding of behavioural outcomes to the inclusion of individuals' actual supportive behaviour into the conceptual model. The value of this has been suggested by Fishbein and Ajzen (1975, 2011). However, the reputation literature has avoided measures of stakeholders' actual behaviour owing to the high cost and time-consuming procedures of collecting data on actual behaviour.

The research findings show that intended behaviour of stakeholders does lead to their actual behaviour. However, the effect size and the strength of the path are fairly weak. This suggests that there might be other factors as yet unexplored that can enhance and trigger people to exhibit actual behaviour. Therefore, in terms of theory development, the research findings suggest high potential value of addressing stakeholders' actual behaviour in understanding how and why perceptions of corporate reputation and organisational (dis)identification affect stakeholders' behaviour.

In summary, the research findings related to the reputation/(dis)identification model pay significant attention to how people perceive a company and act upon it as well as the quality – organisational (dis)identification – of relationships between stakeholders and companies. It should also be noted that the developed reputation/(dis)identification model is dynamic, therefore the research findings only indicate a possible way of interpreting how corporate reputations are linked to organisational (dis)identification and behavioural outcomes.

This premise is based on existing psychological research suggesting that people continuously try to make sense of the world (Aronson *et al.*, 2002;

Hillenbrand, 2007) as well as to adjust their perceptions, beliefs, feelings, intentions, and behaviours based, for example, on information about different companies. This leads to the next section, on the theoretical implications related to the moderated reputation/(dis)identification model.

**9.2.2 The moderated reputation/(dis)identification model – conceptual implications.** This section of the discussion is focused on theoretical implications of the message–messenger interaction. The research provides comprehensive evidence on the role and value of the message–messenger interaction within the reputation/(dis)identification model and contributes to the literature on corporate reputation (Ruth and York, 2004; Money *et al.*, 2012), communication (Meyers-Levy and Maheswaran, 2004; Bartels *et al.*, 2010, 2016), and organisational (dis)identification (Bhattacharya *et al.*, 2009; Einwiller *et al.*, 2006b).

The findings contribute to the development of the literature on messages and messengers within the context of corporate reputation and stakeholder–company relationships in three ways. First, the study focuses on people's feelings towards messengers – their identification and disidentification – which contributes significantly to the body of literature on effects of messenger credibility (Hovland and Weiss, 1951; McGinnies, 1973; Maheswaran and Meyers-Levy, 1990; Chaiken and Maheswaran, 1994; Jones *et al.*, 2003; Meyers-Levy and Maheswaran, 2004; Ruth and York, 2004). Second, the study proposes and supports the notion of the specific message–messenger interaction effects (i.e. the interaction matrix, discussed in more detail in Chapters 3, 4, 7, and 8). Finally, the findings show that the implication of the message–messenger interaction within the reputation/(dis)identification model provides additional support and sheds new light on how people's perceptions of corporate reputation under the influence of messages and messengers may impact organisational (dis)identification, and ultimately affect behavioural outcomes.

It is also important to discuss specific theoretical implications of the message–messenger interaction. The research findings show that the proposed four interactions (positive message and identification with the messenger; positive message and disidentification with the messenger; negative message and identification with the messenger; and negative message and disidentification with the messenger) differ in their alignment and effect within the reputation/(dis)identification model. Building upon the discussed alignment and effect of messages and (dis)identification with messengers, the four interactions may be conceptualised and depicted within the system of axes as outlined in Figure 9-1.

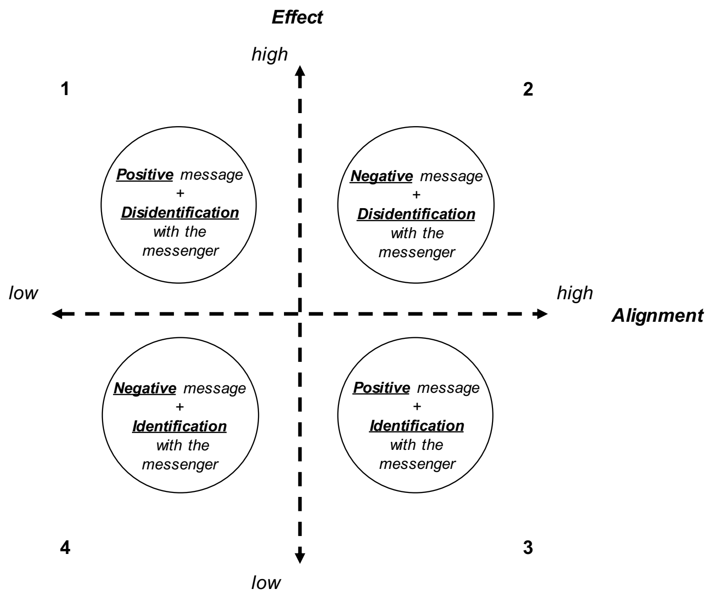


**Figure 9-1. The alignment–effect system for the message–messenger interaction**

The figure above shows that, for example, the (positive) interaction (3) has a high level of alignment (i.e. a positive message is delivered by a messenger whom the audience feels a strong connection with). However, the research findings suggest that the effect of this positive interaction is moderately high in terms of its moderating impact within the reputation/(dis)identification model (five paths are found to be influenced). Similarly, the lowest alignment and effect belong to interaction (4), because based on the research findings, it showed a lesser moderating effect within the reputation/(dis)identification model.

From a theoretical perspective, this conceptualisation sheds light on how a message may interact with a messenger, and graphically shows potential effects based on the alignment within the interaction. Practical implications related to the alignment–effect interaction are discussed in Section 9.3.2.

## 9.3 Overall practical implications of the findings

This section will outline a summary of practical implications of both reputation/(dis)identification and moderated models.

**9.3.1 The reputation/(dis)identification model – practical implications.** The research findings related to the reputation/(dis)identification model may have a number of practical implications for car manufacturers and large companies in general. One of the most noticeable findings is how people's perceptions of corporate reputation can be 'buffered' by their levels of organisational identification and disidentification, which ultimately lead to behavioural outcomes. This is particularly interesting from a practical perspective when one considers corporate reputation (i.e. people's perceptions) as an ultimate driver of stakeholders' behaviour towards a company.

The implication is that companies ought to look at corporate reputation and activities related to its improvement/enhancement through the lens of stakeholders' affiliation with the company. In other words, stakeholders' organisational (dis)identification can be used as an indicator of a potential effectiveness of the implemented strategies.

Furthermore, the findings provide additional insight into how companies may use both organisational identification and disidentification for better decision-making and strategy implementation. There are a number of methodologies that allow companies to strengthen organisational identification as well as reduce disidentification (Kreiner and Ashforth, 2004; Ahearne *et al.*, 2005;

Ashforth *et al.*, 2008; Ashforth *et al.*, 2013). Following that, it will make more practical sense for companies to focus on engagement and connection with their stakeholders, since the awareness of the current stakeholder relationships may indicate possible ways of developing successful strategies and business as a whole.

From a practical perspective, a company's engagement with stakeholders may require co-creation and development of good (positive) relationships with their stakeholders. The fact that corporate reputation is found to have a significant impact on organisational (dis)identification means that it is highly desirable for companies to invest effort into development reputational strategies.

Despite the obvious benefits of increased identification and lowered disidentification, companies ought to carefully monitor stakeholders and their levels of (dis)identification in order to prevent identification pathology such as over-identification (Dukerich *et al.*, 1998). Over-identified stakeholders may supress or cover up any wrongdoings of the company, which in turn may make it difficult for the company to evaluate a real picture of how the company is perceived and its 'true' reputation. Hence, the downside of organisational identification should be carefully considered by organisations.

Moving on, one should also focus on stakeholders' behavioural responses, i.e. supportive intended and actual behaviour. The findings suggest that both perceptions of corporate reputation and organisational (dis)identification contribute to the development of stakeholders' behavioural responses. What is particularly interesting is the link between intentions and actual behaviour.

The findings show a fairly weak link between intentions and actual behaviour. This means that companies ought to look not only at intentions and assume stakeholders behave in intended ways, but rather consider the link between them. That is why some strategies aimed at increases in behavioural intentions sometimes fail to anticipate stakeholders' actual behaviour towards the company. Besides this, companies should develop internal and external proactive ways to help their stakeholders to turn intentions into supportive actual behaviour.

In summary, a key implication of the reputation/(dis)identification model is that corporate reputation as a concept exists within stakeholder–company relationships and may be expressed in a generic model where perceptions of corporate reputation are enhanced via organisational (dis)identification and result in supportive behavioural responses.

**9.3.2 The moderated reputation/(dis)identification model – practical implications.** The research findings related to the moderated model may have several practical implications for car manufacturers and large companies in general. Moreover, the implications also can be adopted for strategy-making as well as strategy implementation for companies of all kinds.

The understanding of how people's feelings towards a messenger can affect message perceptions is critical for companies. Unfortunately, organisations very often believe that stakeholders as a whole may perceive and act upon the same message in the same manner (Money *et al.*, 2012a; Money *et al.*, 2014). Moreover, companies tend to largely rely on credibility of messengers (Goldsmith *et al.*, 2000; Jones *et al.*, 2003; Tormala *et al.*, 2007), rather than people's feelings of (dis)identification with message sources – messengers.

The research findings show that the interaction between a message and (dis)identification with a messenger plays a critical role in how the message is perceived and acted upon by stakeholders. For example, the findings suggest that by implementing aligned messages (Figure 9-1), companies may achieve an improvement of company–stakeholder relationships (e.g. by increasing organisational identification and more importantly reducing organisational disidentification).

On the other hand, negative but aligned message–messenger interaction (negative message and disidentification with the messenger) may have an opposite impact on how people perceive a company. As such, people who receive a negative message–messenger interaction tend to express even more supportive and somewhat defensive behaviour towards the company, trying to protect their own opinions and beliefs as well as those of the company. Such as, companies may to refer to this interaction specifically in times of crisis. For example, those individuals who already feel identified with the company may perceive bad news in a way that would still make their positive feelings towards the company stronger.

If companies carefully address the role of interactions between messages and messengers, this may prevent them from implementing a ‘blanket’ approach, which is still widely used (see Money *et al.*, 2012a; Money *et al.*, 2014). The differentiation between four interactions and how each of them may affect stakeholders can help managers to develop reputational strategies more carefully and communicate efficiently those strategies to various stakeholders. Furthermore, companies need to account for that stakeholders are different not only across groups, but rather within a group. Hence, organisations may find implications of the present study highly critical.

The research findings related to the message–messenger interactions can also help to not only develop and communicate their corporate strategies and policies but also to monitor overall information flow. In other words, companies may use information about the message–messenger interactions and their potential effects in order to assess how non-corporate sources (e.g. media, social networks) may impact stakeholders’ perceptions, feelings, and behaviour.

It is important here to discuss the proposed alignment–effect interaction matrix in more detail and outline its practical implications (Figure 9-2).

The proposed matrix may be found useful by companies. It can help to develop strategies and to monitor the external communication flows (e.g. news media coverage, newspapers, etc.) and how they may affect stakeholders’ perceptions of corporate reputation, organisational (dis)identification, and asocial behavioural outcomes. For example, aligned interactions (2) and (3) may help companies to better predict stakeholders’ behaviour and to improve their relationships. As such, interaction (3) may be suitable when a company is launching a new CSR strategy (e.g. sustainable development).

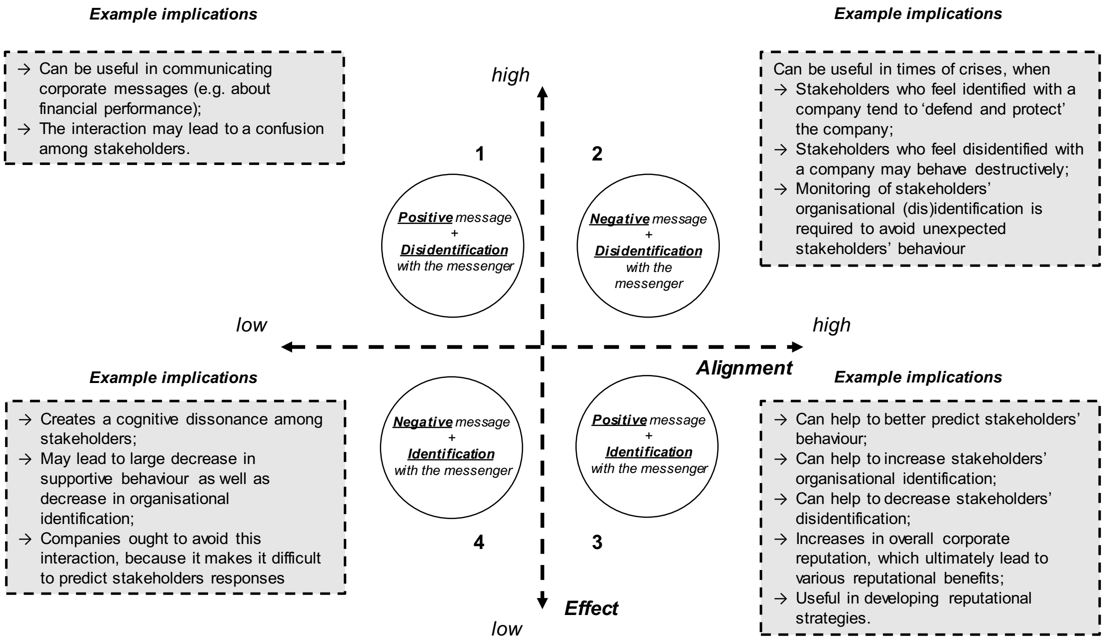


**Figure 9-2. The alignment–effect matrix and its practical implications**

Besides this, interaction (3) may help to increase stakeholders' positive feelings towards the company (their organisational identification levels may rise), which will ultimately lead to supportive behavioural responses. This is a highly desired outcome for companies, as on the whole it will help to develop stronger stakeholder–company relationships.

