Exploring corporate reputation management processes used by South African banks: Towards the development of a theoretical framework

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ABSTRACT

Corporate reputation management continues to present challenges to organisations. While many organisations clearly understand the value of a good corporate reputation, few have come to grips with how it can be managed. In fact, many organisations leave the management of their reputations to chance. With corporate reputation accounting for anything between 40% - 70% of a business' market capitalization, non-management of reputation is a dereliction of duty. One can only speculate on the causes of the non-management of corporate reputation within organisations.

Despite the availability of literature on the construct, it seems as though the literature is not helping organisations come up with viable reputation management systems. A thorough review of literature shows that corporate reputation and its management are mostly discussed at theoretical and conceptual levels. There is a distinct lack of empirical studies focussing on how corporate reputation is being managed in those organisations that have managed to operationalize reputation management. This research is thus intended to address this limitation in extant literature by looking at how South African banks manage their corporate reputations.

This research was guided by the interpretivist paradigm to achieve the aim, with the attendant ontology and epistemology being relativism and interpretivism/constructivism respectively. By using this paradigm, the researcher carried no prior expectations into the data collection, data analysis and results interpretation processes. Data were collected from three South African banks by way of in-depth semi-structured interviews, review of archival as well as publicly available bank records and documents. A thematic data analysis framework was adopted and the gathered data were analysed using the QDA Miner 6 software program.

The research findings indicate a seven stages corporate reputation management regime that starts with the assignment of overall responsibility for reputation management. This is followed by defining corporate reputation in a manner that is understood by all within an organisation. Then comes the identification of critical corporate reputation drivers, followed by an undertaking to regularly measure the organisation's reputation, then developing and redeveloping reputation management processes, then constantly managing reputational interdependences, and lastly carrying out regular audits of corporate reputation management processes.

The findings led to the development of the South African Banking Industry Corporate Reputation Management framework. This framework can provide guidance to organisations in their quest to develop and implement robust reputation management systems. The research thus contributes to practice by offering actionable recommendations to organisations and reputation managers. Future studies should build on this study by investigating corporate reputation management processes of other organisations (outside the banking industry) that have been successful in developing viable corporate reputation systems.

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Dedication

This thesis is dedicated to the most important people in my life:

To my children Fredrick, Felix and Faith: My heart fills with joy when I think of you guys. Thank you for being patient with me and always believing in me. It was an incredible journey with twists and turns but with your unwavering support I have now arrived at the journey's end. I challenge you darlings to walk your own journeys. You can't be 'out-played' by an old man! Come on Little Elephants! Show me that you are made of sterner stuff.

To my siblings Hatie, Portia, Mutsa, Kudzi and families: Thank you guys for all the support you gave me throughout my journey. Your support made the journey bearable.

To my nephew Hilary Chiyangwa: Humba. What a special gentleman. Thank you, so much young man, for standing with me through thick and thin. I know you share in my happiness. I am super proud to have you in my life. I cannot wait for you to embark on your own PhD journey. Yes Mukanya, go for it. There is no better time than now.

To my late wife Rumbidzayi: Although you are not physically present to rejoice with me and the kids, I know you are proud of me and that you are celebrating in the stars where you are. Thank you so much for the love and the wonderful years shared. I will forever cherish the times spent together.

To my late brother Kuda: I have no doubt in my mind that you are looking down with pride. Thank you, 'bro', for being there when the whole family needed you. You were a true champion. Rest in eternal peace. Nzou Samanyanga.

To Nomakhwezi Mhlanga: What an amazing lady. Thank you wifey, thank you for the love, and thank you for giving me hope for the future. Love, my journey is walked. When are you starting yours? Remember it's never too late to study. Come on Bakubaku, Mhlanga Dubekazi! You can do it. Will hold your hand. Thank you and thank you again for bringing joy into my life. Love you always. My DG!

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List of Abbreviations

BASA	Banking Association South Africa
B1P1	Bank 1 First Participant
B1P2	Bank 1 Second Participant
B2P1	Bank 2 First Participant
B2P2	Bank 2 Second Participant
B3P1	Bank 3 First Participant
CEO	Chief Executive Officer
CF	Corporate Finance
CR	Corporate Reputation
CRDs	Corporate Reputation Drivers
CRM	Corporate Reputation Management
GDP	Gross Domestic Product
PA	Prudential Authority
RI	Reputational interdependence
ROA	Return on Assets
ROE	Return on Equity
SABI	South African Banking Industry
SABICRM	South African Banking Industry Corporation Management
SARB	South African Reserve Bank

Chapter 1: Introduction

1.1 Overview of the Chapter

This study looks at how CR is managed within South African banking institutions. The local banking industry seems to have viable CRM processes from which other organisations can learn. Drawing from the experiences of local banks, this study aims to develop a theoretical framework that other organisations can use as a guide in developing robust CRM systems.

The present chapter consists of seven sections. The first section gives the background of the study (1.2). This is followed by the research problem which highlights the research gap (1.3). Then comes the research questions (1.4), and the research objectives (1.5). Section 1.6 addresses the merits of the study and section 1.7 looks at the delimitations. The chapter concludes with section 1.8 which provides the general layout of the study.

1.2 Background of the study

A 2000 study by Hill & Knowlton found that only 20% of organisations surveyed had active corporate reputation management (CRM) processes in place (Nakra, 2000). A year later, Hutton, et al. (2001) stated that CRM was a new guiding force in business, a new paradigm for an entire field, and potentially a new body of knowledge that was going to develop with time. In 2019, Cole & Fleming (2020) replicated the Hill & Knowlton study and found that the number of organisations actively managing their CR had dropped to 19%. The Cole & Fleming study paints a worrying picture of CRM from a practice standpoint. It shows that the state of CRM within organisations has not changed in two decades. While assertions by Hutton et al. (2001) have largely turned out to be correct on the academic front, there seem to be no movement on the practice side. Organisations are not managing their corporate reputations (CRs). This is in spite of literature increasingly showing that positive CRs confer innumerable benefits to organisations. Such benefits range from attracting the best applicants, investors and customers (Fombrun, 1996) to increasing profitability (Roberts & Dowling,

2002) by making it possible for firms to charge premium prices (Deephouse et al. 2016; Fombrun and Shanley, 1990; Rindova et al. 2005), and limiting the abilities of rival firms from competing successfully (Cravens et al. 2003, Deephouse, 2000; Fombrun, 1996; Illia & Balmer, 2012).

Considering the benefits that accrue to an organisation with a positive CR, non-management of reputation should not be an option for any organisation. With CR accounting for between 40% to 75% of market capitalizations of some of the largest global corporations (Cole, 2012; Weber Shandwick, 2020), not managing CR is a dereliction of duty by managers. For whatever reason, choosing not to manage CR, an asset with a combined valuation $16.77 trillion on 15 of the world's top stock markets (Reputation Dividend, 2020), is unforgivable. In South Africa CR makes 68% of the market capitalization of the JSE listed companies (ibid). As of March 2022, the total market cap was $1.32 (JSE, 2022).

Despite the high valuation of CR, the widely acknowledged importance, and concerted attention by academics, there is a general lack of information on how CR can be managed. CRM remains an enigma for many organisations (Griffin, 2015) with only a "few companies or non-profits taking rigorous and quantifiable approaches to reputation management (…)'' Doorley & Garcia (2020:13). As Hutton et al. (2001) argue it is unclear how corporate reputation can be managed in traditional business sense. With no clear sense of how to manage reputation, many organisations the world over pay little attention to CRM and thus CR remains unmanaged.

However, some organisations have managed to develop functioning CRM processes that serve them well. It is assumed that this is the case with South African banks. Notwithstanding the complexities of managing reputation, it appears that banks in South Africa have functioning ways of managing their reputations. The assumption is drawn based on the fact that the banking industry is highly regarded locally and internationally, evidenced by its consistently ranked high by many stakeholders. No comprehensive documentation of CRM processes being used by South African banks is known to exist. Readily available are snippets of aspects of CRM contained in published statements of the banks. This research is thus an attempt to document the effective ways of CRM employed by banks and by so doing, the research will contribute to literature on corporate reputation management. It is

also hoped that by unpacking corporate reputation management processes, managers in other industrial sectors will be assisted to uncover their own critical touch points to fine tune in order to develop and fully leverage their reputations for attainment of organisational goals.

1.3 Research Problem

The 2008 world financial crisis caused untold suffering to many citizens of the world. Even though the root causes of the crisis are traced to major banks in the USA, the UK and Western Europe, globalization ensured that effects of the crisis were felt the world over. World economies contracted, levels of unemployment increased, the global residential property markets collapsed, volatility in foreign exchange markets increased, and credit extension in form of mortgages and personal loans dried up. Some leading global banks (at the time), e.g., Lehman Brothers, Merrill Lynch, JPMorgan & Co. Citigroup Inc. the Royal Bank of Scotland, Credit Suisse, and Goldman Sachs were seriously compromised. The banks faced total ruin and only survived courtesy of bailouts extended to them by their national governments.