On the other hand, companies may find interaction (2) valuable and useful in times of crisis. For instance, when a company experiences a problem, it may be inevitable to communicate negative information to stakeholders. However, the research findings suggest that the negative interaction may trigger stakeholders' supportive and protective responses. It should be noted that this may take place when stakeholders already hold high levels of organisational identification with the company. Therefore, the launch of interaction (3) requires a close monitoring of stakeholders' organisational (dis)identification.

The results also suggest that interaction (4), for example, may lead to unanticipated consequences, since this interaction may incite a certain confusion among stakeholders. Therefore, companies are advised to avoid this interaction when communicating to their stakeholders.

However, interaction (4) may still be used by media and other sources of information that stakeholders could use. Hence, organisations ought to carefully monitor effects of such interactions on stakeholders, because effects of interaction (4) may (a) be difficult to predict; (b) decrease the quality of stakeholder–company relationships (decrease/increase in organisational identification/disidentification); (c) ultimately affect corporate reputation and business as a whole.

Finally, interaction (1) can be found useful when communicating corporate messages. For example, companies may employ this interaction when they want to communicate financial information to their stakeholders from a corporate messenger (e.g. financial officer, CEO, etc.) or a non-corporate messenger (e.g. the Forbes magazine, an audit company, etc.). As a result, stakeholders may hold a certain level of disidentification with the messenger but overall good information about the company may still contribute to their positive perceptions about corporate reputation and may ultimately lead to supportive behaviour.

In summary, the proposed alignment–effect matrix of the message–messenger interactions may serve as advisory and can be useful for organisations for a number of reasons. First, it outlines various message–messenger interactions and potential outcomes. Second, it may provide guidance to launching more successful and effective strategies. Third, this matrix may also be used in evaluating and monitoring external to companies' information flows (e.g. messages communicated by the media, social media, or competitors).

## 9.4 Limitations and suggestions for future research

The conducted research includes a set of limitations related to the research context, empirical and methodological considerations, and research design. This section of Chapter 9 will discuss all four categories of limitations and outline suggestions for future research.

**9.4.1 Contextual limitations.** The research used Volkswagen as a focal company, and the Volkswagen emissions scandal as a research context. One limitation is that corporate reputation and stakeholder–company relationships were evaluated in the context of a company facing a (reputational) crisis. As a consequence, the obtained results showed a fairly weak corporate reputation of Volkswagen during the data collection as well as stakeholders' tendency to disidentify with Volkswagen.

Although the presented research findings supported the developed hypotheses, most obvious direction for future research should be to proceed by testing the proposed reputation/(dis)identification and moderated models further in other contexts. For example, it would be practical to repeat the study within the same industry but with a focal company that is not experiencing any current reputational crisis (e.g. Mercedes or Ford). It could also be valuable to test the model in other industries. The proposed replications of the study would not be challenging to conduct since the applied measures in the research are well established and widely validated.

**9.4.2 Empirical limitations.** The reputation/(dis)identification model was developed based on critical elements of identification theories by Ashforth and Mael (1989) and Elsbach (1999). The reputation/(dis)identification model included two diverse types of organisational identification – (positive) identification and disidentification, which addressed two kinds of relationships between companies and stakeholders. One might want to extend the reputation/(dis)identification model to inclusion of other possible ways of how stakeholders affiliate with companies.

For example, some stakeholders may find themselves quite neutral towards companies, which in turn may trigger neutral identification. At the same time, other stakeholders may feel ambivalent (both positive and negative) towards a company, and this may drive their ambivalent identification (Dukerich *et al.*, 1998; Elsbach, 1999). These two additional types of organisational identification were proposed almost two decades ago, however they have not been fully validated and confirmed empirically. Thus, if researchers want to expand the reputation/(dis)identification model to include two additional types of organisational identification, they should keep in mind that the measures of organisational neutral and ambivalent identifications should be validated before integrating them into the reputation/(dis)identification model.

Furthermore, including both organisational identification and disidentification can offer a new way of classifying stakeholders. This may contribute not only to the stakeholder–company literature (MacMillan *et al.*, 2005; Money *et al.*, 2012) but also to stakeholder theory (Freeman, 1986; Mitchell *et al.*, 1997). This is because the proposed categorisation can help to unpack underlying mechanisms on how and why stakeholders who belong to the same stakeholder group may hold different perceptions of corporate reputation and in turn act in various ways towards a company.

One might be interested in proposing and testing this categorisation, which is based on stakeholders' levels of organisational identification (positive identification, disidentification, ambivalent and neutral identification) with a company. This may suggest that a traditional approach to allocating individuals into respective stakeholder groups might not provide a comprehensive view on how individual stakeholders form their perceptions of companies and, in turn, act upon them. The differentiation of stakeholders based on their organisational identification (positive identification, disidentification, ambivalent and neutral identification) can help to unpack underlying mechanisms on how and why individuals who belong to one stakeholder group may hold different perceptions of corporate reputation and act in various and even unpredictable ways.

Another limitation related to the reputation/(dis)identification model involves the mediation analyses. The research findings confirmed that both organisational identification and disidentification partially mediate the relationship between perceptions of corporate reputation and supportive intended behaviour. Considering that the reputation/(dis)identification model was expanded by enclosing the measure of actual behaviour, one might want to test whether both organisational identification and disidentification at least partially mediate the relationship between corporate reputation and supportive actual behaviour.

The next limitation is related to the measure of actual behaviour of individuals. The behaviour was performed online (a voting poll). One might want to advance this behavioural measure and develop a more sophisticated way of exploring how stakeholders behave towards companies. One possible way of investigating actual behaviour is, for example, collecting secondary data on stakeholders' purchase behaviour. However, this may lead to a reconsideration of the research design as well as research protocol (the limitations related to research design are discussed in Section 9.4.4).

There is also a set of limitations related to the moderated reputation/(dis)identification model, in particular the message–messenger interaction. As such, the research explored two types of affiliation with a messenger (identification and disidentification). It would also be interesting if further studies explored effects of neutral and ambivalent identification with messengers.

Moreover, the real-life information environment is not limited to simply positive and negative messages about companies. Future studies might incorporate neutral and ambivalent messages about a company into the message–messenger interactions and explore their impact on people's perceptions of corporate reputation, organisational (dis)identification, and behavioural responses.

Finally, future research could also enhance the message–messenger interaction by implementing new elements into the matrix, such as people's agreement/disagreement with the claim in a message. This may help to unfold the effects of the misaligned interactions between messages and messengers.

**9.4.3 Methodological limitations.** The examination of moderating effects of the message–messenger interaction was done via Multi-Group Analysis (MGA). Following MGA requirements, the summated scales of both identification and disidentification with the messenger were converted into dichotomised (high and low) variables. While the MGA technique is useful for examining moderating effects (Henseler, 2012) and the dichotomisation allowed testing for the interaction effects, such a transformation into the discrete variables may result in a loss of important information and lead to less precise results. Furthermore, the central split used to divide the sample into high and low categories led to fairly uneven subsamples. Although the MGA technique does not require even subsamples, future studies may consider more appropriate ways of splitting the data set.

The use of PLS-SEM provided the research with an essential tool for testing the reputation/(dis)identification and moderated models with a fairly limited sample size (especially, when testing for moderating effects of the interaction). Considering theoretical underpinnings of the study, it would be interesting to understand how stakeholders' behaviour may affect corporate reputation. In other words, one may explore a potential feedback loop between actual behaviour and perceptions of corporate reputation within the reputation/(dis)identification model. While PLS-SEM is restricted to testing any feedback loops in PLS models, researchers may consider other SEM techniques, for example CB-SEM. However, this might require a larger sample size and a possible application of tests for data normalisation.

**9.4.4 Research design limitations.** The present study used a quasi-experimental design to investigate the effects of the message–messenger interaction. While a quasi-experiment does not account for when to implement an experimental treatment (i.e. manipulations) or does not provide sufficient information when comparing a priori results with post-treatment results, further research may repeat the study with the use of a field experiment. However, it should be noted that the field experiment will require reconsideration of the research design as well as the time and costs of the study.

The messages in this study were presented as newspaper articles. Despite academic evidence that newspapers still have a large impact on forming people's perceptions of companies and their reputations (DeFleur *et al.*, 1992; Renkema and Hoeken, 1998; Einwiller *et al.*, 2010), future research may replicate this study using other ways of message presentation. For example a tweet (on the platform of Twitter), which includes only 140 characters, may fit for this study purpose. This may help to unfold new mechanisms of how people perceive messengers as well as act upon them, specifically on social media.

Finally, the choice of messengers was also limited to non-corporate sources. It would be interesting if future studies examined whether and why there is any difference in effects between corporate and non-corporate message–messenger interactions.

### 9.5 Final conclusion

In conclusion, this thesis provided a unique perspective on the development of corporate reputation within stakeholder–company relationships – one that offers a new insight into how the message–messenger interaction impacts stakeholders' perceptions of corporate reputation, organisational (dis)identification, and their behaviour towards a company. The study was rooted in the theories of corporate reputation, organisational identification, stakeholder relationships, and the message–messenger literature. This provided a solid grounding to develop a conceptual model and to understand how and why perceptions of corporate reputation are 'buffered' by stakeholders' organisational identification and disidentification, and how and why they result in supportive intended and actual behaviour. In addition, it explored moderating effects of four message–messenger interactions on the proposed links within the reputation/(dis)identification model.

The research finding provided a set of important implications for both scholars and practitioners. This study may be particularly relevant for scholars who are interested in understanding and expanding the knowledge of corporate reputation within complex stakeholder–company relationships, especially under message–messenger effects. Practitioners may find this research useful in many instances, especially in monitoring and assessing corporate reputation and the quality of stakeholder–company relationships as well as the role and value of the message–messenger interaction when developing and implementing reputation strategies.

This thesis made a number of important contributions. First, it provided the reputation/(dis)identification model, which is empirically supported, for perceptions of corporate reputation as a driver for organisational (dis)identification and supportive intended and actual behaviour towards a company. Second, the study offered the moderated reputation/(dis)identification model, which helps to explain how messages, messengers, and their interactions may affect the links within the proposed reputation/(dis)identification model.

Useful insight into the role of corporate reputation in the automobile industry has been provided. This could be of particular relevance when companies within the sector report an increasing number of scandals and reputation drops, while certain positive behaviours on part of stakeholders still take place. The research findings also provided some interesting suggestions for future research in the fields of corporate reputation, organisational (dis)identification, and the message–messenger interaction.