While the financial crisis decimated reputations of banking industries in many highly developed economies, South African banks largely escaped with their corporate reputations intact. In fact, over the years, the country's banking industry's reputation has steadily grown. In the 2018-19 Global Competitiveness Report the industry is ranked 29th (out of 138 countries) for soundness (World Economic Forum, 2019). Considering that the same report ranked the UK banking industry 26th and that of the USA 55th, a ranking of 29th points to a robust industry. The high regard the industry is accorded globally continues to attract investment interest from abroad with several foreign banks establishing a presence in the country (the Banking Association South Africa, 2017). Locally, the industry features prominently in local reputation surveys such as the Sunday Times' Top 100, the Top Employer Index, the South African Consumer Satisfaction Index and others. The global endorsement and the showing on local reputation surveys by the banking industry speaks volumes about the reputations of local banks and how these reputations are managed. It is therefore of interest to find out how local banks are able to manage their corporate reputations given a lack of substantial insights into the approaches used by organisations to manage corporate reputation.

Despite the literature proposing strategies, measures and instruments for use in reputation management (Alsop, 2004; Fombrun, 1996), it remains unclear to what extent these suggestions are implemented. In fact, there is a lack of sound research which: (1) examines the state of the art (of corporate reputation management) in practice and (2) supply insights into the potential for and evaluation of success of the practice (Wiedmann & Buxel, 2005). While many organisations take what they think is reputation management seriously, few have clear understanding of how to operationalize CRM (Griffin, 2015) making it imperative for more work to be undertaken to identify how corporate reputations can be more effectively managed (Taghian, 2012). This research is thus an endeavour to document CRM processes used in the SABI. From this endeavour, the following research problem thus arises:

Exploring Corporate Reputation Management (CRM) processes used by South African banks: Towards developing a theoretical framework of CRM.

1.4 Research Questions

One of the most critical first steps in the research process is the development of good research questions. Properly framed research questions guide the research project and assist in the construction of a logical argument. The research questions need to be clear, concise, and focused on summarizing the issues that the researcher will investigate. Collis and Hussey (2014) contend that good research questions allow the researcher to take an arguable position that leaves no room for ambiguity. Among other things they say that research questions must be relevant (the questions arise from issues raised in literature or work experiences), interesting (the questions should arouse the academic and intellectual interests of others), feasible (the questions can be satisfactorily answered) and manageable (there is access to sources of data required to answer the questions). This researcher argues that the central theme of this research is (1) a contemporary management issue bound to interest academics and practitioners, (2) is feasible if proper research methodology is applied, and (3) is manageable, thus it warrants pursuing.

Taking note of the above, the main research question in this study is stated thus:

1. How do South African banks manage their corporate reputations?

The following subordinate questions will help with answering the main question:

1. What are the key drivers of a bank's corporate reputation?

2. How does a bank measure its corporate reputation?

3. What are the roles of different business functions in CRM?

4. How does a bank ensure consistent translation of CRM processes?

5. How does a bank manage industry reputational inter-dependences?

6. How does a bank evaluate the adequacy of its CRM activities?

1.5 Research Objectives

While corporate reputation management continues to receive attention from academics and management practitioners, a study of the literature reveals a lack of comprehensive studies on corporate reputation management as it relates to South African industries in general and the banking sector in particular. Most of the available literature on CRM emanates from highly developed Western Countries, especially the USA, the UK and Germany. Corporate reputation is a perceptual evaluation of an organisation by its various stakeholders (Fombrun, 1996; Walker, 2010) and is thereforecontext-dependent. Because perceptions are impacted by national/cultural norms (Bartikowski & Walsh, 2011), institutional factors (Roberts & Dowling, 2002) and cross-national distance variables (Berry, Guille'n, & Zhou, 2010), universal generalization and application of some western generated theories and findings may result in ineffective outcomes in other contexts/countries. What is called for is an adequate deconstruction of contextual realities of organisations to properly gauge the applicability of some western-centric theories/recommendations in varied contexts (e.g., South Africa). Failure to do so will likely result in adoption of measures that

retards organisational performance. This study thus aims to address this challenge by investigating corporate reputation management practices in the setting of a developing country. The primary objective of this research is thus:

1. ***To develop a theoretical framework of CRM that South African banks can use.***

The secondary objectives of the research are:

1. ***To identify the key drivers of corporate reputations as seen by SA banks.***
2. ***To determine how South African banks measure their CR.***
3. ***To ascertain the roles of different business functions in CRM.***
4. ***To determine how banks ensure consistent translation of CRM processes.***
5. ***To determine how banks manage industry reputational interdependence.***
6. ***To find out how banks evaluate the adequacy of their CRM activities.***

1.6 Merits of the research

Academics and practitioners agree that corporate reputation is an invaluable strategic asset that gives numerous advantages to organisations. It is however widely accepted that reputation as an attitudinal construct is rather complex and difficult to manage (Lange et al. 2011). Many other researchers and professional bodies have alluded to the complexity of CRM. Carvalho (2006), in answering a question raised by Hutton et al. (2001) asserts that it is not clear from literature how companies can manage their reputations in a traditional business sense. Bankins & Waterhouse (2019) believe that businesses have no control over how they are perceived (i.e., their reputations) by their stakeholders, Doorley & Garcia (2020) add that companies do an inadequate job of managing their reputations, and Hutton et al. (2001) believes that trying to manage reputation is an awkward, superficial and potentially self-defeating endeavour as it is akin to attempting to manage one's own popularity. Regardless of the complexities of CRM, the banking industry in South Africa is highly regarded both locally and internationally evidenced by it being consistently ranked high by many stakeholders. It can therefore be surmised that this industry has a functioning way of managing its reputation. This research is thus an attempt to document this effective way of CRM and by so doing, the research will contribute to literature on corporate reputation management. It is also hoped

that by unpacking corporate reputation management processes employed in the banking sector, managers in other industrial sectors will be assisted to uncover critical touch points to fine-tune in order to develop and fully leverage their own reputations for the attainment of organisational goals.

1.7 Delimitations of the Study

Considering the nature of the study (qualitative), purpose (descriptive), type (case study) and data collection technique (interview), the following are the main delimitations.

- The study was limited to investigating CRM processes at play in the local banking industry.
- Data were mainly collected through semi-structured interviews with bank managers responsible for managing CR within their banks. Documentary data were also collected.
- The research was cross-section, giving a snapshot of CRM processes at a particular point in time. That being the case, findings may not be reliable over extended periods of time since CR is dynamic and therefore CRM processes must change with changes in stakeholders' perceptions/expectations.
- While the study culminated in the development of the SABICRM framework, it was purely descriptive concerning itself with the 'how' aspect of CRM and not the 'why'.

1.8 Structure of the study

This thesis is made up of six chapters. The present chapter has provided a background to the research topic, the research problem, research questions, the objectives as well as the merits of the study. The remainder of the thesis is organised into 5 chapters.

Chapter 2 presents a review of relevant literature. It looks at the definitional landscape, CR related concepts, key facets such as perspectives from other disciplines, measures of CR, possible ways of managing CR, the persistence of non-management of CR, and lastly, the chapter highlights some empirical studies on CRM.

Chapter 3 gives historical background of the key players in the local banking industry. It looks at the histories of the SARB and the Big Six, zooming on their inception, key moments in their developments, as well as major milestones.

Chapter 4 discusses the research methodology. The chapter undertakes an exposition of the philosophical issues informing the guiding principles of the research. The adopted paradigm (interpretivism), and, the attendant ontology (relativism) and epistemology (interpretivism/constructivism), are discussed and the rationale behind their choices ventilated. The complexities associated with the phenomena under study (CR and CRM) and their bearings on the philosophical orientation of the study are highlighted. The purpose of the research (descriptive) is also discussed in an effort to provide a reliable premise for the selected research method (qualitative). The data collection technique (interviewing) and the thinking behind its adoption are then elucidated. Issues of bias and how these can affect the research and the validity of findings are then attended to.

Chapter 5 presents the analysis of collected data. The findings from the analysis led to the development of themes and sub-themes that helped to answer the research questions.

Chapter 6 gives an overall conclusion of the research. It draws on the findings in Chapter 5 to develop the SABICRM framework for reputation management. It then offers managerial recommendation, reflects on limitation and closes off by revealing the unique contribution of this research.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

Literature review involves a systematic identification, location, and analysis of documents (articles, abstracts, reviews, dissertations, reports, and electronic media) containing information related to a research topic. It is an integral part of the research process whose key purpose is to determine what has already been done that relates to one's topic and provides a guide as to what still needs to be done. By summarising and synthesising ideas that other researchers have already put forward, a literature review brings clarity and insight needed to place a research problem in a logical frame. Literature review is a continuous process, beginning before a research problem is finalised and continuing until the study is completed.

2.2 Conceptual Framework of Literature Review

The present sub-section gives a thematic conceptual overview of literature showing what is known about CR and CRM. A systematic literature review enabled the researcher to trace the intellectual progression of CR and CRM as constructs in the business management field. A condensed representation of this literature review chapter is mapped below using the following dimensions:

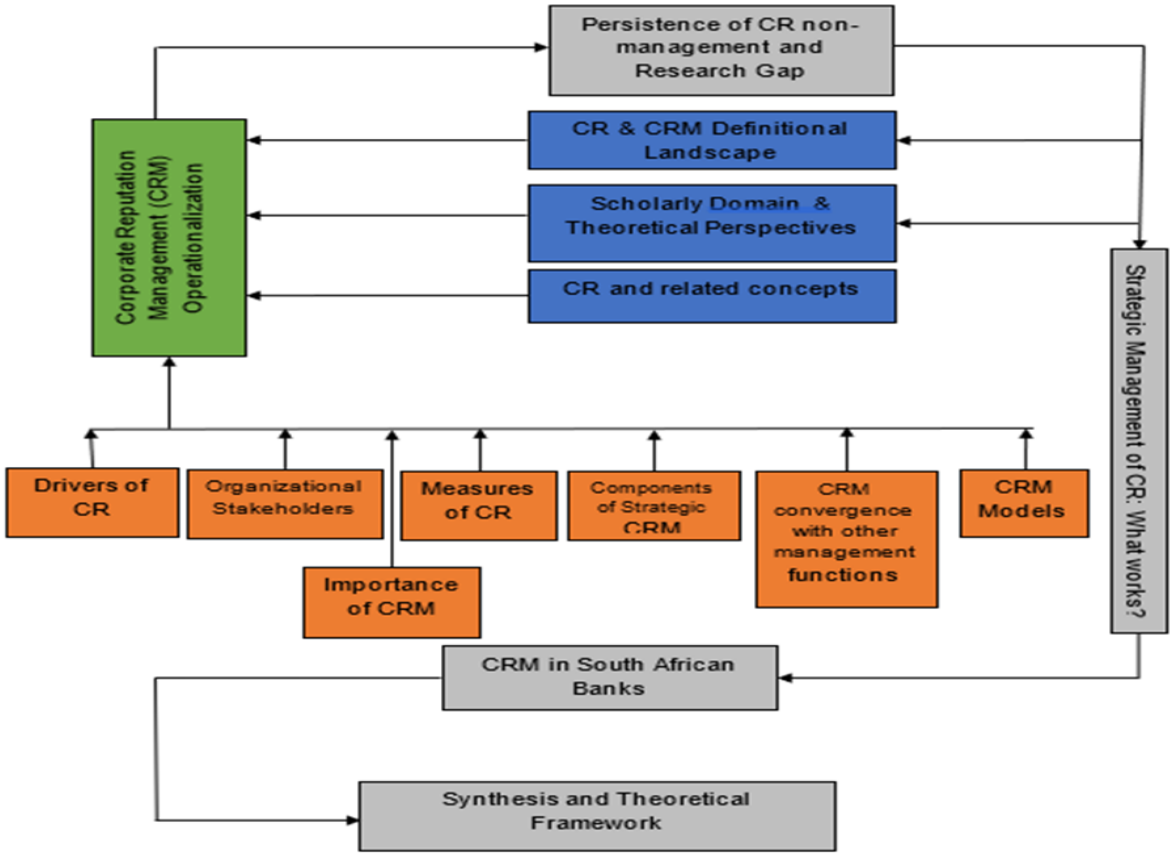
1. Topic/construct development (blue sections)
2. Development of measures, tools, and processes for CRM (gold sections)
3. Application/operationalization of CRM (green section)
4. Research gap (grey section) to culminate in the development of a CRM theoretical framework

The research map depicts a visual representation of the CR and CRM landscape according to the reviewed literature. The literature suggests that CRM has mainly been researched on a conceptual level (blue and gold sections). Literature on reputation in the management research has grown significantly over the years (Dowling, 2016; Lange et al. 2011). The literature has however developed in silos with different academic disciplines having their own specific conceptualizations of the construct. CR and its management thus appear in several subfields of management research, is built

on different theoretical foundations (Veh et al. 2018), is difficult to distinguish from similar concepts, and is operationalized in empirical studies in multiple ways (Dowling, 2016).

Despite the abundancy of literature, many organisations struggle with reputation management. However, it appears that there is a dearth of empirical studies looking into how CRM is being operationalized by those organisations (e.g., South African banks) that have found effective ways of managing their CRs. The lack of empirical studies gives rise to a research gap in the domain which this research aims to fill.

Figure 1: Literature Review Map



Source: Author

2.3 Corporate Reputation Management

Managing CR is a critical business function for any forward-looking organisation. A good CR endears an organisation to its stakeholders allowing for rewarding relations which can translate to improvements in economic, financial, competitive and social results of an organisation in the long

run (Dowling, 2016; Fombrun & van Riel, 2004; Veh et al. 2018). The paths to the rewarding relations are however not clearly spelt out in literature and organisations face challenges in managing their CRs (Cole & Fleming, 2019; Doorley & Garcia, 2020; Griffin, 2015). In fact, literature on CRM is often "criticised as being ambiguous, loosely scattered across various disciplines and difficult to conduct due to the intangible nature of the [CR] concept" (Money et al. 2017: 1). Practitioners thus face an unenviable task of managing a resource, an intangible asset, using as guidance, literature that is ambiguous and often contradictory (Stewart, 2006).

CRM is concerned with establishing, maintaining and strengthening positive reputations for an organisation (Deephouse et al, 2018; Fombrun et al. 2000) in order to build trust (Chowdhury, 2012; Milan et al. 2015; Rindova et al. 2005), commitment (Brammer et al. 2007; Sung & Yang 2008; Bartikowski & Walsh, 2011), and lasting relationships, aspects that will increase stakeholder profitability. It is a strategic business process covering the deployment of resources, development and implementation of processes and structures directed towards influencing how an organisation is perceived by its core stakeholders. CRM is not a project or an initiative but rather a long journey that requires organisational and personal patience (Van Riel & Baumann, 2020). It is an organisation wide undertaking requiring consistent reputation enhancing actions from every member of the organisation. CRM is not a reactive process, waiting for a situation to arise then attend to it, but rather it is pre-emptive aimed at addressing reputational problems before they arise. Properly executed, CRM significantly contributes to safeguarding and increasing the corporate value of the organisation through early identification, prevention, and limitation of risks to reputation.

Despite CRM now being an established corporate catchphrase as well as the abundance of literature on the construct, not many managers fully appreciate the value of CR. This lack of appreciation has ensured that CR remains largely unmanaged. But with CR estimated to be worth anywhere between 40% to 75% of the market capitalization (Cole & Fleming, 2019), it is a dereliction of duty (Diermeier, 2011) not to manage this valuable, distinctive, and important intangible resource (Feldman et al. 2014; Fombrun & Van Riel. 1997), that can help an organisation to obtain competitive advantages (CIMA, 2011, Pires & Trez, 2018). According to Griffin (2015), only a small number of organisations have clear understandings of what CRM entails, and even fewer are able to effectively operationalize

it. Literature suggests that for the majority of organisations, CRM is an enigma mostly left unattended and consigned to external consultants and reputation management firms when crises strike. The proliferation the world over of firms offering reputation management services gives credence to such a contention.

On the academic front, there is no consensus with regards to the manageability of CR. Some scholars are of the view that an organisation's capacity to control its reputation is limited (Bromley, 2001; Hutton et al. 2001). Stewart (2006) concurs arguing that the notion of [corporate] reputation management is a misnomer because it conveys connotations of some level of control and ownership of CR which does not exist. Even though reputation is influenced by organisational performance, policies, behaviour and people (Rayner, 2003) it is ultimately the stakeholders who decide what kind reputation to bestowed upon the organisation and in that sense, reputation management is an oxymoron (Stewart, 2006). Other scholars have gone as far as declaring that reputation cannot be managed, quipping that 'reputation management deals in the murky waters of psychology', an insinuation that reputation management involves manipulation of stakeholders.

2.4 Can CR be Managed?

Most criticisms of CRM emanate from the belief that the function is purely a communicative process carried out through press releases, advertisements, road shows and many other forms of publicity campaigns: activities normally associated with public relations or corporate communications departments. While there are roles to be played by these departments in managing CR, their roles are not the defining features of reputation management. As Rayner (2003) points out, CR is primarily built on an organisation's performance, policies, behaviour, people and relationships. These are the bedrocks upon which CRs are anchored and public relations/corporate communications augment these aspects. The two are not the primary sources of an organisation's CRs. And since the organisation has complete control over the 'perceptions building' aspects, it has the capacity to influence how it is perceived by its stakeholders, despite not having control over the perceptions. This it can do by aligning its actions with perceptions of the stakeholders. Taken in this light, CRs can therefore be managed, though not directly but indirectly, by adequately attending to those

aspects of the organisation that give rise to perceptions. However, because of its intangibility, CR's contribution to organisational performance is not easily noticed and, consequently, it is not accorded enough management attention. As Brammer (2014) observes, managing reputation is challenging task that requires significant shifts in organisational mindsets. Despite the challenges, potential benefits of a robust reputation outweigh the costs of implementing a CRM strategy. This should incentivise organisations to engage in CRM so as to build positive CRs.

2.5 What is Corporate Reputation?

CR is a social construction created through organisation-stakeholder interactions, continuously evaluated against standards of the institutional context at a particular point in time. It is a dynamic concept that has become a major research field drawing attention from a number of disciplines. There is no single meaning/definition of what CR is. Definitions and meanings vary according to the theoretical leanings of the different fields of study. To an economist it is a signal of potential behaviour, to a management strategist it is a valuable and scarce resource, an intangible asset to an accountant and a sign of corporate legitimacy to a sociologist. As a business concept, CR is now a familiar 'buzzword' in corporate corridors (Brønn & Buhmann, 2018) known to everyone but understood by a few. Its familiarity deceptively leads [business] people to believe they have an intuitive understanding of what it is. This (mis)understanding can have serious implications on the (mis)management of CR.