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# APPENDICES

# Appendix 1

## DEFINITIONAL LANDSCAPE

| No | Definition | Reference | Reputation as… | Discipline | Perspective |
|---|---|---|---|---|---|
| 1. | Christian (1959: p. 80) | Corporate reputation is impressions of the manufacturer - the ‘image’, reputation, or personality the corporation has established. | Perception | Marketing | Company-centric |
| 2. | MacLeod (1967: p. 68) | Reputation is the individual public image the public holds of a company, in comparison with the image held of its competitors. | Perception | General management | Stakeholder-centric |
| 3. | Dunne (1974: pp. 52-53) | Reputation or image is a mental picture made of impressions and belief founded on accurate knowledge, vague knowledge and even downright untruths. | Perception | General management | Stakeholder -centric |
| 4. | Shrum and Wuthnow (1988: p. 885) | Reputation is a reflection the aggregated decisions of parties involved in economic transactions with a given organisation. | Asset | Sociology | Company-centric |
| 5. | Weigelt and Camerer (1988: p. 443) | A corporate reputation is a set of attributes ascribed to a firm, inferred from the firm's past actions. | Asset | Strategic management | Company-centric |
| 6. | Fombrun and Shanley (1990: p. 234) | Reputations as the outcome of a competitive process in which firms signal their key characteristics to constituents to maximise their social status. | Asset | General management | Company-centric |
| 7. | Wartick (1992: p. 34) | Corporate reputation is the aggregation of a single stakeholder’s perceptions of how well organisational responses are meeting the demands and expectations of many organisational stakeholders. | Perception | General management | Company-centric |
| 8. | Bromley (1993) | Reputation is a social process as well as a social product; they are collective systems of beliefs and opinions that influence peoples’ actions with regard to persons and things. | Perception | General Management | Stakeholder-centric |
| 9. | Yoon *et al.* (1993: p. 215) | A company’s reputation reflects the history of its past actions and affects the buyer’s expectations with respect to the quality of its offerings. | Asset | Marketing | Company-centric |

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|---|---|---|---|---|---|
| 10. | Grunig (1993: p. 124) | Corporate reputation is behavioural relationships between organisations and its publics | Asset | Public relations | Company-centric |
| 11. | Herbig and Milewicz (1995: p. 24) | Reputation is the estimation of the consistency over time of an attribute of an entity . . . based on its willingness and ability to perform an activity repeatedly in a similar fashion. | Asset | Marketing | Company-centric |
| 12. | Hammond and Slocum Jr (1996: p. 160) | Corporate reputation often represents stakeholders' perception of the quality of the firm's management. | Perception | Strategic management | Stakeholder-centric |
| 13. | Fombrun (1996: p. 72) | A corporate reputation is a perceptual representation of a company's past actions and future prospects that describes the firm's overall appeal to all of its key constituents when compared with other leading rivals. | Perception | General Management | Company-centric |
| 14. | Dollinger *et al.* (1997: p. 122) | A firm's reputation is an intangible element of its business strategy…that can be employed to earn above-average profit | Asset | Strategic management | Company-centric |
| 15. | Post and Griffin (1997: p. 165) | Corporate reputation is a synthesis of the opinions, perception, and attitudes of an organisation's stakeholders. | Perception | Strategic management | Company-centric |
| 16. | Roberts and Dowling (1997: p. 75) | Corporate reputation is an extremely important strategic asset [and] superior performers with favourable reputation are able to sustain superior outcomes for longer periods of time. | Asset | Strategic management | Company-centric |
| 17. | Teece *et al.* (1997: p. 521) | Organisational reputation is an intangible resource, representing an overall assessment of a firm's current assets, current position, and future performance. | Asset | Strategic Management | Company-centric |
| 18. | Balmer (1998: p. 971) | A corporate reputation refers to the perception of an organisation, which is built up over a period of time and which focuses on what it does and how it behaves. | Perception | Marketing | Stakeholder-centric |
| 19. | Vendelø (1998: p. 122) | Reputation is attributed to an organisation by its multiple constituents based on their experience with the organisation, its performance, partners, and products in past periods. | Asset | Corporate Communication | Company-centric |
| 20. | Brown and Logsdon (1999: p. 169) | Reputation is the long-term combination of outsiders' assessments about what the organisation is, how well it meets its commitments and conforms to stakeholders' expectations, and how effectively its overall performance fits with its socio-political environment'. | Perception | General Management | Stakeholder -centric |

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|---|---|---|---|---|---|
| 21. | Petrick *et al.* (1999: p. 60) | Reputation can be regarded as the outcome of a competitive process in which firms signal their key characteristics to stakeholders in order to maximise their socioeconomic and moral status | Asset | General Management | Company-centric |
| 22. | Weiss *et al.* (1999: p. 75) | Reputation is a global perception of the extent to which an organisation is held in high esteem or regard. | Perception | General Management | Company-centric |
| 23. | Fombrun *et al.* (2000: p. 243) | A collective assessment of a company's ability to provide valued outcomes to a representative group or stakeholders | Asset | General Management | Stakeholder-centric |
| 24. | Nowak and Washburn (2000: p. 34) | Reputation is one facet of a company's overall image. | Asset | Marketing | Company-centric |
| 25. | Bhat and Bowonder (2001: p. 34) | Reputation is the most important commercial mechanism for conveying information to consumers. | Asset | Marketing | Company-centric |
| 26. | Chun (2001: p. 316) | Reputation is taken to be collective construct, a term referring to all stakeholder views of the company.<br>Corporate reputation is created from all interactions a stakeholder has with the organisation. | Perception | Marketing | Company-centric |
| 27. | Coombs (1999: p. 51) | A reputation is derived from experiences with the organisation, the relationship history with stakeholders. | Perception | Corporate communication | Stakeholder-centric |
| 28. | Deephouse (2000: p. 1093) | Reputation is the evaluation of a firm by its stakeholders in terms of their affect, esteem and knowledge. | Perception | General Management | Company-centric |
| 29. | Waddock (2000: p. 323) | Reputation is the organisation's perceived capacity to meet its stakeholders' expectations. | Asset | General Management | Company-centric |
| 30. | Davies *et al.* (2001: p. 114) | Reputation is taken to be a collective term referring to all stakeholders' views of corporate reputation, including identity and image. | Perception | General Management | Company-centric |
| 31. | Gotsi and Wilson (2001: p. 29) | Corporate reputation is 'a stakeholder's overall evaluation of a company over time. | Perception | General Management | Stakeholder-centric |
| 32. | Mailath and Samuelson (2001: p. 416) | A reputation as an asset which, like more familiar physical and financial assets, requires investment to create and maintain. | Asset | Strategic management, marketing | Company-centric |
| 33. | Schultz *et al.* (2001: p. 25) | Reputation is a construction as it is an effect of a system of ordered procedures for the production, regulation distribution, circulation, and operation of statements. | Asset | General Management | Company-centric |

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|---|---|---|---|---|---|
| 34. | Swift (2001: p. 22) | Corporate reputation is about the parsimonious achievement of shareholder wealth coupled with stakeholder expectations that the organisation will act in a socially responsible manner | Asset | General Management | Company-centric |
| 35. | Bromley (2002a: p. 202) | Corporate reputation reflects a firm's relative standing, internally with employees and externally with other stakeholders, in its competitive and institutional environment. | Asset | General Management | Company-centric |
| 36. | Kowalczyk and Pawlish (2002: p. 161) | Reputation is a perceptual judgment of a company's past actions that is developed over time. | Perception | General Management | Stakeholder-centric |
| 37. | Mahon (2002: p. 439) | Reputation is an asset in relation to (a) a specific context or process, (b) a specific issue, (c) specific stakeholders, and (d) expectations of organisational behaviour based on past actions and situations. | Asset | General Management | Company-centric |
| 38. | Roberts and Dowling (2002: p. 1078) | A good reputation is a valuable asset that allows a firm to achieve persistent profitability, or sustained superior financial performance. | Asset | Strategic Management | Company-centric |
| 39. | Balmer and Greyser (2003: p. 177) | Reputation is formed over time; based on what the organisation has done and has behaved | Asset | Strategic Management | Company-centric |
| 40. | Christiansen and Vendelø (2003: p. 312) | Reputation is based on first-hand experience with members of the organisation, as well as artefacts, products, services, information, and so on produced by the organisation, but also on second-hand information obtained from other sources | Asset | Strategic Management | Company-centric |
| 41. | Goldberg *et al.* (2003: p. 169) | A good reputation is perceived by others as an indicator of a firm's overall effectiveness | Perception | General Management | Company-centric |
| 42. | Johnston (2003: p. 109) | Reputation is recognition of the characteristics of a good seller, such as dealing honesty and in good faith and striving to satisfy a customer' | Asset | Marketing | Company-centric |
| 43. | Mahon and Wartick (2003) | Reputation is an estimation of the actions that person or thing has taken, past and present, so that there is a dynamic unfolding component of reputation that reflects these interactions | Perception | Strategic Management | Stakeholder-centric |
| 44. | Turban and Cable (2003: p. 735) | Corporate reputation reflects an organisation's social status and provides information about how well the organisation is perceived relative to its competitors | Perception | General Management | Stakeholder-centric |

| | | | | | |
|---|---|---|---|---|---|
| 45. | Argenti and Druckenmiller (2004: p. 369) | Reputation is the collective representation of multiple constituencies' images of a company built up over time and based on a company's identity programs, its performance and how constituencies have perceived its behaviour. | Perception | Marketing | Company-centric |
| 46. | Dowling (2004: p. 20) | A corporate reputation is an overall evaluation that reflects the extent to which people see the firm as substantially "good" or "bad." | Perception | General Management | Stakeholder-centric |
| 47. | Carmeli and Tishler (2004: p.1260) | Corporate reputation is a core intangible resource that creates competitive advantage when competitors are not able to match the prestige and esteem it creates, and enables an organisation to attain sustained superior outcomes. | Asset | Strategic Management | Company-centric |
| 48. | MacMillan *et al.* (2004: p. 19) | Reputation is about how a company is perceived by key stakeholders. These perceptions are not built on spin or public relations; rather they depend upon stakeholder experiences of a business. | Perception | General Management | Stakeholder-centric |
| 49. | Podnar (2004: p. 377) | Reputation is a public image defined as a social construct, which is a consequence of interactions, value systems, images and beliefs that exist in a certain group or among publics about an estimated entity. | Perception | Strategic management | Company-centric |
| 50. | Walsh and Wiedmann (2004: p. 304) | Corporate reputation can be broadly defined as 'a stakeholder's overall evaluation of a company over time. | Perception | General Management | Stakeholder-centric |
| 51. | Brønn and Brønn (2005: p. 56) | Reputation is clearly an intangible resource of considerable value. | Asset | Strategic management | Company-centric |
| 52. | Carmeli and Tishler (2005: p. 13) | Organisational reputation is, by definition, a strategic resource, as it reflects the firm's competitive position relative to its competitors. | Asset | Strategic management | Company-centric |
| 53. | Chun (2005: p. 105) | Corporate reputation is the summary view of the perceptions held by all relevant stakeholders of an organisation, that is, what customers, employees, suppliers, managers, creditors, media and communities believe the organisation stands for, and the associations they make with it. | Perception | General Management | Stakeholder-centric |
| 54. | Forman and Argenti (2005: p. 246) | Reputation means how all constituencies, collectively, view the organisation. | Perception | Strategic management | Company-centric |

| | | | | | |
|---|---|---|---|---|---|
| 55. | Helm (2005: p. 100) | Corporate reputation is defined as a single stakeholder's perception of the estimation in which a certain firm is held by its stakeholders in general. | Perception | General Management | Stakeholder-centric |
| 56. | MacMillan *et al.* (2005: p. 217) | Reputation is the total perceptions of all stakeholders towards a company. | Perception | General Management | Stakeholder-centric |
| 57. | Rindova *et al.* (2005: p. 1033) | Concept of reputation is defined as stakeholders' perceptions about an organisation's ability to create value relative to competitors. | Perception | Strategic management | Company-centric |
| 58. | Tucker and Melewar (2005: p. 378) | Corporate reputation is the perception of an organisation based on its stakeholders' interpretation of that organisation's past, present and future activities and the way in which these are communicated. | Perception | General Management | Company-centric |
| 59. | Wiedmann and Buxel (2005: p. 146) | Corporate reputation can be defined as the sum of the perceptions and assessments of all relevant stakeholders with regard to the performance, products, services, persons, organisations, etc. of a company and the respect for the company that arises from each of these factors. | Perception | General Management | Company-centric |
| 60. | Barnett *et al.* (2006: p. 34) | Corporate reputation is the observers' collective judgments of a corporation based on assessments of the financial, social, and environmental impacts attributed to the corporation over time. | Perception | General Management | Company-centric |
| 61. | Branco and Rodrigues (2006: p. 111) | Corporate reputation can be understood as a fundamental intangible resource which can be created or depleted as a consequence of the decisions to engage or not in social responsibility activities and disclosure. | Asset | Strategic management | Company-centric |
| 62. | Brown *et al.* (2006: p. 104) | Reputation is a perception of the organisation actually held by an external stakeholder. | Perception | General Management | Stakeholder-centric |
| 63. | Freund (2006: p. 70) | Reputation is considered a strategic resource. | Asset | Strategic management | Company-centric |
| 64. | Money and Hillenbrand (2006: p. 4) | Reputation is conceptualised as either perceptions, attitudes and/or beliefs of stakeholders | Perception | General Management | Stakeholder-centric |

| | | | | | |
|---|---|---|---|---|---|
| 65. | Omar and Williams (2006: p. 269) | Reputation of a firm is perceived as the strong relationship between the customers and the organisation, which is viewed as client relationship-building. | Perception | Marketing | Stakeholder-centric |
| 66. | Rhee and Haunschild (2006: p. 102) | Reputation is the consumer's subjective evaluation of the perceived quality of the producer. | Perception | Marketing | Company-centric |
| 67. | Bendixen and Abratt (2007: p. 72) | Reputation is an overall cognitive impression of an organisation that has been formed over time. | Perception | Marketing | Stakeholder-centric |
| 68. | Luoma-aho (2007: p. 126) | Reputation, however, is a sum of different assessments of different stakeholder groups, and its analysis calls for a more holistic approach. | Perception | General Management | Stakeholder-centric |
| 69. | Mitnick and Mahon (2007: p. 324) | Reputation is a directional affect in the form of a perception targeted to a particular focal actor or organisation by an observer (or several such affects/perceptions from several observers, i.e., constituencies or stakeholders), where the perception is derived from and/or transferred from affective perceptions of particular performances by the focal actor and/or of statuses or qualities in the actor. | Perception | General Management | Stakeholder-centric |
| 70. | Ou and Abratt (2007: p. 243) | Corporate reputation is relatively stable, long-term, collective judgments by outsiders of an organisation's action and its achievements. | Perception | Marketing | Stakeholder-centric |
| 71. | Walsh and Beatty (2007: p. 129) | Customer-based reputation (CBR) is the customer's overall evaluation of a firm based on his or her reactions to the firm's goods, services, communication activities, interactions with the firm and/or its representatives or constituencies (such as employees, management, or other customers) and/or known corporate activities | Perception | Marketing | Stakeholder-centric |
| 72. | Coldwell *et al.* (2008: p. 613) | Corporate reputation is regarded as a potential attractor of applicants with particular ethical personal-organisational configurations, as distinct from retention (the other leg of the proposed model), which is regarded as derived from specific personal- organisational configurations with company ethical climate. | Perception | General Management | Stakeholder-centric |