2.5.1 Corporate Reputation: Conceptualizations

A number of scholars (e.g., Rindova et al. 2005; Barnett et al. 2006; Lange et al. 2011) have attempted to demarcate the corporate reputation paradigm by categorizing the construct into clusters/schools of thought. Corporate reputation is conceptualized by Rindova et al (2005) as prominence (collective awareness and recognition), perceived quality (having expertise in certain areas) and favourability (being well regarded by particular clients in relation to its competitors). Barnett et al (2006) see corporate reputation as awareness (observers have general knowledge of the existence of a firm, its name or logo), an estimate (it is an indication of the consistency over time

of an attribute of the organisation) and a resource (it enables the attainment of a firm's strategic objectives). For Lange et al. 2011) the different conceptualizations of corporate reputation are being known (stakeholders are aware of the existence of the firm without necessarily judging it), being known for something (stakeholders perceiving the firm as having a particular attribute of interest to them e.g., having high quality products, poor labour relations, quality of management, community and environmental responsibility, product innovation, or sound financial performance) and generalized favourability (an overall, evaluative assessment of an organisation by multiple audiences). There is general similarity and overlaps in meanings of the foregoing conceptualizations with only Barnett et al.'s resource categorization not mentioned by the other two authorities. The multiple conceptualizations have profound bearing on ways organisations manage/mismanage their reputations (Shamsie, 2003).

According to Walker (2010), CR has mostly been researched within bounds one of three theoretical approaches: resource-based view (RBV), signalling theory, or institutional theory. The resource-based view (RBV) (Barney, 1991) suggests that organisations can only achieve sustainable competitive advantages if they possess resources, tangible and intangible, that are rare, valuable, imperfectly imitable and not easily substitutable. This characterization of sustainable competitive advantage conferring resources excludes most tangible resources as these are readily available and can be easily copied by competitors (Rindova et al. 2005) and leaves intangible resources as the ultimate builders of sustainable competitiveness (Walker, 2010). By its nature: value-creation potential, intangible, non-tradeable, imperfectly imitable, non-substitutable and being accumulated over time (Barney, 1991), CR is considered a strategic resource under the RBV.

Signalling theory (ST) is grounded in economical contract theory focusing on information asymmetries existing between multiple contracting parties interacting in a market (Bartikowski et al. 2011). It holds that one party, the agent or insider, actively undertakes actions intended to send signals conveying information about its underlying quality that may be unobservable or difficult for the principal or outsider to observe (Berg et al. 2010; Rindova et al. 2005). In ST, quality is defined as "the attributes or abilities of the signaller to fulfil the needs or demands of an outsider observing the signal" Connelly et al. (2011: 43). In business relationships, the main aim of signalling is to

purposely communicate information conveying positive attributes of an organisation to its stakeholders. The expectation is that when signals are properly deciphered, the principal (stakeholder) will act in ways beneficial to the organisation e.g., the stakeholder becomes less sensitive to higher prices, less likely to defect, give positive word of mouth, and more willing to engage behaviours supportive of the organisation. From the signalling perspective, CR is seen as conveying information that indicates key competences of an organisation such as possession of competent employees and managers, production of quality products (Lange et al. 2011; Rindova et al, 2005), investing in corporate social performance, environmental compliance (Sprinkle & Maines, 2010, as well as being a responsible corporate citizen (Carpenter, 2010).

The institutional theory posits that organisations function within given social and economic systems (Puncheva, 2008), and for them to access and be assured of continued flows of necessary resources, they must conform to conventional, standardized patterns of behaviour found within the said systems (Guth, 2016). The patterns of behaviour may include routines, cultural norms, unwritten codes of conduct, organisational, as well as industry standards (Deephouse et al. 2016; Puncheva, 2008), copied and reproduced to the point where they become standardized expectations of practice that are taken-for-granted (Guth, 2016). Adhering to institutions allows an organisation to build a reputation of being an acceptable member of a society. According to institutional theorists, CR is an outcome of an organisation's behaviours shaped by local societal institutions (Deephouse et al. 2016).

2.5.2 Corporate Reputation as a Scholarly Domain

Corporate reputation is a focal point of many scholarly inquiries. As a construct, it is rooted in and cuts across many academic disciplines (Hutton et al, 2001) and has attracted more attention following corporate scandals involving some of the world's leading companies such as Enron, Tyco, Arthur Andersen, Steinhoff International, Bell Potinger and VW. Despite sustained interest across multiple disciplines, the study of corporate reputation is not of recent origin (Dhir & Vinen, 2005). The term reputation has been used in daily life, politics and business for a long time (Smaiziene & Jucevicius, 2009). The scope of corporate reputation research is wide (Barnett & Pollock, 2012) with

fragmented research being found in economics, marketing, sociology, organisational management, strategic management and accounting (Fombrun & Riel, 1997; Veh et al. 2018). According to Lin et al. (2003), CR is treated as universal topic that draws interest of many disciplines. Because of differing discipline-centred philosophical underpinnings brought into the study of CR, researchers from the different disciplines often talk past one another thereby missing on opportunities to build cross-disciplinary CR scholarship. With little consensus and integration across the various fields of study, the construct continues to have many perspectives, many conceptualizations, and many definitions.

2.5.2.1 Economics Perspective

In economics, CR is considered a trait or a signal that describes the likely quality of an organisation's output as well as its possible strategic behaviour in particular situations (Bronn & Bronn, 2015; Davies et al. 2003; Walker, 2010). It is seen as reflecting positively on an organisation's potential to render valued products to stakeholders (Fombrun et al. 2000) thus increasing their confidence in an organisation, its products, and services.

2.5.2.2 Strategic Management Perspective

CR is seen as an intangible asset that is difficult for competition to imitate, acquire or substitute in the short-run (Feldman et al. 2014). In competition for resources, an organisation with a good reputation is perceived to be less risky when compared with others with similar performances, but less established reputations (Helm, 2007). A positive reputation is also deemed important for building credibility and fostering stakeholders' support. Because competitors cannot easily neutralize CR, is difficult to copy and is not tradable via factor markets, it represents market entry barriers that limit competitors' potential to develop and expand operations (Dowling, 2001). For a corporate strategist, the mobility barriers created by good CRs are sources of an organisation's sustained competitive

advantages (Kunle & Ajao, 2013; Marcellis-Warin, 2011). It is also seen as a tool for attracting and retaining human and capital resources.

2.5.2.3 Marketing Management Perspective

CR in marketing management is viewed as a force that attracts customers, encourages their loyalty and influences their buying behaviours (Magatef & Tomalieh, 2015; Lin, Yang & Arya, 2009). It is valued for its potential to generating value through fostering trust, loyalty and other consumers' emotional attitudes towards an organisation and its offerings.

2.5.2.4 Accounting Perspective

CR is taken as one of many off-balance sheets, intangible assets owned by an organisation. It is prized for its potential to create value and (currently) is only left out of balance sheets because of insurmountable challenges in measuring it in money terms.

2.5.2.5 Public Relations Perspective

CR is considered a means of expressing an organisation's credentials of social responsibility to stakeholders. It is thus defined as organisational characteristics that develop from the relationships the organisation has with its environment (Brønn & Buhmann, 2018), the importance of which attracts employees, customers, build relations with the public and assists in raising capital. For Hutton et al. (2001) and Kim et al. (2013), public relations is seen as a new and emerging function of corporate communications aimed at developing relationships with an organisation's multiple constituents.

2.5.2.6 Sociological perspective

The sociological perspective holds that CR is a socially constructed phenomenon resulting from the relationships an organisation establishes with its stakeholders in their common institutional environments (Brønn & Buhmann, 2018; van Riel & Fombrun, 2007). A good CR is a sign of legitimacy and confers a license to operate within a particular setting.

2.5.2.7 Organisational Theory Perspective

The organisational theory perspective views CR as a tool organisations use to gain organisational legitimacy (Guth, 2016), a right to exist and conduct business, bestowed on an organisation by its stakeholders when they perceive the organisation to be acting according to ethically, socially, and politically accepted standards. Legitimacy cements an organisation's existence within a particular setting and consolidates prospects of continued success. CR, a cognitive representation of an organisation that develops as stakeholders acquire meanings of the organisation activities (Fombrun & van Riel, 1997) aides in building organisational legitimacy.

2.5.3 Corporate Reputation and Corporate Image

CR and corporate image are related constructs that are often confused for one another and used interchangeably across a number of disciplines. The constructs originate from similar thought-processing actions (Fombrun & van Riel, 1997) that occur when an individual interacts with an organisation through product consumption, contacts with employees or message and other signals transmitted. Despite their formation from similar processes, the constructs differ theoretically (Cornelissen & Thorpe, 2002). A corporate image is taken to be an immediate and fleeting impression formed when an individual comes into contact with an organisation while CR is established overtime and is more stable. Some researchers (Bromley, 2000; Wartick, 2002; Smaiziene & Jucevicius, 2009) however see no separation in the constructs and use them interchangeably seeing them coming from the same cognition processes used by stakeholders to

assess an organisation's possible performance with regards to an attribute of interest to them. Smaiziene & Jucevicius (2009) argue that there is no commonly known, academically approved separation of these two concepts justifying the treatment of the constructs as the same thing. Such an argument is however not supported by other researchers, (e.g., Roberts & Dowling, 2002; Cornelissen & Thorpe, 2002; Schwaiger, 2004; Berens, et al. 2005; Walker 2010) who view the concepts as related but different. Nguyen & LeBlanc (2001) find little empirical evidence to support a relationship between the two concepts. The transitory nature of corporate images (Cornelissen & Thorpe, 2002) and the relatively stable nature of CR compel this research to take position that the constructs different but related. This has implications on the ways to manage corporate images and CRs. Because of their fleeting nature, corporate images can be framed more quickly through well-conceived communication programmes (Gray & Balmer, 1998). CR on the other hand, is cumulative i.e., it is built over time by consistent performance and behaviour, reinforced with effective communication (Cornelissen & Thorpe, 2002) and once earned, its enduring nature suggests that, unless an extraordinary event occurs, it may be difficult to change that reputation perception (Craves & Oliver, 2006).