| | | | | | |
|---|---|---|---|---|---|
| 73. | Highhouse *et al.* (2009a: p. 783) | Corporate reputation is a global, temporary stable, evaluative judgement about a firm that is shared by multiple constituents. | Perception | Psychology | Stakeholder-centric |
| 74. | Rindova *et al.* (2010: p. 614) | The term reputation refers to social cognitions, such as knowledge, impressions, perceptions, and beliefs and that these social cognitions reside in the minds of external observers. | Perception | Strategic management | Company-centric |
| 75. | Bartikowski *et al.* (2011: p. 966) | Firm's reputation as a signal that helps them to predict the firm's future behaviour, which explains the risk-reducing function of corporate reputation | Asset | General Management | Stakeholder-centric |
| 76. | Helm (2011a: p. 7) | Corporate reputation is a stakeholder’s overall evaluation of a firm in respect to its past, present, and future handling of stakeholder relationships that reflects a firm’s ability and willingness to meet stakeholders’ expectations continuously and describes the firm’s overall appeal to all its constituents when compared with other firms. | Perception | General Management | Stakeholder-centric |
| 77. | Ponzi *et al.* (2011: p. 16) | Corporate reputation is beliefs about companies and disentangle the drivers of reputation from the construct itself. | Perception | General Management | Stakeholder-centric |
| 78. | Fombrun (2012: p. 100) | A corporate reputation is a collective assessment of a company’s attractiveness to a specific group of stakeholders relative to a reference group of companies with which the company competes with. | Perception | General Management | Stakeholder-centric |
| 79. | Helm (2013: p. 543) | Organisational reputation is a sociocognitive construct based on the knowledge, beliefs and impressions residing in the minds of external stakeholders regarding the organisation. | Perception | General Management | Stakeholder-centric |

# Appendix 2

## MESSAGE CONTENT

***Positive message from an environmental scientist***

**VOLKSWAGEN EMISSION SCANDAL IS VASTLY OVERRATED**

Volkswagen was recently accused of using a certain device to deliberately pass emission tests in the US, and contributing to air pollution. This software seemingly enabled environmental controls only when the vehicle was being tested, in order to help pass emission tests.

Speaking as an environmental scientist with many years of experience, I have to say that the problem with Volkswagen emission tests is largely overrated. Volkswagen did not put in danger people's health or the company's existence. The implementation of the software was no more than just a defect made by Volkswagen. Volkswagen has always been one of the most reputable companies in the world. That is why Volkswagen acted immediately once the emissions story broke. Volkswagen will not let anything shatter the trust of environmentalists, and the whole world.

I have to say I am happy to see the company being so proactive. Not only have they recalled millions of cars, but a number of senior executives have been held accountable and lost their jobs. What more can a company do? Despite the fact that Volkswagen has weathered many storms over the years, the company established itself as one of the most recognisable brands in the world. Undoubtedly, their reputation and economic standing will not be irrevocably damaged by this scandal.

Can you trust Volkswagen again? — I know, I can!

***Positive message from a Volkswagen driver***

**VOLKSWAGEN EMISSION SCANDAL IS VASTLY OVERRATED**

Volkswagen was recently accused of using a certain device to deliberately pass emission tests in the US, and contributing to air pollution. This software seemingly enabled environmental controls only when the vehicle was being tested, in order to help pass emission tests.

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Can you trust Volkswagen again? — I know, I can!

***<u>Negative message from an environmental scientist</u>***

**VOLKSWAGEN EMISSION SCANDAL IS VASTLY UNDERESTIMATED**

Volkswagen was recently accused of using a certain device to deliberately pass emission tests in the US, and contributing to air pollution. This software seemingly enabled environmental controls only when the vehicle was being tested, in order to help pass emission tests.

Speaking as an environmental scientist with many years of experience, I have to say that the problem with Volkswagen emission tests is largely underestimated. Volkswagen has put in danger people's health, apart from the company's existence. The implementation of the software was an intentional act to fool people into thinking of Volkswagen vehicles as low emission cars. Volkswagen used to be one of the most reputable companies in the world. But corporate greed and corrupted management that approved the fitting of the cheating software in the engines has shattered not only the trust of environmentalists, but the trust of the whole world.

I have to say that I am disgusted by the actions of the company. So Volkswagen, for many years, has set out to cheat and deceive people. It is unforgiveable. Despite the fact that Volkswagen has weathered many storms over the years and established itself as one of the most recognisable brands in the world, I don't see how their reputation and economic standing cannot be irrevocably damaged by this scandal.

Can you trust Volkswagen again? — I know, I can't!

***Negative message from a Volkswagen driver***

**VOLKSWAGEN EMISSION SCANDAL IS VASTLY UNDERESTIMATED**

Volkswagen was recently accused of using a certain device to deliberately pass emission tests in the US, and contributing to air pollution. This software seemingly enabled environmental controls only when the vehicle was being tested, in order to help pass emission tests.

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Can you trust Volkswagen again? — I know, I can't!

## Appendix 3

**FULL MESSAGE DESIGN**



theEdge

January, 2016

# Volkswagen emission scandal is vastly overrated

Volkswagen was recently accused of using a certain device to deliberately pass emission tests in the US, and contributing to air pollution. This software seemingly enabled environmental controls only when the vehicle was being tested, in order to help pass emission tests

**Chris Jones**, Environmental Scientist, London, UK

4:00PM GMT
4 Jan 2016

PICTURE HAS BEEN OMITTED DUE TO COPYRIGHT INFRINGEMENT

*"Not only have they recalled millions of cars, but a number of senior executives have been held accountable and lost their jobs"*

Speaking as **an environmental scientist with many years of experience**, I have to say that the problem with Volkswagen emission tests is largely overrated.

Volkswagen did not put in danger people's health or the company's existence. The implementation of the software was no more than just a defect made by Volkswagen.

Volkswagen has always been one of the most reputable companies in the world. That is why Volkswagen acted immediately once the emissions story broke. **Volkswagen will not let anything shatter the trust of environmentalists, and the whole world.**

I have to say I am happy to see the company being so proactive. Not only have they recalled millions of cars, but a number of senior executives have been held accountable and lost their jobs. What more can a company do?

Despite the fact that Volkswagen has weathered many storms over the years, the company established itself as one of the most recognisable brands in the world. Undoubtedly, their reputation and economic standing will not be irrevocably damaged by this scandal.

Can you trust Volkswagen again? —
**I know, I can!**

theEdge

theEdge

January, 2016

# Volkswagen emission scandal is vastly overrated

Volkswagen was recently accused of using a certain device to deliberately pass emission tests in the US, and contributing to air pollution. This software seemingly enabled environmental controls only when the vehicle was being tested, in order to help pass emission tests

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4:00PM GMT
4 Jan 2016

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*It is unforgiveable"*

Speaking as an **environmental scientist with many years of experience**, I have to say that the problem with Volkswagen emission tests is largely underestimated.

Volkswagen has put in danger people's health, apart from the company's existence. The implementation of the software was an intentional act to fool people into thinking of Volkswagen vehicles as low emission cars.

Volkswagen used to be one of the most reputable companies in the world. But corporate greed and corrupted management that approved the fitting of the cheating software in the engines has **shattered not only the trust of environmentalists, but the trust of the whole world.**

I have to say that I am disgusted by the actions of the company. So Volkswagen, for many years, has set out to cheat and deceive people. It is unforgiveable.

Despite the fact that Volkswagen has weathered many storms over the years and established itself as one of the most recognisable brands in the world, I don't see how their reputation and economic standing cannot be irrevocably damaged by this scandal.

Can you trust Volkswagen again? —

**I know, I can't!**

theEdge

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theEdge

# Appendix 4

## QUESTIONNAIRE MATERIALS

### INTRODUCTION

Thank you for participating in this research project.

The purpose of this study is to explore the impact of people's perceptions on companies. Sharing your opinions will help us to better understand people's responses towards organisations, and how these attitudes affect corporate reputation. There are no right or wrong answers to any of the questions – sharing your real opinions will provide us the best chance of conducting a valuable study.

### RESEARCH PROJECT CONTEXT

We chose Volkswagen for this research project. Volkswagen is a well-known automobile manufacturer. Established in 1937, it is one of the largest global automakers, whilst Volkswagen vehicles are top-selling all around the world. Volkswagen means "people's car" in German, and its current slogan is "Das Auto" ("The Car").

### RESEARCH PROJECT STRUCTURE

This Research Project will happen in two parts. Your participation in Part 1 is highly appreciated, as your views and opinions will add significant value to the research outcomes. The participation in Part 2 of the project is encouraged, since the outcomes will help us to understand the dynamics of people's opinions over time. Part 1 includes a questionnaire, which will focus on participants' opinions and perceptions of Volkswagen, its activities and reputation. The questionnaire includes 4 sections. Section 1 focuses on your feelings and opinions about Volkswagen. Section 2 discusses your relationship with Volkswagen. Section 3 asks for your opinions on the provided news article about Volkswagen. Section 4 refers to intentions and behaviour towards Volkswagen. Part 2 of the project will happen in 1-month time, and will include 40 follow-up questions on your perceptions, opinions and behaviour towards Volkswagen.

This research project forms part of a doctoral study and it is conducted by a Doctoral Researcher at Henley Business School, University of Reading.

### ANONYMITY & CONFIDENTIALITY

All information collected will be held in strict confidence. Respondents' participation is entirely voluntary and you have the right to withdraw from the project at any time without detriment. The project has been subject to ethical review in accordance with the procedures specified by the University of Reading Research Ethics Committee and has been given a favourable ethical opinion for conduct. All responses are anonymous and respondents will not be identified by name or organisation in the final thesis or any other report.

It is understood that by completing the questionnaire you are confirming that you are giving consent for your responses to be used for the purposes of this research project.

The questionnaire should take approximately 20 minutes to complete.

**CONTACT DETAILS**

If you have any questions regarding the survey or the research project, please contact Anastasiya Saraeva: Anastasiya Saraeva Doctoral Researcher School of Marketing and Reputation Henley Business School University of Reading Email:

a.saraeva@pgr.reading.ac.uk

## QUESTIONNAIRE

We would be grateful, if before moving to the main questionnaire, you could complete some basic details about yourself.

All information is strictly confidential and will be used ONLY for the research purposes.

**Which category below includes your age?**

- 18 - 24
- 25 - 34
- 35 - 44
- 45 - 54
- 55 - 64
- 65 - 74
- 75+

**What is your gender?**

- Male
- Female
- Other
- Prefer not to say

**What is your main occupation?**

- Student
- Full-time employed
- Part-time employed
- Retired
- Not employed

**Do you drive a car?**

- Yes
- No

**If answered YES, do you drive a Volkswagen car?**

- Yes
- No
- Used to drive a Volkswagen car, but not anymore
- Other (please specify)____________________

**How often do you drive?**

- Daily
- 2-3 times a week
- Once a week
- 2-3 times a month
- Once a month
- 2-3 times a year
- Once a year or less

## SECTION I. YOUR OPINIONS AND FEELINGS ABOUT VOLKSWAGEN

This section includes a series of statements that represent people's current opinions and feelings towards Volkswagen.