2.6 Corporate Reputation: The Definition

There is no agreement among scholars with regards to a definition of corporate reputation. Many definitions have been proposed by academics from diverse disciplines and alarmingly the list of the definitions is growing. When Bennett & Bennett & Kottasz (2000) compiled a list of CR definitions, they came up with 16 different definitions contained in articles published in scientific journals. However, the number of definitions had more than tripled from the time Bennett and Kottasz came up with their list (2000) to the time Dowling (2016) made another compilation of scholarly definitions of the construct. Dowling's (2016) list has 50 definitions (51 when accounting for the one they proposed). Some definitions are minor variations of one another with the main source of variation being the subjective nature of theoretical leanings of disciplines studying the construct (Chun, 2005). Challenges to having a common definition of CR emanate from attempts to come up with compound

definitional statements that aim to cover all possible dimensions of the construct (Motion et al. 2015). This has resulted in some convoluted definitions diverging more and more from the dictionary definition reputation (Dowling, 2016). Because the definitional landscape of the construct continues to expand (Barnett et al, 2006), finding a consensus on how to define CR is difficult (Olegario & McKenna, 2013). This state of affairs leads Motion et al (2015) to suggest that researchers must select definitions based on relevance and salience. Dowling (2016) concurs stating that "the definition of a construct should be determined by the scholar's theory and research question" (p217). The present research takes to these suggestions and following Pfarrer et al. (2010) proposes the following definition:

> "*Corporate reputation is an intangible asset bestowed on an organisation by its stakeholders based on their perceptions of its capabilities to meet their expectations".*

Defining corporate reputation in this manner predisposes the construct to measurement and therefore to management, the theme of the present research. When an organisation views CR as an asset, it is compelled to manage it in line with all assets. Continual assessments of stakeholders' perceptions of capabilities and comparing these with actual capabilities makes it possible for the organisation to monitor value creation/destruction by its CR.

2.6.1 One Reputation or Many?

Scholarly opinion is divided on whether an organisation has one or many reputations and the question is yet to be resolved (Dowling, 2016). This research however takes the position that an organisation has one overall reputation which is a function of four reputational competences amongst its various stakeholders. These are performative, moral, procedural and technical reputations (Carpenter, 2010). The 4 reputational competences are the building-blocks of the overall reputation and are of interest to specific stakeholders such that when viewed from the standpoint of that specific stakeholder, the particular competence defines the organisation. Meeting expectations for that competence build towards the overall CR. Admitted, some stakeholder groups might be interested in more than one reputational competence but there is one that is predominant for each group.

2.6.1.1 Performative Reputation

Performative, or competency or capability reputation refers to an organisation's reputation that comes from its technical proficiency, i.e., an organisation's ability to competently and effectively deliver on the promises reflected in its mission statement (Carpenter, 2010; Overman et al. 2019). It appeals to a number of stakeholders and having this reputation means that an organisation is perceived as being able to generate value for stakeholders. It reflects stakeholders' perceptions about an organisation's core competence, its ability to meet their individual needs, for example, customers expect quality products/services, good customer care, innovativeness; owners and investors expect returns on investments, responsible leadership, growth; business partners expect timeous payment for goods and services sold, and employees looking at the organisation to provide quality jobs and good workplace environments. Other stakeholders who will be interested in the organisation's performance are trade unions (future jobs for members) and government (taxes). Performative reputation forms the largest part of an organisation's overall reputation, and its destruction will invariably lead to the death of an organisation.

2.6.1.2 Technical/Professional Reputation

Perceptions of technical reputation arise from organisation's possession of the human capital i.e., the people and employee know-how, the machinery and the technology necessary for task performance. Technical reputation has direct bearing on performative reputation as it gives rise to the production of quality outputs. It is particularly important for [professional] services industries where the production processes require unique inputs in human expertise. Such expertise comes from employment of highly trained and skilled professionals whose outputs may be complex and may have to be customised to suit different clients. An organisation with a technical reputation finds it easier to out-compete rivals to attract key resources such as skilled personnel, capital or more high-end customers. A technical reputation especially derived from human capital, constitutes a powerful and unique intangible asset, capable of creating sustainable competitive advantages for an

organisation (Craves & Oliver, 2006). In highly regulated industries, being seen as having a solid technical reputation is a key competence that reduces intrusive oversight by the regulator.

2.6.1.3 Procedural/Legal Reputation

Procedural reputation derives from the organisation being perceived as a responsible 'citizen', seen following properly laid down rules when executing tasks (Carpenter, 2010). It indicates that the organisation operates within the confinements of the law and makes it possible for the organisation to gain more favourable treatment from regulators and the media (Bloom et al. 2006). Having such a reputation shows that an organisation is seen as not behaving arbitrary or in predatory manner should an opportunity for profiteering arise. Industry regulatory authorities hold perceptions of procedural reputation, industry associations and government.

2.6.1.4 Moral/Social Reputation

This reputation dimension stems from the organisation's commitment to the observance of the moral, ethical and cultural values (Overman et al. 2019) held by the communities within which it operates. It is an evaluation of the organisation's ability to address the social needs of stakeholders and society at large. An organisation is perceived to be morally/socially reputable when it operates in honesty, respects staff, customers and the broader community, acts compassionately, protects the environment, supports communities morally/financially and generally considers the impacts of its business activities on the society in general. Having a moral/social reputation implies that the organisation has concerns that exceed its economic interests and is seen as caring for the wider community. A moral/social reputation allows an organisation to claim status as a welcomed member of a particular community (Carpenter, 2010; Overman et al. 2019; Middleton, 2009). According to Feldman et al. (2014), a positive reputation for socially responsible practices is a necessary condition for maintaining an organisation's license to operate. Community leaders, opinion leaders, NGOs, the press, churches are key influencers of perceptions giving rise to moral reputation.

2.6.2 What Must Organisations Focus on?

Attaining high levels of competences across the four reputational components is unlikely for most organisations. Each organisation has to decide which aspect/s takes precedence over others based on its strategic orientation. The industry in which an organisation operates usually dictates the aspects to prioritize. A strategy misstep in prioritizing reputational competences can be devastating as attested by the demise of Bell Pottinger, a British public relations and reputation management consultancy firm once a global leader in the industry. For a monthly fee of £100 000.00 (equivalent to R1 715 000.00), the firm was hired to run a secret public relations campaign designed to stir up racial tensions in South Africa (The Guardian, 2017). This was reprehensible on many levels and when details of the secretive campaign became public, the firm that was in business of advising clients on reputation management was found on the wrong end of the advices it once gave to its clients. In the months following the campaign's revelation, Bell Pottinger struggled to manage the fallout. With demonstrations against the firm being held by civic societies in South Africa and the UK (ibid), the firm's moral/social reputation was seriously compromised. An ensuing investigation by the Public Relations and Communications Association (UK) found Bell Pottinger in breach of that association's code of ethics The firm had failed to uphold its procedural reputation and when it was subsequently expelled from the association, clients deserted, and the firm collapsed.

Another high-profile case of CR mismanagement is the 2015 "VW emissions scandal", a criminal undertaking that involved equipping more than 11 million diesel vehicles with deceptive software designed to activate emission controls only during laboratory emissions tests. On the basis of the 'doctored tests results', the vehicles were passed on as more environmentally friendly than they actually were and were bought based on the false tests results. When the scandal broke, it caused mental distress to some environmentally conscious customers who bought the vehicles on false credentials. The scandal damaged VW's moral/social reputation as well as the procedural/legal reputation. Despite record fines imposed by regulators in multiple countries and voluntary vehicle recalls costing US$33.3B (as of May 2019) (the Independent, 2019), resigning CEOs, sharp drops in share price and falls in demand, the company survive. In fact, by the end of 2016, VW had regained

the top spot as the world's largest motor vehicle manufacturer with world-wide sales over 10,5 million units (Welch, 2019). Theories behind the company's survival are yet to be fully expounded but one tentative one points to the strength of VW's (performative) reputation of quality outputs. A few months after the scandal broke, one dedicated South African 'fan' of VW was quoted as saying he would not consider any other vehicle make even if VW cars emitted blood (Car Magazine, May 2017). Such level of commitment to a product attest to the fact that quality outputs create unshakeable bonds between the organisation and its customers.

The 2 cases highlight the contrasting fortunes of companies that mismanaged their CRs. Both companies were guilty of strategy short-sightedness, and they paid dearly. It is however ironic that the company that deliberately set out circumvent laws in a number of countries (the United States, South Korea, France, Italy, Canada, Germany, and the UK) survived and the one that did not break any laws did not. This highlights the importance of CR for services trading organisations. For such organisations, no reputation no business and therefore no organisation. Business leaders are thus implored to have CRM plans that are embedded in organisation-wide strategic plans. As Bell Pottinger learnt, only a few lucky organisations can survive self-inflicted CR damage.