**From your perspective, please indicate to what extent you agree or disagree with the following statements, ranging from (1) – Strongly Disagree to (7) – Strongly Agree. If you do not know the exact answer, please follow your gut feeling.**

| | Strongly Disagree | Disagree | Somewhat Disagree | Neither agree or disagree | Somewhat agree | Agree | Strongly agree |
|---|---|---|---|---|---|---|---|
| I have a good feeling about Volkswagen. | | | | | | | |
| I admire and respect Volkswagen. | | | | | | | |
| I trust Volkswagen. | | | | | | | |
| Volkswagen stands behind its products and services. | | | | | | | |
| Volkswagen develops innovative products and services. | | | | | | | |
| Volkswagen offers high quality products and services. | | | | | | | |
| Volkswagen offers products and services that are a good value for money. | | | | | | | |
| Volkswagen has excellent leadership. | | | | | | | |
| Volkswagen has a clear vision for its future. | | | | | | | |
| Volkswagen recognises and takes advantage of market opportunities. | | | | | | | |
| Volkswagen is well-managed. | | | | | | | |
| Volkswagen looks like a good company to work for. | | | | | | | |
| Volkswagen looks like a company that would have good employees. | | | | | | | |
| Volkswagen supports good causes. | | | | | | | |
| Volkswagen is an environmentally responsible company. | | | | | | | |
| Volkswagen maintains high standards in the way it treats people. | | | | | | | |
| Volkswagen has a strong record of profitability. | | | | | | | |
| Volkswagen looks like a low risk investment. | | | | | | | |
| Volkswagen tends to outperform its competitors. | | | | | | | |
| Volkswagen looks like a company with strong prospects for future growth. | | | | | | | |

## SECTION II. YOUR RELATIONSHIP WITH VOLKSWAGEN

**Please indicate, to what extent you agree or disagree with the following statements on the scale from (1) – Strongly Disagree to (7) – Strongly Agree. If you do not know the exact answer, please follow your gut feeling.**

| | Strongly Disagree | Disagree | Somewhat Disagree | Neither Agree nor Disagree | Somewhat Agree | Agree | Strongly Agree |
|---|---|---|---|---|---|---|---|
| I am very interested in what others think about Volkswagen. | | | | | | | |
| When I talk about Volkswagen, I usually say "we" rather than "they". | | | | | | | |
| Volkswagen successes are my successes. | | | | | | | |
| When someone praises Volkswagen, it feels like a personal compliment. | | | | | | | |
| If a story in the media criticised Volkswagen, I would feel embarrassed. | | | | | | | |
| When someone criticises Volkswagen, it feels like a personal insult. | | | | | | | |
| I would be embarrassed if I was part of Volkswagen. | | | | | | | |
| Volkswagen does shameful things. | | | | | | | |
| If I was part of Volkswagen, I would try to keep it for a secret from people I meet. | | | | | | | |
| I find Volkswagen to be disgraceful. | | | | | | | |
| I want people to know that I disagree with how Volkswagen behaves. | | | | | | | |
| If I was part of Volkswagen, I would be ashamed of what goes on in Volkswagen. | | | | | | | |

## SECTION III. NEWS ABOUT VOLKSWAGEN

In this section we are interested in your views on the news about Volkswagen. Below you can find a short news article, published in the internationally acclaimed newspaper theEdge, on the recent case about Volkswagen emission scandal. (Please wait for the news article to load)

***[The news article is presented to the participants]***

The following section of the survey will include a set of questions about the news article you have just read. For your convenience (if you would need to see the article again in order to answer all the questions), please follow the link:

https://henley.eu.qualtrics.com/ControlPanel/File.php?F=F_b1tdEufeRcF5Wuh

The link will be opened in a new pop-up window/tab in your browser, so you will have a ready-access to the news article throughout this section of the survey.

**Have you come across the information about the Volkswagen emission scandal?**

- Not at all familiar
- Low Familiar
- Slightly familiar
- Somewhat familiar
- Moderately familiar
- Very familiar
- Extremely familiar

Based on the news article you have just read, please, indicate to what extent you agree or disagree with the following statements about the content of the news article, ranging from (1) – Strongly Disagree to (7) – Strongly Agree.

| | Strongly Disagree | Disagree | Somewhat Disagree | Neither Agree nor Disagree | Somewhat Agree | Agree | Strongly Agree |
|---|---|---|---|---|---|---|---|
| The news article describes Volkswagen in a positive light. | | | | | | | |
| The news article focuses on positive implications for Volkswagen. | | | | | | | |

**Please, indicate to what extent you agree with the statement in the news article provided?**

- Strongly Disagree
- Disagree
- Somewhat Disagree
- Neither Agree nor Disagree
- Somewhat Agree
- Agree
- Strongly Agree

Based on the news article you have just read, please, indicate to what extent you agree or disagree with the following statements about the content of the news article, ranging from (1) – Strongly Disagree to (7) – Strongly Agree.

| | Strongly Disagree | Disagree | Somewhat Disagree | Neither Agree nor Disagree | Somewhat Agree | Agree | Strongly Agree |
|---|---|---|---|---|---|---|---|
| The news article describes Volkswagen in a negative light. | | | | | | | |
| The news article focuses on negative implications for Volkswagen. | | | | | | | |

We are now interested in your opinions and perceptions about who has written the article – the Environmental scientist[1], Chris Jones. From your perspective, please, indicate to what extent you agree or disagree with the following statements about the Environmental scientist, ranging from (1) – Strongly Disagree to (7) – Strongly Agree.

| | **Strongly Disagree** | **Disagree** | **Somewhat Disagree** | **Neither Agree nor Disagree** | **Somewhat Agree** | **Agree** | **Strongly Agree** |
|---|---|---|---|---|---|---|---|
| The Environmental scientist has a personal interest in the problem described about Volkswagen. | | | | | | | |
| The Environmental scientist is deeply involved in the problem about Volkswagen. | | | | | | | |
| The opinion of the Environmental scientist is informative. | | | | | | | |

When you are thinking of Environmental scientists[2] in general (or as a group), please indicate, to what extent you agree or disagree with the following statements about your overall feelings and opinions about Environmental scientists, ranging from (1) – Strongly Disagree to (7) – Strongly Agree. If you do not know the exact answer, please follow your gut feeling.

| | **Strongly Disagree** | **Disagree** | **Somewhat Disagree** | **Neither Agree nor Disagree** | **Somewhat Agree** | **Agree** | **Strongly Agree** |
|---|---|---|---|---|---|---|---|
| I am very interested in what others think about Environmental scientists. | | | | | | | |
| Environmental scientists' successes are my successes. | | | | | | | |
| When someone praises Environmental scientists, it feels like a personal compliment. | | | | | | | |
| If a story in the media criticised Environmental scientists, I would feel embarrassed. | | | | | | | |
| When someone criticises Environmental scientists, it feels like a personal insult. | | | | | | | |
| I would be embarrassed if I was part of an Environmental scientists group. | | | | | | | |
| Environmental scientists do shameful things. | | | | | | | |
| If I was part of an Environmental scientists group, I would try to keep it for a secret from people I meet. | | | | | | | |
| I want people to know that I disagree with how Environmental scientists behave. | | | | | | | |
| I would be ashamed of what goes on among Environmental scientists. | | | | | | | |

[1] Volkswagen driver for the second messenger manipulation
[2] Volkswagen driver for the second messenger manipulation

## SECTION IV. YOUR INTENTIONS AND BEHAVIOUR TOWARDS VOLKSWAGEN

In the following section we would like your opinion to what extent you agree or disagree with the following statements about your intentions and behaviour towards Volkswagen. Please indicate, whether you agree or disagree with each statement selecting which of the seven options is most true for you: (1) – Strongly Disagree; (7) – Strongly Agree. If you do not know the exact answer, please follow your gut feeling.

| | **Strongly Disagree** | **Disagree** | **Somewhat Disagree** | **Neither Agree nor Disagree** | **Somewhat Agree** | **Agree** | **Strongly Agree** |
|---|---|---|---|---|---|---|---|
| If I considered buying a new car, I would enquire at Volkswagen. | | | | | | | |
| I would recommend Volkswagen to anyone who is looking for a new car. | | | | | | | |
| Volkswagen is an organisation that I would defend if something went wrong. | | | | | | | |
| I would talk positively about Volkswagen in the future. | | | | | | | |
| If I were to consider buying a car in the future, Volkswagen would be my first port of call. | | | | | | | |
| I would give Volkswagen the benefit of the doubt if they were criticised (e.g. in the media or by consumer groups). | | | | | | | |

Volkswagen emission scandal has been widely discussed all over the world, and the company has got as many supporters as opponents. Following your personal opinion on the Volkswagen emission problem, in the final section of our survey we would like you to choose, which of the following actions be taken regarding the Volkswagen emission scandal.

By simply choosing one of the options below, you will be participating in a LIVE voting process. The results of the voting will be available online, and you can see them on the next page.

Each vote will add significant value to the outcome of the voting and overall research project. The voting is highly encouraged, but entirely voluntary. Please indicate which of the suggested actions should be taken forward:

- Criminal charges must be pressed against Volkswagen!
- Volkswagen must compensate their customers, whose cars failed emission tests.
- The company has taken full responsibility for their mistakes, and the problem will be solved shortly.
- The emission problem is vastly exaggerated.
- Other (please specify) ____________________

Please, see the results of the voting below. In order to view the results table please move your cursor.

You can copy the following link to get an instant access to the LIVE voting results: https://henley.eu.qualtrics.com/WRReport/?RPID=RP2_byjhr1UZOvj0mbj&P=CP

The results get updated every 5 minutes. (Please wait for the LIVE results to load. It might take up to 5 seconds.)

**Thank you very much for your participation!**

# Appendix 5

## MODEL CONSTRUCTS AND RELATED SCALE ITEMS

| | |
|---|---|
| **Perceptions of corporate reputation – Reputation Quotient** | |
| EA1 | I have a good feeling about Volkswagen. |
| EA2 | I admire and respect Volkswagen. |
| EA3 | I trust Volkswagen. |
| PS1 | Volkswagen stands behind its products and services. |
| PS2 | Volkswagen develops innovative products and services. |
| PS3 | Volkswagen offers high quality products and services. |
| PS4 | Volkswagen offers products and services that are a good value for money. |
| VL1 | Volkswagen has excellent leadership. |
| VL2 | Volkswagen has a clear vision for its future. |
| VL3 | Volkswagen recognises and takes advantage of market opportunities. |
| WE1 | Volkswagen is well-managed. |
| WE2 | Volkswagen looks like a good company to work for. |
| WE3 | Volkswagen looks like a company that would have good employees. |
| SER1 | Volkswagen supports good causes. |
| SER2 | Volkswagen is an environmentally responsible company. |
| SER3 | Volkswagen maintains high standards in the way it treats people. |
| FP1 | Volkswagen has a strong record of profitability. |
| FP2 | Volkswagen looks like a low risk investment. |
| FP3 | Volkswagen tends to outperform its competitors. |
| FP4 | Volkswagen looks like a company with strong prospects for future growth. |
| **Organisational (dis)identification** | |
| OID1 | I am very interested in what others think about Volkswagen. |
| OID2 | When I talk about Volkswagen, I usually say “we” rather than “they”. |
| OID3 | Volkswagen successes are my successes. |
| OID4 | When someone praises Volkswagen, it feels like a personal compliment. |
| OID5 | If a story in the media criticised Volkswagen, I would feel embarrassed. |
| OID6 | When someone criticises Volkswagen, it feels like a personal insult. |
| ODID1 | I would be embarrassed if I was part of Volkswagen. |
| ODID2 | Volkswagen does shameful things. |
| ODID3 | If I was part of Volkswagen, I would try to keep it for a secret from people I meet. |
| ODID4 | I find Volkswagen to be disgraceful. |
| ODID5 | I want people to know that I disagree with how Volkswagen behaves. |
| ODID6 | If I was part of Volkswagen, I would be ashamed of what goes on in Volkswagen. |
| **(Dis)identification with the messenger** | |
| MID1 | I am very interested in what others think about the messenger. |
| MID3 | The messenger’s successes are my successes. |
| MID4 | When someone praises the messenger, it feels like a personal compliment. |
| MID5 | If a story in the media criticised the messenger, I would feel embarrassed. |
| MID6 | When someone criticises the messenger it feels like a personal insult. |
| MDID1 | I would be embarrassed if I was part of the messenger group. |
| MDID2 | The messenger does shameful things. |
| MDID3 | If I was part of the messenger group, I would try to keep it for a secret from people I meet. |
| MDID5 | I want people to know that I disagree with how the messenger behave. |
| MDID6 | I would be ashamed of what goes on among the messenger. |
| **Stakeholders supportive intended behaviour** | |
| INT1 | If I considered buying a new car, I would enquire at Volkswagen. |
| INT2 | I would recommend Volkswagen to anyone who is looking for a new car. |
| INT3 | Volkswagen is an organisation that I would defend if something went wrong. |
| INT4 | I would talk positively about Volkswagen in the future. |
| INT5 | If I were to consider buying a car in the future, Volkswagen would be my first port of call. |
| INT6 | I would give Volkswagen the benefit of the doubt if they were criticised (e.g. in the media or by consumer groups). |
| **Stakeholders supportive actual behaviour** | |
| BEH | Voting poll |