2.7 Corporate Reputation Management: The Construct

As an area of study, CRM transcends many disciplines, with traces in public relations/corporate communications, economics, marketing management, organisational behaviour, and strategy management. By nature of being multi-discipline, there is no consensus regarding what is and what is not reputation management. Each discipline has developed its own implicit and explicit views about what CRM is, its importance, and why organisations should consider it a priority. What the various disciplines agree on is that implementation of coherent CRM processes in many organisations needs to improve. As noted by Eccles et al. (2007), "even sophisticated companies only have fuzzy ideas of how to manage their reputations" (p107). However, with no cohesive theoretical base to call upon, organisations are failing to come to grips with the construct and this is

leading to misuse of the term CRM and the mislabelling of other corporate functions e.g., public relations and communications as CRM (Deephouse et al, 2018; Shamma, 2012; Hutton et al. 2001).

2.7.1 Definitions of Corporate Reputation Management

Several definitions of corporate reputation management are found in the literature. Fombrun (1996) defines it as an organisation's capacity to manage impressions, foster strong relationships with stakeholders and control indirect rumour- mongering. Feldman et al. (2014) considers CRM as a set of strategies that organisations develop and employ to cope with stakeholder expectations, manage the expectations and foster favourable regards for the organisation. Nakra (2000) defines corporate reputation management as a method or a systematic approach by which an organisation fosters and sustains a good name and engenders constructive feedback from its stakeholders that will enable it to achieve its strategic and financial objectives. Again, following the advice of Pfarrer et al. (2010) on definition adoption, this study proposes the following definition for CRM:

> *Corporate reputation management is a strategic management function aimed at influencing and guiding stakeholders' perceptions so that they align with the organisation's reputation objectives.*

CRM is a process: a strategic business process that involves identifying stakeholders, assessing stakeholder perceptions, analysing the perceptions in relation to organisational capabilities, putting in place measures to close any gaps, continuously monitoring gaps, and communicating specific messages to specific stakeholders. Attaining a positive CR is crucial for attracting resources and growing the value of an organisation (Zaby & Pohl, 2019). A solidly implemented CRM process makes possible the early identification of reputational risks, limits reputation losses, and safeguards a good reputation.

2.8 Corporate Reputation Management: A strategic business process

Strategy is a management action master plan (Hough et al. 2008) that defines the organisation's commercial orientation, "its overall objectives, policies and programs through which it will compete in its chosen markets" (Gray & Balmer, 1998: 697). It represents management's commitment to a particular set of actions to compete successfully and take the organisation forward. The moves and actions that management take in the marketplace are the 'heart and soul' of an organisation's strategy (Hough, et al. 2008).

CRM is seen by Omar & Williams (2006) as an organisation wide effort cascading from the board to all management levels including public relations, corporate communications, marketing, finance, human relations, customer services, product development, and many others. Will, Probst & Schmidt (1999) propose that organisations view CRM as a holistic and integrated business function which supports communication processes and their coordination with regard to all external and internal stakeholders. Coordination of CRM activities of departments and integrating them into wider organisational goals requires that CRM processes be driven from the very top echelons of an organisation. This necessarily calls for the creation at the executive level, of space for the person responsible for CRM. This is in line with the contention of the European Communication Monitor (2017) that managers of CR should hold more relevant positions in the strategic decision-making structures in organisations. Fombrun (1996) asserts that effective CRM calls for a new executive: Chief Reputation Officer to join the executive committee. Shamma (2012) concurs and advises businesses to hire managers who will have the title of Corporate Reputation Manager, a title that Casado (2014) finds missing in most organisations. Such appointments enable full integration of CRM within corporate strategy making it possible for reputation to strengthen the intangible drivers of organisational value by deepening relationships with stakeholders.

Even though it is incumbent upon everyone representing the organisation to take some responsibility for upholding reputation, the ultimate responsibility for CRM rests with the board and senior executives. According to Rayner (2003), when directors and senior executives play active roles in directing reputation management, reputation objectives feed into and are embedded in the overall strategic orientation of the organisation. CRM processes will thus be seamlessly integrated into everyday decision-making, organisational policies, processes and procedures. Participation in

overall strategy framing by a senior reputation management executive positively impacts alignment of the organisation's reputation objectives, CRM processes and stakeholders' expectations thus improving organisational legitimacy, a prerequisite for attaining positive corporate reputation (Whetten & Mackay, 2002).

2.8.1 Corporate Reputation Management as assessment of stakeholder's perceptions

CRM involves assessing stakeholders' perceptions, evaluating the actual character of an organisation, and closing gaps between perceptions and reality of the organisation. The starting point of the assessment process is measuring the organisation's CR: not a mean feat considering that no unified approach to CR measurement exists. Models and tools for measuring reputation such as benchmarking, league tables, reputation quotients, case studies, and psychometric measurements have emerged in scholarly literature. Still, many are criticized on several fronts, such as failure to cover all of the CR scope and conceptual richness (Feldman et al, 2014). Successful assessment of an organisation's CR and, thus its management calls for selection and use of those measuring methods leading to the most efficient outcome.

2.8.2 Measuring Corporate Reputation

Because stakeholders build their perceptions of what an organisation stands for [corporate reputation] through the lens of what matters to them, reputation does not lend itself to easy measurement. Many attempts at developing corporate reputation measures have been met with mixed acceptance by academics. Some measures have been dismissed outright as "dubious measures of reputation" (Clardy, 2012: 300) not grounded in definitions that are thought to underpin them (Dowling, 2016), and some are criticized for lacking content validity, being of suspect reliability and being of limited generalizability (Feldman et al. 2014; Clardy, 2012).

Despite challenges, work on developing better measures and refining others continues (Barnett et al. 2006; Fombrun and van Riel, 2004; Schwaiger, 2004; Wartick, 2002). Still to date no unified

approach to measuring corporate reputation exists, a state of affairs attributed to differences in approaches adopted by different disciplines when defining and conceptualizing corporate reputation (Nguyen and LeBlanc, 2001).

While there is no general agreement on how to measure corporate reputation, there is universal acceptance that measuring CR is important (Schwaiger, 2004). A pervasive challenge in measuring corporate reputation is determining whether different stakeholder groups perceive reputation identically (Helm & Klode, 2011). On the one hand, taking an organisation's corporate reputation as a global perception results in too general measures which have limited value in reputation management (Ruiz et al. 2014) since no across-the-board measure of reputation can be valid for all stakeholders (Hutton et al. 2002). One the other hand, reputation is a meaningful concept only when it applies to specific audiences or the publics (ibid) since different stakeholders have different perceptions regarding the organisation, based on their differing contexts and interpretation of the information received (Feldman et al. 2014). Research by Helm (2007) finds that "stakeholder groups significantly differ in evaluating the reputation of a firm" (p. 245). This paper thus leans towards the contention that measures focusing on specific dimensions of corporate reputation relevant to specific stakeholders are more important to business managers because they pinpoint areas where management attention is required.

2.8.2.1 Measures of Corporate Reputation

"A firm's reputation at any point in time is understood and measured as an average score, perhaps weighted, of what various constituencies think of the firm" Barnett & Leih, 2018: 964. The average scores are used to rank companies in order of merit from the highest to the lowest (Bromley, 2002). It has already been indicated that measuring corporate reputation as an aggregate assessment is criticized on a number of fronts: biases in sample selections, treatment of incompatibilities of perceptions of different stakeholder groups, accounting for more influential stakeholders and lacking specificity of what actually is measured (Wartick, 2002). Despite the noted inadequacies aggregated measures remain incredibly influential in guiding how stakeholders relate to organisations. According

to Martins (2005) rankings of corporations based on these measures influence strategic decisions that business managers take. Overall reputation scores, measured by whatever imperfect method, can influence how internal and external stakeholders think about an organisation and how they behave toward it (Barnett & Leih, 2018). Some of the more popular and mostly cited measures are briefly discussed.

2.8.2.2 The World's Most Admired Companies (WMAC)

The WMAC is one of the most commonly used standardized quantitative approaches to measuring corporate reputation (Helm & Klode, 2011). It is published by Fortune Magazine in partnership with their research partners Korn Ferry. It surveys financial analysts, top executives, and directors from eligible companies to identify companies they believe enjoy strongest reputations within their industries and across industries. Using an eleven-point scale (0 to 10), companies are evaluated on each of the following attributes of reputation: quality of management; financial soundness; quality of products and services; ability to attract, develop, and keep talented people; innovativeness; responsibility for the community and the environment; long-term investment value, and wise use of corporate assets. An overall score used to rank companies is then computed by averaging a company's ratings on all the attributes.

While it is generally accepted that Fortune Magazine's annual rankings are immensely powerful in shaping stakeholders' opinions about companies (Schultz et al, 2001; Davies et al, 2003; Schwaiger, 2004) major shortfalls such as the lack of clearly defined theoretical basis, questionable sampling, data collection procedures (Bromley, 2002; Fombrun et al. 2000), failing to define the 8-attributes of corporate reputation (Dhir & Vinen, 2005) and not stating clearly what is being measured (Schwaiger, 2004) are cited. The measure is generally dismissed in academic circles as merely an amalgamation of financial metrics reflecting an organisation's overall financial well-being.