# Appendix 6

## ASSESSMENT OF NORMALITY FOR ALL ITEMS EMPLOYED FOR THE STUDY

| Label | Item description | Scale Mean | SD | Item Mean | SD | Skewness | Z-skew (Std.Er. = 0.09) | Kurtosis | Z-kurt (Std.Er. = 0.18) |
|---|---|---|---|---|---|---|---|---|---|
| EA1 | I have a good feeling about Volkswagen. | | | 4.24 | 1.57 | -0.31 | -3.48 | -0.56 | -3.08 |
| EA2 | I admire and respect Volkswagen. | 4.10 | 1.55 | 4.14 | 1.60 | -0.27 | -2.94 | -0.61 | -3.36 |
| EA3 | I trust Volkswagen. | | | 3.93 | 1.72 | -0.14 | -1.57 | -0.91 | -5.02 |
| PS1 | Volkswagen stands behind its products and services. | | | 4.43 | 1.45 | -0.46 | -5.06 | -0.09 | -0.49 |
| PS2 | Volkswagen develops innovative products and services. | | | 4.82 | 1.28 | -0.60 | -6.63 | 0.78 | 4.31 |
| PS3 | Volkswagen offers high quality products and services. | 4.68 | 1.24 | 4.87 | 1.39 | -0.67 | -7.43 | 0.40 | 2.21 |
| PS4 | Volkswagen offers products and services that are a good value for money. | | | 4.61 | 1.42 | -0.47 | -5.16 | 0.27 | 1.48 |
| VL1 | Volkswagen has excellent leadership. | | | 3.9 | 1.57 | -0.09 | -1.01 | -0.43 | -2.35 |
| VL2 | Volkswagen has a clear vision for its future. | 4.35 | 1.22 | 4.33 | 1.39 | -0.30 | -3.32 | 0.15 | 0.84 |
| VL3 | Volkswagen recognises and takes advantage of market opportunities. | | | 4.81 | 1.29 | -0.50 | -5.53 | 0.67 | 3.71 |
| WE1 | Volkswagen is well-managed. | | | 3.93 | 1.61 | -0.14 | -1.59 | -0.66 | -3.65 |
| WE2 | Volkswagen looks like a good company to work for. | 4.28 | 1.37 | 4.38 | 1.50 | -0.41 | -4.49 | -0.02 | -0.08 |
| WE3 | Volkswagen looks like a company that would have good employees. | | | 4.54 | 1.41 | -0.43 | -4.70 | 0.08 | 0.42 |
| SER1 | Volkswagen supports good causes. | | | 4.08 | 1.23 | -0.19 | -2.14 | 1.20 | 6.66 |
| SER2 | Volkswagen is an environmentally responsible company. | 3.85 | 1.31 | 3.36 | 1.72 | 0.12 | 1.28 | -0.87 | -4.84 |
| SER3 | Volkswagen maintains high standards in the way it treats people. | | | 4.11 | 1.50 | -0.33 | -3.62 | -0.14 | -0.80 |
| FP1 | Volkswagen has a strong record of profitability. | | | 5 | 1.20 | -0.55 | -6.05 | 1.01 | 5.59 |
| FP2 | Volkswagen looks like a low risk investment. | | | 4 | 1.51 | -0.27 | -2.96 | -0.19 | -1.07 |
| FP3 | Volkswagen tends to outperform its competitors. | 4.37 | 1.16 | 4.3 | 1.28 | -0.28 | -3.12 | 0.57 | 3.14 |
| FP4 | Volkswagen looks like a company with strong prospects for future growth. | | | 4.19 | 1.49 | -0.29 | -3.18 | -0.11 | -0.60 |
| OID1 | I am very interested in what others think about Volkswagen. | | | 3.53 | 1.79 | 0.13 | 1.41 | -1.01 | -5.57 |
| OID2 | When I talk about Volkswagen, I usually say "we" rather than "they". | | | 2.35 | 1.60 | 1.01 | 11.22 | 0.16 | 0.86 |
| OID3 | Volkswagen successes are my successes. | | | 2.26 | 1.59 | 1.17 | 12.97 | 0.53 | 2.94 |
| OID4 | When someone praises Volkswagen, it feels like a personal compliment. | 2.45 | 1.42 | 2.21 | 1.60 | 1.23 | 13.59 | 0.60 | 3.32 |
| OID5 | If a story in the media criticised Volkswagen, I would feel embarrassed. | | | 2.29 | 1.63 | 1.13 | 12.45 | 0.25 | 1.36 |
| OID6 | When someone criticises Volkswagen, it feels like a personal insult. | | | 2.08 | 1.56 | 1.45 | 16.03 | 1.23 | 6.81 |
| ODID1 | I would be embarrassed if I was part of Volkswagen. | 3.77 | 1.71 | 3.73 | 1.87 | 0.02 | 0.27 | -1.14 | -6.29 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| ODID2 | Volkswagen does shameful things. | | | 4.21 | 1.85 | -0.27 | -2.98 | -0.93 | -5.12 |
| ODID3 | If I was part of Volkswagen, I would try to keep it for a secret from people I meet. | | | 3.31 | 1.79 | 0.33 | 3.64 | -0.84 | -4.64 |
| ODID4 | I find Volkswagen to be disgraceful. | | | 3.64 | 1.90 | 0.09 | 0.95 | -1.06 | -5.84 |
| ODID5 | I want people to know that I disagree with how Volkswagen behaves. | | | 3.72 | 1.84 | 0.06 | 0.65 | -0.94 | -5.20 |
| ODID6 | If I was part of Volkswagen, I would be ashamed of what goes on in Volkswagen. | | | 3.98 | 1.98 | -0.13 | -1.42 | -1.15 | -6.36 |
| MID1 | I am very interested in what others think about the messenger. | | | 3.61 | 1.75 | 0.01 | 0.14 | -0.98 | -5.45 |
| MID3 | The messenger's successes are my successes. | | | 2.84 | 1.72 | 0.57 | 6.25 | -0.70 | -3.87 |
| MID4 | When someone praises the messenger, it feels like a personal compliment. | 2.80 | 1.46 | 2.59 | 1.64 | 0.74 | 8.19 | -0.39 | -2.15 |
| MID5 | If a story in the media criticised the messenger, I would feel embarrassed. | | | 2.53 | 1.59 | 0.76 | 8.42 | -0.39 | -2.14 |
| MID6 | When someone criticises the messenger it feels like a personal insult. | | | 2.44 | 1.61 | 0.93 | 10.29 | -0.02 | -0.08 |
| MDID1 | I would be embarrassed if I was part of the messenger group. | | | 3.02 | 1.73 | 0.48 | 5.32 | -0.68 | -3.79 |
| MDID2 | The messenger does shameful things. | | | 2.84 | 1.52 | 0.45 | 5.00 | -0.46 | -2.56 |
| MDID3 | If I was part of the messenger group, I would try to keep it for a secret from people I meet. | 2.90 | 1.44 | 2.8 | 1.63 | 0.62 | 6.90 | -0.39 | -2.16 |
| MDID5 | I want people to know that I disagree with how the messenger behave. | | | 2.96 | 1.61 | 0.31 | 3.43 | -0.77 | -4.23 |
| MDID6 | I would be ashamed of what goes on among the messenger. | | | 2.89 | 1.59 | 0.41 | 4.57 | -0.63 | -3.49 |
| INT1 | If I considered buying a new car, I would enquire at Volkswagen. | | | 3.8 | 1.79 | -0.16 | -1.75 | -1.08 | -5.98 |
| INT2 | I would recommend Volkswagen to anyone who is looking for a new car. | | | 3.51 | 1.70 | 0.09 | 1.00 | -0.83 | -4.57 |
| INT3 | Volkswagen is an organisation that I would defend if something went wrong. | | | 3.12 | 1.61 | 0.30 | 3.29 | -0.74 | -4.10 |
| INT4 | I would talk positively about Volkswagen in the future. | 3.46 | 1.50 | 3.61 | 1.64 | -0.03 | -0.29 | -0.67 | -3.73 |
| INT5 | If I were to consider buying a car in the future, Volkswagen would be my first port of call. | | | 3.02 | 1.71 | 0.49 | 5.40 | -0.64 | -3.54 |
| INT6 | I would give Volkswagen the benefit of the doubt if they were criticised (e.g. in the media or by consumer groups). | | | 3.7 | 1.61 | -0.12 | -1.32 | -0.73 | -4.06 |
| BEH | Voting poll | 3.17 | 1.63 | 3.17 | 1.63 | 0.36 | 3.94 | -0.43 | -2.40 |

## KOLMOGOROV-SMIRNOV TEST

| | Kolmogorov-Smirnov | | | Shapiro-Wilk | | |
|---|---|---|---|---|---|---|
| ***Item*** | ***Statistic*** | ***df*** | ***Sig.*** | ***Statistic*** | ***df*** | ***Sig.*** |
| EA1 | 0.16 | 735 | 0 | 0.941 | 735 | 0 |
| EA2 | 0.165 | 735 | 0 | 0.942 | 735 | 0 |
| EA3 | 0.143 | 735 | 0 | 0.938 | 735 | 0 |
| PS1 | 0.177 | 735 | 0 | 0.933 | 735 | 0 |
| PS2 | 0.17 | 735 | 0 | 0.911 | 735 | 0 |
| PS3 | 0.171 | 735 | 0 | 0.917 | 735 | 0 |
| PS4 | 0.184 | 735 | 0 | 0.923 | 735 | 0 |
| VL1 | 0.19 | 735 | 0 | 0.938 | 735 | 0 |
| VL2 | 0.219 | 735 | 0 | 0.923 | 735 | 0 |
| VL3 | 0.181 | 735 | 0 | 0.907 | 735 | 0 |
| WE1 | 0.174 | 735 | 0 | 0.941 | 735 | 0 |
| WE2 | 0.205 | 735 | 0 | 0.925 | 735 | 0 |
| WE3 | 0.189 | 735 | 0 | 0.926 | 735 | 0 |
| SER1 | 0.305 | 735 | 0 | 0.841 | 735 | 0 |
| SER2 | 0.174 | 735 | 0 | 0.916 | 735 | 0 |
| SER3 | 0.232 | 735 | 0 | 0.92 | 735 | 0 |
| FP1 | 0.154 | 735 | 0 | 0.898 | 735 | 0 |
| FP2 | 0.214 | 735 | 0 | 0.929 | 735 | 0 |
| FP3 | 0.231 | 735 | 0 | 0.912 | 735 | 0 |
| FP4 | 0.196 | 735 | 0 | 0.934 | 735 | 0 |
| OID1 | 0.144 | 735 | 0 | 0.929 | 735 | 0 |
| OID2 | 0.261 | 735 | 0 | 0.806 | 735 | 0 |
| OID3 | 0.27 | 735 | 0 | 0.785 | 735 | 0 |
| OID4 | 0.29 | 735 | 0 | 0.767 | 735 | 0 |
| OID5 | 0.279 | 735 | 0 | 0.78 | 735 | 0 |
| OID6 | 0.316 | 735 | 0 | 0.727 | 735 | 0 |
| ODID1 | 0.146 | 735 | 0 | 0.925 | 735 | 0 |
| ODID2 | 0.15 | 735 | 0 | 0.925 | 735 | 0 |
| ODID3 | 0.142 | 735 | 0 | 0.918 | 735 | 0 |
| ODID4 | 0.144 | 735 | 0 | 0.918 | 735 | 0 |
| ODID5 | 0.164 | 735 | 0 | 0.925 | 735 | 0 |
| ODID6 | 0.139 | 735 | 0 | 0.914 | 735 | 0 |
| MID1 | 0.153 | 735 | 0 | 0.93 | 735 | 0 |
| MID3 | 0.19 | 735 | 0 | 0.877 | 735 | 0 |
| MID4 | 0.218 | 735 | 0 | 0.851 | 735 | 0 |
| MID5 | 0.216 | 735 | 0 | 0.85 | 735 | 0 |
| MID6 | 0.24 | 735 | 0 | 0.828 | 735 | 0 |
| MDID1 | 0.172 | 735 | 0 | 0.9 | 735 | 0 |
| MDID2 | 0.179 | 735 | 0 | 0.894 | 735 | 0 |
| MDID3 | 0.19 | 735 | 0 | 0.881 | 735 | 0 |
| MDID5 | 0.205 | 735 | 0 | 0.885 | 735 | 0 |
| MDID6 | 0.174 | 735 | 0 | 0.892 | 735 | 0 |
| Intent1 | 0.162 | 735 | 0 | 0.923 | 735 | 0 |
| Intent2 | 0.169 | 735 | 0 | 0.931 | 735 | 0 |
| Intent3 | 0.147 | 735 | 0 | 0.92 | 735 | 0 |
| Intent4 | 0.205 | 735 | 0 | 0.927 | 735 | 0 |
| Intent5 | 0.161 | 735 | 0 | 0.905 | 735 | 0 |
| Intent6 | 0.171 | 735 | 0 | 0.936 | 735 | 0 |

# Appendix 7

## COMMON METHOD BIAS TESTS – HARMAN SINGLE FACTOR TEST

| Unrotated factor solution | | Components | | | | | |
|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 |
| EA1 | I have a good feeling about Volkswagen. | 0.834 | -0.164 | 0.088 | 0.02 | 0.038 | 0.11 |
| EA2 | I admire and respect Volkswagen. | 0.863 | -0.138 | 0.07 | 0.049 | 0.013 | 0.083 |
| EA3 | I trust Volkswagen. | 0.844 | -0.164 | 0.123 | -0.061 | -0.066 | 0.001 |
| PS1 | Volkswagen stands behind its products and services. | 0.79 | -0.14 | 0.036 | 0.195 | -0.051 | 0.065 |
| PS2 | Volkswagen develops innovative products and services. | 0.717 | -0.102 | -0.074 | 0.403 | -0.017 | 0.165 |
| PS3 | Volkswagen offers high quality products and services. | 0.752 | -0.189 | -0.073 | 0.329 | 0.015 | 0.221 |
| PS4 | Volkswagen offers products and services that are a good value for money. | 0.783 | -0.119 | -0.074 | 0.266 | -0.045 | 0.13 |
| VL1 | Volkswagen has excellent leadership. | 0.83 | -0.096 | 0.13 | 0.039 | -0.172 | -0.104 |
| VL2 | Volkswagen has a clear vision for its future. | 0.799 | -0.082 | 0.04 | 0.232 | -0.139 | -0.036 |
| VL3 | Volkswagen recognises and takes advantage of market opportunities. | 0.598 | -0.073 | -0.102 | 0.508 | -0.129 | 0.062 |
| WE1 | Volkswagen is well-managed. | 0.832 | -0.106 | 0.147 | 0.024 | -0.228 | -0.102 |
| WE2 | Volkswagen looks like a good company to work for. | 0.824 | -0.121 | 0.014 | 0.167 | -0.074 | 0.01 |
| WE3 | Volkswagen looks like a company that would have good employees. | 0.785 | -0.104 | 0.005 | 0.267 | -0.095 | -0.004 |
| SER1 | Volkswagen supports good causes. | 0.724 | 0.104 | -0.009 | 0.176 | -0.128 | -0.198 |
| SER2 | Volkswagen is an environmentally responsible company. | 0.778 | -0.039 | 0.197 | -0.087 | -0.163 | -0.245 |
| SER3 | Volkswagen maintains high standards in the way it treats people. | 0.823 | -0.093 | 0.107 | 0.095 | -0.124 | -0.104 |
| FP1 | Volkswagen has a strong record of profitability. | 0.552 | -0.023 | -0.186 | 0.49 | -0.06 | -0.035 |
| FP2 | Volkswagen looks like a low risk investment. | 0.732 | -0.08 | 0.044 | 0.048 | -0.211 | -0.136 |
| FP3 | Volkswagen tends to outperform its competitors. | 0.766 | -0.02 | -0.075 | 0.26 | -0.037 | -0.109 |
| FP4 | Volkswagen looks like a company with strong prospects for future growth. | 0.846 | -0.103 | 0.062 | 0.1 | -0.144 | -0.089 |
| OID1 | I am very interested in what others think about Volkswagen. | 0.5 | 0.443 | -0.183 | 0.092 | 0.047 | 0 |
| OID2 | When I talk about Volkswagen, I usually say "we" rather than "they". | 0.571 | 0.531 | -0.048 | -0.18 | 0.05 | -0.299 |
| OID3 | Volkswagen successes are my successes. | 0.65 | 0.572 | -0.036 | -0.15 | 0.047 | -0.268 |
| OID4 | When someone praises Volkswagen, it feels like a personal compliment. | 0.672 | 0.562 | -0.051 | -0.18 | 0.04 | -0.277 |
| OID5 | If a story in the media criticised Volkswagen, I would feel embarrassed. | 0.564 | 0.582 | -0.056 | -0.137 | 0.084 | -0.276 |
| OID6 | When someone criticises Volkswagen, it feels like a personal insult. | 0.607 | 0.582 | -0.035 | -0.196 | 0.056 | -0.298 |
| ODID1 | I would be embarrassed if I was part of Volkswagen. | -0.601 | 0.526 | -0.102 | 0.351 | 0.111 | -0.073 |
| ODID2 | Volkswagen does shameful things. | -0.644 | 0.428 | -0.15 | 0.429 | 0.185 | -0.013 |
| ODID3 | If I was part of Volkswagen, I would try to keep it for a secret from people I meet. | -0.484 | 0.628 | -0.092 | 0.283 | 0.092 | -0.138 |
| ODID4 | I find Volkswagen to be disgraceful. | -0.599 | 0.572 | -0.153 | 0.345 | 0.124 | -0.102 |
| ODID5 | I want people to know that I disagree with how Volkswagen behaves. | -0.504 | 0.577 | -0.167 | 0.396 | 0.076 | -0.092 |
| ODID6 | If I was part of Volkswagen, I would be ashamed of what goes on in Volkswagen. | -0.578 | 0.53 | -0.149 | 0.458 | 0.136 | -0.076 |
| MID1 | I am very interested in what others think about the messenger. | 0.35 | 0.467 | -0.382 | -0.069 | -0.159 | 0.268 |
| MID3 | The messenger's successes are my successes. | 0.334 | 0.552 | -0.528 | -0.171 | -0.216 | 0.214 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| MID4 | When someone praises the messenger, it feels like a personal compliment. | 0.423 | 0.612 | -0.413 | -0.248 | -0.223 | 0.208 |
| MID5 | If a story in the media criticised the messenger, I would feel embarrassed. | 0.355 | 0.637 | -0.359 | -0.233 | -0.202 | 0.226 |
| MID6 | When someone criticises the messenger it feels like a personal insult. | 0.42 | 0.62 | -0.358 | -0.276 | -0.202 | 0.186 |
| MDID1 | I would be embarrassed if I was part of the messenger group. | -0.086 | 0.61 | 0.547 | 0.158 | -0.049 | 0.112 |
| MDID2 | The messenger does shameful things. | 0.005 | 0.616 | 0.618 | -0.018 | -0.092 | 0.163 |
| MDID3 | If I was part of the messenger group, I would try to keep it for a secret from people I meet. | -0.05 | 0.676 | 0.584 | 0.006 | -0.124 | 0.12 |
| MDID5 | I want people to know that I disagree with how the messenger behave. | 0.015 | 0.648 | 0.582 | 0.078 | -0.095 | 0.164 |
| MDID6 | I would be ashamed of what goes on among the messenger. | -0.004 | 0.653 | 0.628 | 0 | -0.057 | 0.189 |
| INT1 | If I considered buying a new car, I would enquire at Volkswagen. | 0.739 | -0.009 | -0.032 | -0.028 | 0.466 | 0.204 |
| INT2 | I would recommend Volkswagen to anyone who is looking for a new car. | 0.787 | 0.043 | 0.015 | -0.027 | 0.469 | 0.133 |
| INT3 | Volkswagen is an organisation that I would defend if something went wrong. | 0.788 | 0.216 | 0.005 | -0.099 | 0.344 | 0.036 |
| INT4 | I would talk positively about Volkswagen in the future. | 0.805 | 0.049 | 0.022 | -0.069 | 0.428 | 0.105 |
| INT5 | If I were to consider buying a car in the future, Volkswagen would be my first port of call. | 0.777 | 0.187 | -0.008 | -0.092 | 0.384 | 0.093 |
| INT6 | I would give Volkswagen the benefit of the doubt if they were criticised (e.g. in the media or by consumer groups). | 0.73 | -0.007 | 0.072 | -0.043 | 0.347 | 0.13 |
| BEH | Voting poll | 0.492 | -0.078 | 0.126 | -0.159 | 0.254 | -0.172 |

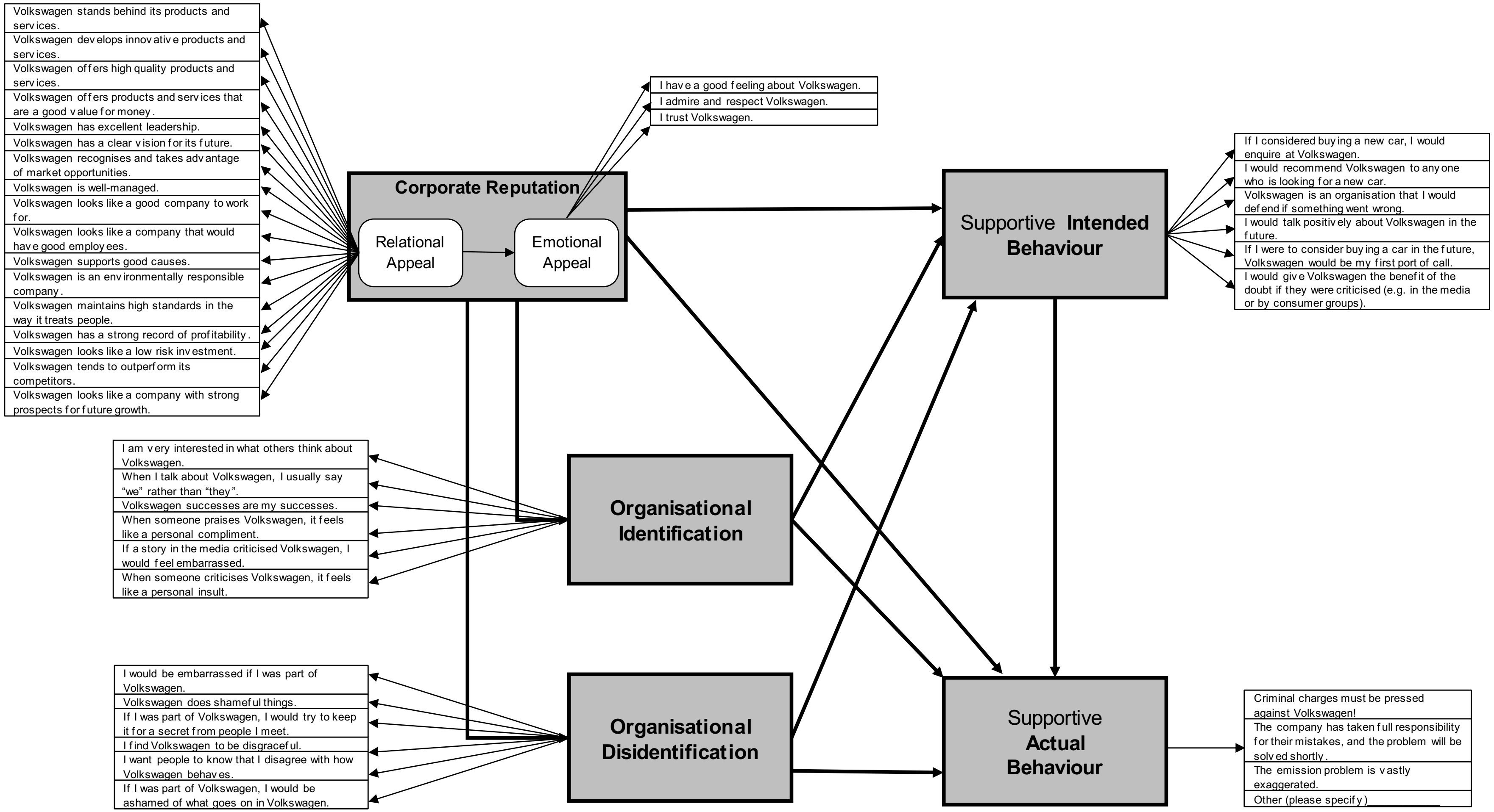
# Appendix 8

## DEMOGRAPHICS FOR ALL EXPERIMENTAL GROUPS

| Experimental groups | | N | Male | Female | Those who drive | Those who do not drive | Age 18-24 | Age 25-34 | Age 35-44 | Age 45-54 | Age 55-64 | Age 65-74 | Age 75+ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Group 1 | Positive message from the environmental scientist | 147 | 67 | 80 | 71 | 76 | 12 | 31 | 26 | 25 | 30 | 19 | 4 |
| Group 2 | Negative message from the environmental scientist | 283 | 121 | 162 | 86 | 197 | 43 | 77 | 69 | 30 | 39 | 21 | 4 |
| Group 3 | Positive message from the Volkswagen driver | 148 | 72 | 76 | 82 | 66 | 19 | 24 | 30 | 29 | 26 | 17 | 3 |
| Group 4 | Negative message from the Volkswagen driver | 157 | 70 | 87 | 90 | 67 | 14 | 34 | 39 | 27 | 23 | 17 | 3 |

# Appendix 9

## PATH MODEL – REPUTATION/(DIS)IDENTIFICATION MODEL



# Appendix 10

## OUTER LOADINGS

| | EA | FP | INT | ODID | OID | PS | SER | VL | WE |
|---|---|---|---|---|---|---|---|---|---|
| EA1 | 0.954 | | | | | | | | |
| EA2 | 0.96 | | | | | | | | |
| EA3 | 0.943 | | | | | | | | |
| FP1 | | ***0.698*** | | | | | | | |
| FP2 | | 0.874 | | | | | | | |
| FP3 | | 0.886 | | | | | | | |
| FP4 | | 0.914 | | | | | | | |
| Intent1 | | | 0.88 | | | | | | |
| Intent2 | | | 0.928 | | | | | | |
| Intent3 | | | 0.89 | | | | | | |
| Intent4 | | | 0.936 | | | | | | |
| Intent5 | | | 0.9 | | | | | | |
| Intent6 | | | 0.833 | | | | | | |
| ODID1 | | | | 0.906 | | | | | |
| ODID2 | | | | 0.91 | | | | | |
| ODID3 | | | | 0.872 | | | | | |
| ODID4 | | | | 0.94 | | | | | |
| ODID5 | | | | 0.896 | | | | | |
| ODID6 | | | | 0.94 | | | | | |
| OID1 | | | | | ***0.687*** | | | | |
| OID2 | | | | | 0.866 | | | | |
| OID3 | | | | | 0.933 | | | | |
| OID4 | | | | | 0.949 | | | | |
| OID5 | | | | | 0.886 | | | | |
| OID6 | | | | | 0.926 | | | | |
| PS1 | | | | | | 0.882 | | | |
| PS2 | | | | | | 0.885 | | | |
| PS3 | | | | | | 0.921 | | | |
| PS4 | | | | | | 0.89 | | | |
| SER1 | | | | | | | 0.84 | | |
| SER2 | | | | | | | 0.899 | | |
| SER3 | | | | | | | 0.914 | | |
| VL1 | | | | | | | | 0.892 | |
| VL2 | | | | | | | | 0.928 | |
| VL3 | | | | | | | | 0.748 | |
| WE1 | | | | | | | | | 0.89 |
| WE2 | | | | | | | | | 0.939 |
| WE3 | | | | | | | | | 0.911 |