2.8.2.3 The Harris Poll Reputation Quotient (RQ^{TM})

The RQ™ is another widely used measure of corporate reputation which has been translated, tested, and validated in cross-cultural contexts in more than 15 counties (Gardberg, 2006). It measures the reputations of the 100 most visible companies in the U.S. as perceived by the general public**.** Compilation of the RQ™ involves an online 2-phase data collection process conducted between December and February. In the first phase, respondents are asked to nominate two companies they believe to have the best reputations and two with the worst. After tallying of responses, the list of the "100 most visible" companies is created from which a second sample is asked to rate up to two companies across 20 attributes grouped into six reputation dimensions: products and services, emotional appeal, social responsibility, workplace environment, financial performance, and lastly vision and leadership. The ratings form the basis upon which a company's reputation quotient is determined.

2.8.2.4 The RepTrak and RepTrak Pulse

The RepTrak and RepTrak Pulse are complimentary reputation measurement scales developed by the Reputation Institute and the Corporate Excellence: Centre for Reputation Leadership. The two scales are designed to measure reputation as perceived by different stakeholders. The RepTrak is based on seven dimensions of corporate reputation (products/services, innovation, workplace, performance, governance, citizenship and leadership) deemed useful for creating strategic communication platforms between the company and its stakeholders (Cherchiello, 2011). The RepTrak Pulse intends to measure emotional bonds between the company and its stakeholders based on perceptions of esteem, admiration, trust, and overall feeling (the Reputation Institute, 2018)**.** These measures have been cross-culturally and cross-sectorally tested and validated in over 40 countries (Carroll, 2016). The greatest strength of the measures is their ability to assess perceptions across stakeholder groups, an important trait for benchmarking as well reputation management.

2.8.2.5 Customer-Based Reputation Scale (CBR)

As the name suggests, the CBR scale is designed to capture the perceptions of customers. The developers of the scale: Walsh and Beatty (2007), define customer-based reputation as "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" (p. 129). The contention of these authorities is that reputation measuring tools must be stakeholder specific because "the perceptions, interests and values of stakeholders are different and at times conflicting" (ibid, 129). The scale is based on five corporate reputation dimensions: (1) customer orientation, (2) good employer, (3) reliable and financially strong company, (4) product and service quality, and (5) social and environmental responsibility. The original CBR scale was a 28-item measure but was later whittled down to 15 items and validated in Germany and the UK (Ponzi et al. 2011). For a measure designed to capture perceptions of customers, the CBR scale is criticized for including "good employer and financially strong", two dimensions concerned with internal company aspects that most people outside of the company would not know about and most probably would not care about very much (Dowling, 2016).

2.8.2.6 The Corporate Character Scale (CCS)

The corporate character scale is an indirect measure of reputation designed to be generic, diagnostic, and equally applicable to both employees and customers (Davies et al. 2003). Drawing on various, the authors adopt the personification metaphor to identify traits they label as 'corporate character' in developing their measure of employees' and customers' perceptions of an organisation. Seven dimensions (agreeableness, enterprise, competence, chic, ruthlessness, informality, and machismo) were assessed using 49 items. The personification metaphor makes an organisation's reputation more familiar and thus easier for respondents to understand and engage with. The CCS was validated through a survey of over 15,000 employees and customers of more than 50 business units of various companies, including retailers, banks, and department stores (Davies et al. 2003).

2.8.2.7 The Corporate Reputation Index (CRI)

The CRI was developed by Cravens et al. (2003) designed as a “standardized set of common as well as unique component measures that would be consistent across companies and industries” (p205). The index is based on 9 components of reputation: products/services, employees, external relationships, innovation, value creation, financial strength, strategy, culture and intangible liabilities each assessed on a nine-point scale on a number of aspects. A score of 1 signifies lowest/least desirable measure while a 9 represents an ideal or benchmark. An average score per component is computed and then weighted. The weighted scores are totalled to give an overall value: a continuous variable ranging from 1 to 9 from which an index value is assigned. (See table).

Table 1: Classification Rankings and descriptors for a Corporate Reputation Index

Index Value	Overall Scale Range	Description
A1	9	An ideal level of corporate reputation
A2	8 – 8.9	An excellent level of corporate reputation
A3	7 – 7.9	A high level of corporate reputation
B1	6 – 6.9	A moderate level. Reputation needs to be watched*
B2	5 – 5.9	A lower moderate level of reputation. Reputation needs attention*
B3	4 – 4.9	A low level of reputation. Reputation needs urgent attention*.
C1	3 – 3.9	A poor level of reputation. Reputation needs serious attention*
C2	2 – 2.9	An extremely poor level of reputation. Critical attention needed*

C3	1 – 1.9	No reputation. Corporate value being destroyed*

Source: Cravens et al. (2003: 210) *Own descriptors

By compiling the index as a two-stage process (with a preliminary stage for stakeholder groups to assign weights to reputation components), the CRI is suitable for use with all stakeholder groups. Since stakeholder groups have different perceptions of the organisation and are concerned with different facets of organisational operations (Gray & Balmer, 1998), they will be expected to assign low weights to components that are of little relevance to their perceptions of an organisation's reputation. The two-stage compilation process makes the CRI a more meaningful and reliable to measure reputation.

2.9 Corporate Reputation Management as targeting specific stakeholders

Inherent in the CRM definition is the recognition that different stakeholders have different expectations of a company (Deephouse, 2000; Hutton et al. 2001). Businesses are therefore expected to identify who their stakeholders are, what each stakeholder group wants and how these wants interact with the organisation's vision and values. Identifying stakeholders is followed by an analysis of how critical each stakeholder group is to attaining organisational goals. The analysis should be based on actual as well as potential influence wielded with regards to supply key resources: e.g., capital (shareholders, investors, capital lenders), labour (employees, unions), right to operate[1] (government, regulatory agencies, sector professional bodies) and licence to operate[2] (local communities). Such analyses will show organisation-stakeholder relationships that should be strengthened, cooled or severed. Thereafter the development of management actions, messages and strategies targeting specific stakeholders follows. Such a process follows the relational school of thought (Chun, 2005) which advocates for simultaneously focusing on views of both internal and external stakeholders.

[1] Complying with relevant laws

[2] Being welcomed into a community

2.9.1 Stakeholders

Key to strategic management of CR is the comprehensive identification of an organisation's stakeholders: those groups and/or individuals who can affect or are affected by the strategic actions of an organisation (Freeman, 1984). Individuals/groups of individuals or entities are stakeholders if they have legitimate claims on the organisation, have the power to act if claims are not met and can cause management to focus on their claims (Mitchell et al. 1997). For each stakeholder, there is a need to understand their interests in the organisation, how they currently perceive the organisation, what motivates them, what they need and how best to interact with them. Understanding stakeholder perceptions, interest, and sources of power allow for the development of appropriate reputation-enhancing actions specific to the stakeholder.

Stakeholders are classified as primary or secondary according to the level and nature of their effects on an organisation. Primary stakeholders are those individuals, groups and entities whose continuous support is a prerequisite for an organisation's survival. They include shareholders, investors, employees, customers, suppliers, government and local communities. High interdependence between an organisation and its primary stakeholders necessitates constant interaction between them. All other stakeholders who do not have business transactions with the organisation, do not interact regularly with the organisation and only affect the organisation's activities, indirectly fall into the secondary stakeholder category.

An organisation has many stakeholders exerting different levels of influence on the organisation's activities by virtue of them (stakeholders) controlling resources needed for the continued survival of the organisation. Identification and understanding stakeholders' motivations is key for building sustainable and mutually beneficial relationships which give rise to corporate reputation (Roberts & Dowling, 2002; Helm, 2007; Puncheva, 2008), an asset (Gotsi & Wilson, 2001; Hutton et al. 2001; Barnett et al. 2006) that managers must maintain and manage in order to create sustainable wealth and long-term value for the organisation (Post et al. 2002).

Stakeholder groups will vary enormously in line with the nature of an organisation. There is no generic list of stakeholders for all companies, or even for a single company as those who affect or

are affected depends on the industry, company, geography or the issue in question. Some of the key organisational stakeholders are discussed below.

2.9.2 Employees

Employees are the primary interface between the organisation and its customers, suppliers, and other key partners (Cravens & Olivier, 2006). They contribute to forming corporate reputations through their interactions with other stakeholders (Helm, 2007), thus forming the first step in managing corporate reputation. Employees are the window through which most stakeholders perceive the character of the organisation. They are the organisation's corporate ambassadors whose every interaction with other stakeholders has the potential to affect corporate reputation. Their interests among many others include fair remuneration, safe working conditions, job security (Florea & Florea, 2013), opportunities to participate in professional and personal developments programs, flexible working programs, recognition for commitment, constructive feedback from management (Puri, Poonam, & Tuvia Borok, 2002) and platforms to participate in improving processes of the organisation (Harrison, et al. 2010). Consistence, fairness and going beyond what is necessary to maintain employee wilful participation in the workings of the organisation builds good employer reputations (Olmedo-Cifuentes et al. 2014) important aspects of strong corporate reputation (Davies, et al. 2010). A solid employer reputation enables the organisation to attract better applicants (Fombrun, 1996), have loyal and committed employees (Wæraas & Dahle, 2019), builds employees' trust (Friedman, 2009; Gotsi & Wilson, 2001) and fosters company-employee identification (Helm, 2010) aspect necessary for low turnover of employees.