# Appendix 11

## CROSS LOADINGS

| | BEH | EA | FP | INT | ODID | OID | PS | SER | VL | WE |
|---|---|---|---|---|---|---|---|---|---|---|
| **EA1** | 0.412 | 0.954 | 0.691 | 0.704 | -0.602 | 0.437 | 0.769 | 0.693 | 0.729 | 0.738 |
| **EA2** | 0.42 | 0.96 | 0.723 | 0.715 | -0.594 | 0.475 | 0.796 | 0.735 | 0.77 | 0.777 |
| **EA3** | 0.43 | 0.943 | 0.711 | 0.672 | -0.645 | 0.455 | 0.742 | 0.75 | 0.744 | 0.76 |
| **FP1** | 0.177 | 0.414 | 0.698 | 0.425 | -0.202 | 0.314 | 0.59 | 0.48 | 0.568 | 0.541 |
| **FP2** | 0.284 | 0.638 | 0.874 | 0.545 | -0.502 | 0.418 | 0.601 | 0.689 | 0.649 | 0.697 |
| **FP3** | 0.292 | 0.634 | 0.886 | 0.624 | -0.396 | 0.482 | 0.689 | 0.689 | 0.683 | 0.716 |
| **FP4** | 0.371 | 0.767 | 0.914 | 0.659 | -0.564 | 0.48 | 0.723 | 0.777 | 0.787 | ***0.818*** |
| **Intent1** | 0.359 | 0.647 | 0.573 | 0.88 | -0.437 | 0.46 | 0.61 | 0.545 | 0.547 | 0.58 |
| **Intent2** | 0.412 | 0.691 | 0.627 | 0.928 | -0.438 | 0.533 | 0.634 | 0.611 | 0.598 | 0.628 |
| **Intent3** | 0.449 | 0.65 | 0.614 | 0.89 | -0.374 | 0.664 | 0.586 | 0.642 | 0.596 | 0.616 |
| **Intent4** | 0.43 | 0.669 | 0.647 | 0.936 | -0.466 | 0.555 | 0.63 | 0.631 | 0.604 | 0.658 |
| **Intent5** | 0.364 | 0.634 | 0.586 | 0.9 | -0.37 | 0.626 | 0.574 | 0.6 | 0.588 | 0.598 |
| **Intent6** | 0.427 | 0.64 | 0.577 | 0.833 | -0.45 | 0.453 | 0.592 | 0.602 | 0.584 | 0.627 |
| **ODID1** | -0.315 | -0.606 | -0.503 | -0.459 | 0.906 | -0.139 | -0.503 | -0.527 | -0.506 | -0.569 |
| **ODID2** | -0.372 | -0.635 | -0.51 | -0.465 | 0.91 | -0.228 | -0.497 | -0.596 | -0.536 | -0.593 |
| **ODID3** | -0.266 | -0.517 | -0.413 | -0.359 | 0.872 | 0.011 | -0.452 | -0.422 | -0.428 | -0.478 |
| **ODID4** | -0.346 | -0.624 | -0.505 | -0.449 | 0.94 | -0.095 | -0.521 | -0.541 | -0.505 | -0.575 |
| **ODID5** | -0.328 | -0.524 | -0.411 | -0.391 | 0.896 | -0.034 | -0.414 | -0.454 | -0.435 | -0.474 |
| **ODID6** | -0.363 | -0.597 | -0.462 | -0.436 | 0.94 | -0.126 | -0.447 | -0.519 | -0.487 | -0.543 |
| **OID1** | 0.196 | 0.336 | 0.375 | 0.454 | -0.035 | 0.687 | 0.386 | 0.396 | 0.38 | 0.37 |
| **OID2** | 0.28 | 0.398 | 0.417 | 0.501 | -0.112 | 0.866 | 0.34 | 0.485 | 0.388 | 0.386 |
| **OID3** | 0.303 | 0.462 | 0.486 | 0.587 | -0.129 | 0.933 | 0.412 | 0.564 | 0.463 | 0.466 |
| **OID4** | 0.334 | 0.482 | 0.507 | 0.603 | -0.157 | 0.949 | 0.42 | 0.577 | 0.482 | 0.476 |
| **OID5** | 0.298 | 0.394 | 0.427 | 0.529 | -0.059 | 0.886 | 0.347 | 0.471 | 0.395 | 0.39 |
| **OID6** | 0.282 | 0.434 | 0.449 | 0.557 | -0.109 | 0.926 | 0.359 | 0.52 | 0.418 | 0.416 |
| **PS1** | 0.353 | 0.779 | 0.692 | 0.614 | -0.513 | 0.419 | 0.882 | 0.678 | 0.75 | 0.715 |
| **PS2** | 0.297 | 0.636 | 0.643 | 0.556 | -0.38 | 0.363 | 0.885 | 0.583 | 0.695 | 0.631 |
| **PS3** | 0.298 | 0.723 | 0.69 | 0.614 | -0.482 | 0.335 | 0.921 | 0.612 | 0.692 | 0.693 |
| **PS4** | 0.324 | 0.737 | 0.717 | 0.624 | -0.473 | 0.412 | 0.89 | 0.679 | 0.737 | 0.719 |
| **SER1** | 0.265 | 0.563 | 0.675 | 0.561 | -0.344 | 0.54 | 0.596 | 0.84 | 0.663 | 0.69 |
| **SER2** | 0.39 | 0.712 | 0.678 | 0.588 | -0.566 | 0.526 | 0.596 | 0.899 | 0.697 | 0.715 |
| **SER3** | 0.369 | 0.731 | 0.75 | 0.646 | -0.558 | 0.475 | 0.707 | 0.914 | 0.77 | ***0.805*** |
| **VL1** | 0.39 | 0.789 | 0.721 | 0.624 | -0.577 | 0.48 | 0.698 | 0.788 | 0.892 | ***0.813*** |
| **VL2** | 0.344 | 0.703 | 0.74 | 0.613 | -0.484 | 0.441 | 0.735 | 0.738 | 0.928 | 0.781 |
| **VL3** | 0.18 | 0.481 | 0.588 | 0.419 | -0.247 | 0.284 | 0.653 | 0.496 | 0.748 | 0.573 |
| **BEH** | 1 | 0.442 | 0.343 | 0.456 | -0.366 | 0.324 | 0.357 | 0.391 | 0.371 | 0.392 |
| **WE1** | 0.37 | 0.776 | 0.767 | 0.617 | -0.601 | 0.463 | 0.674 | ***0.802*** | ***0.826*** | 0.89 |
| **WE2** | 0.353 | 0.722 | 0.766 | 0.665 | -0.538 | 0.426 | 0.717 | 0.754 | 0.757 | 0.939 |
| **WE3** | 0.349 | 0.675 | 0.736 | 0.608 | -0.48 | 0.413 | 0.731 | 0.724 | 0.75 | 0.911 |

# Appendix 12

## MULTIPLE MEDIATION ANALYSIS

### Direct effects

| | Original sample | Sample mean | SD | *t*-statistics | *p*-values |
|---|---|---|---|---|---|
| Emotional Appeal → Actual Behaviour | 0.112 | 0.11 | 0.057 | 1.955 | 0.051 |
| Emotional Appeal → Intended Behaviour | 0.474 | 0.475 | 0.038 | 12.448 | 0 |
| Emotional Appeal→ Organisational Disidentification | -0.644 | -0.645 | 0.027 | 23.828 | 0 |
| Emotional Appeal→ Organisational Identification | 0.479 | 0.479 | 0.028 | 17.36 | 0 |
| Intended Behaviour→ Actual Behaviour | 0.22 | 0.223 | 0.055 | 4.009 | 0 |
| Organisational Disidentification→ Actual Behaviour | -0.177 | -0.176 | 0.047 | 3.807 | 0 |
| Organisational Disidentification→ Intended Behaviour | -0.121 | -0.121 | 0.033 | 3.643 | 0 |
| Organisational Identification→ Actual Behaviour | 0.114 | 0.114 | 0.046 | 2.462 | 0.014 |
| Organisational Identification→ Intended Behaviour | 0.375 | 0.374 | 0.03 | 12.63 | 0 |

### Specific indirect effects

| | Original sample | Sample mean | Std.Error | *t*-statistics | *p*-value |
|---|---|---|---|---|---|
| Emotional Appeal → Intended Behaviour via Organisational Identification | 0.180 | 0.179 | 0.017 | 10.471 | 0.0000 |
| Emotional Appeal → Intended Behaviour via Organisational Disidentification | 0.078 | 0.078 | 0.022 | 3.557 | 0.0004 |
| Emotional Appeal → Actual Behaviour via Intended Behaviour | 0.104 | 0.106 | 0.028 | 3.722 | 0.0002 |
| Organisational Identification→ Actual Behaviour via Intended Behaviour | 0.083 | 0.084 | 0.022 | 3.799 | 0.0001 |
| Organisational Disidentification→ Actual Behaviour via Intended Behaviour | -0.027 | -0.027 | 0.010 | -2.670 | 0.0076 |

## Total indirect effects

| | Original sample | Sample mean | SD | *t*-statistics | *p*-values |
|---|---|---|---|---|---|
| Emotional Appeal → Actual Behaviour | 0.33 | 0.332 | 0.048 | 6.864 | 0 |
| Emotional Appeal → Intended Behaviour | 0.257 | 0.258 | 0.031 | 8.396 | 0 |
| Emotional Appeal→ Organisational Disidentification | | | | | |
| Emotional Appeal→ Organisational Identification | | | | | |
| Intended Behaviour→ Actual Behaviour | | | | | |
| Organisational Disidentification→ Actual Behaviour | -0.027 | -0.027 | 0.01 | 2.667 | 0.008 |
| Organisational Disidentification→ Intended Behaviour | | | | | |
| Organisational Identification→ Actual Behaviour | 0.082 | 0.083 | 0.022 | 3.811 | 0 |
| Organisational Identification→ Intended Behaviour | | | | | |

## Total effects

| | Original sample | Sample mean | SD | *t*-statistics | *p*-values |
|---|---|---|---|---|---|
| Emotional Appeal → Actual Behaviour | 0.442 | 0.442 | 0.028 | 15.853 | 0 |
| Emotional Appeal → Intended Behaviour | 0.732 | 0.732 | 0.019 | 38.975 | 0 |
| Emotional Appeal→ Organisational Disidentification | -0.644 | -0.644 | 0.027 | 23.934 | 0 |
| Emotional Appeal→ Organisational Identification | 0.479 | 0.479 | 0.027 | 17.471 | 0 |
| Intended Behaviour→ Actual Behaviour | 0.22 | 0.222 | 0.055 | 4.024 | 0 |
| Organisational Disidentification→ Actual Behaviour | -0.204 | -0.205 | 0.047 | 4.329 | 0 |
| Organisational Disidentification→ Intended Behaviour | -0.121 | -0.121 | 0.033 | 3.619 | 0 |
| Organisational Identification→ Actual Behaviour | 0.197 | 0.197 | 0.043 | 4.566 | 0 |
| Organisational Identification→ Intended Behaviour | 0.375 | 0.375 | 0.029 | 12.984 | 0 |

# Appendix 13

## PRINCIPAL COMPONENT ANALYSIS WITH VARIMAX ROTATION FOR (DIS)IDENTIFICATION WITH MESSENGER

| | | Components | | | |
|---|---|---|---|---|---|
| | | ***Identification with the messenger*** | ***Disidentification with the messenger*** | **Communality** | **Anti-image Correlation** |
| MID1 | I am very interested in what others think about the messenger. | | 0.736 | 0.544 | 0.909 |
| MID3 | The messenger's successes are my successes. | | 0.904 | 0.818 | 0.88 |
| MID4 | When someone praises the messenger, it feels like a personal compliment. | | 0.939 | 0.891 | 0.863 |
| MID5 | If a story in the media criticised the messenger, I would feel embarrassed. | | 0.891 | 0.82 | 0.88 |
| MID6 | When someone criticises the messenger it feels like a personal insult. | | 0.912 | 0.851 | 0.85 |
| MDID1 | I would be embarrassed if I was part of the messenger group. | 0.844 | | 0.713 | 0.914 |
| MDID2 | The messenger do shameful things. | 0.883 | | 0.789 | 0.901 |
| MDID3 | If I was part of the messenger group, I would try to keep it for a secret from people I meet. | 0.902 | | 0.828 | 0.899 |
| MDID5 | I want people to know that I disagree with how the messenger behave. | 0.891 | | 0.807 | 0.879 |
| MDID6 | I would be ashamed of what goes on among the messenger. | 0.919 | | 0.853 | 0.849 |