2.9.3 Customers

Drucker (1973)'s contention that the purpose of a business is to create a satisfied customer highlights the importance of customers as a key stakeholder group. Revenue streams that are the life blood of businesses are dependent on satisfaction of customer needs better than competition. If customers become dissatisfied with the organisation's products and develop a negative perception, the

organisation's sales will decline affecting profits, market value and attractiveness of the organisation to other stakeholders.

The value of a satisfied customer however goes way beyond revenues generated by repeated purchases to include positive word of mouth, helping other customers, providing solicited responses to the organisation, affiliation, advocacy and participating in organisation's activities (Bhattacharya & Sen, 2003; Bove et al. 2009). Creating a satisfied customer requires that the business offers the right product or service, at the right price, available at the right place, at the right time (Kotler, 1973), cares enough for the environment, treats its employees fairly, responses to complaints within reasonable time and is generally seen as a 'good citizen' deserving of the customers' support. Operating in ways that meet most of the customers' expectations is a sure way of maintaining durable relations with customers. Such relations feed into a business's corporate reputation.

2.9.4 Suppliers and other organisational partners

The modern-day networked business environment requires cooperation between the organisation and all businesses along its value chain. Organisational partners provide the resources required for execution of objectives. On their part, suppliers and other partners need clear communication about the organisation's resource requirements, when the said resources are wanted, and how and when the suppliers will be paid for resources supplied. In order to continually improve their offerings, suppliers also need feedback from the organisation on how well their products are meeting the standards expected. Other partners may also need cooperation and support from the organisation so they could attain their own objectives. Ethical behaviour as well as technical competence is essential for establishing mutually beneficial business relationships. Consistently meeting these stakeholders' expectations enhances the organisation's corporate reputation among these stakeholders. On the other hand, short comings on meeting expectations of suppliers may result in withdrawal of supplies, passing on of negative information about an organisation. The resultant damage to reputation can be detrimental to attainment of the organisation's objectives and may threaten the very existence of the organisation.

2.9.5 Trade Unions

Trade unions are driven by the need to protect conditions of their members i.e., an organisation's employees. Meeting the unions' expectations and having good constructive relationships with unions contribute to the organisation being perceived as a good employer deserving of the union's support. A good reputation with labour unions is invaluable with regards to recruitment of talents.

2.9.6 Regulators

Regulation is aimed at improving the efficiency with which society's resources are allocated (Department of Water Affairs, 2013) with the intention of securing systemic economic stability, ensuring institutional safety and soundness, promoting consumer protection (Meiring, 2012), attaining other social or environmental objectives as well as encouraging economic growth (Conway, 2013). Some regulation is government mandated underpinned by acts of legislations while some is voluntary, self-administered and specified by professional industry bodies. Government appointed regulators are required by law to monitor and regulate organisations for specific and publicly defined purposes (Gray & Balmer, 1998). The expectation imposed on the organisation by regulators is observance of rules and laws during execution of business activities. Failing to operate within the confinements of rules, regulations or laws can attract sanctions and penalties. Because government regulators have considerable slack in interpreting and applying the law, having a reputation of compliance can reduce regulatory scrutiny and the concomitant stresses that could be imposed on employees and other internal stakeholders by inspections.

2.9.7 Local Communities

Local communities contribute to successes of organisations in 2 main ways: provision of labour as well as purchasing the organisation's products. For their support, communities expect organisations to care for the environment, treat employee with fairness, engage in fair trade practices (Perrini et al. 2010; Wood, 2002), earn reasonable profit, donate money, products and time to social causes, charities and local community programs (Galbreath, 2010), and to be compassionate corporate entities that partake in community activities designed to improve welfare within areas of their

operations (Bolanle et al. 2012). Meeting societal expectations of corporate behaviour (Whetten & Mackey, 2002) is important for creating positive reputation perceptions in the minds of communities.

2.9.8 Shareholders

Shareholders are critical stakeholders of an organisation (Du Plessis, 2016) because they ultimately give or withhold approval of management's decisions (Gray & Balmer, 1998). By providing funds required for the organisation's operations and/or growth, shareholders carry a monetary stake in the firm and have the greatest interest in the continued existence of business. Their returns directly correlate with the economic performance of the firm (Fombrun et al. 2000). Shareholders' main expectation is that the business maximizes their wealth through the implementation of strategies that grow earnings, increase market value of shares, and the amount and frequency of dividends payments.

2.9.9 Government

Government at all levels is an important stakeholder (Gray & Balmer, 1998) with the unenviable task of formulating regulations intended to make businesses operate in the best interests of all stakeholders while ensuring that the same regulations do not stifle growth of businesses. It desires that businesses create the best value possible for society by among other things paying their fair share of taxes, providing meaningful employment, paying 'living wages', offering safe products, and abiding by the country's laws. While the relationship between business and government is at times adversarial, recognizing and as much as possible abiding by the spirit of what government intends to achieve by regulation pre-empts the need for the said regulation thereby avoiding additional business costs that could be imposed by additional regulation. Being viewed as a good corporate citizen enhances the organisation's corporate reputation from the standpoint of government: a view that may influence business friendly regulatory environments.

2.9.10 Investors

Investors' willingness to buy into a company is influenced not only by the well-established quantitative valuation models in finance but also by perceptions they hold regarding the risk and

return characteristics of a particular investment, the level of security available, transparency of investor relations (Hoffmann, et al. 2015), their understanding of how the company's business model operates, how management strategies are being implemented, and how this translates into performance and value creation (PWC, 2014). Their perceptions are based on the amount of information that the business releases about the total impact of its activities across social, environmental, fiscal and economic spheres. Without high quality information on the company's activities, investors make decisions not on the basis of what is happening within the company but on their perceptions of what other investors are thinking.

Provision of frequent, transparent, and quality information about risks and opportunities tells a clear story that engenders confidence and enhances the company's reputation and its capital-raising potential. What investors want most is stability and minimum volatility which is brought about by transparent communication: eleventh hour profit warnings and other unwelcome surprises are anathema to them (Rayner, 2003). Whatever form communication may take (financial statements, environmental or sustainability reports; prospectuses; issue documents; website information; press releases; etc.) investors expect the information to be honest, accurate, complete, and made promptly (ibid).

2.9.11 Opinion Leaders

Opinion leaders are generally people who have the ability to exert influence on opinions of others (Raghupathi, et al. 2009). They are seen by opinion seekers as being more knowledgeable about certain products or services than the average consumer. Opinion leaders are not necessarily experts in the field of imparting advice but derive their authority from inspiring the trust of those who seek advice and follow their opinions and recommendations. They learn from and form opinions from multiple media sources and pass their opinions on to others thereby influence buying patterns and shaping how a firm and/or its products are viewed (Katz & Lazarsfeld, 1955). It is therefore important that the company makes available to opinion leaders as much information as necessary to ensure that their opinions are based on accurate information. Targeting opinion leaders with quality

information is financially prudent as their ‘word of mouth’ is relied upon by many consumers (Cowan, & Dai, 2014).

2.9.12 Competitors

While viewing competitors as stakeholders is vigorously rejected by Post et al. (2002) who call such a view “absurdity” (ibid, p18), the definition of stakeholders adopted by this research necessarily includes competition. Competition is rooted in an industry’s underlying economics as this determines the level of competitive forces exerted by each industry participant. It is prudent business acumen to be concerned with degree of rivalry within the industry as well as the threat from potential entrants. Competitors have the ability to affect directly or indirectly the strategic orientation of the organisation by commission or omission. Depending on the industry, misdemeanour by one member can attract negative attention from government leading to regulation that might affect the whole industry. In such industries, the strategic dilemma facing managers is determining the extent to which organisations should compete or cooperate with competitors. For many industries, cooperating with competition improves an organisation’s quest of accessing new competitive capabilities (Chetty & Wilson, 2003). It is therefore important to be cognisant of how competitors can impact the organisation’s activities and acknowledge that competitors are deserving of a ‘seat at the stakeholders’ table’.

2.10 Importance of Corporate Reputation Management

Despite reputation being something that cannot be easily managed Hutton et al (2001), managing reputation yields a variety of advantages for an organisation. Having a positive corporate reputation can lead to superior profits (Roberts & Dowling, 2002), limits rival firms from competing successfully (Cravens et al. 2003, Deephouse, 2000 ; Fombrun, 1996), helps in attracting investors and securing capital at a lower cost (Rayner, 2003), lowers firm costs (Deephouse, 2000 ; Fombrun, 1996), makes it possible for firms to charge premium prices (Deephouse, 2000 ; Fombrun and Shanley, 1990 ; Rindova et al. 2005), attracts the best applicants (Balmer & Gray, 1998; Devine & Halpern, 2001) and improves customers retention (Fombrun, 1996). By virtue of conveying trust and credibility, a

positive CR also acts as a shield against damaging publicity in a crisis situation by intensifying the effectiveness of any appropriate crisis response strategy and thus speeding up the crisis resolution (Grunwald & Hempelmann, 2010). An organisation with a positive CR possesses a 'reservoir of good-will' that buys it time and space to act during a crisis, is more likely to be given the benefit of doubt, and its explanations for a crisis are more likely to get a sympathetic audience. On the contrary, a poor CR signals to stakeholders that trouble is not far away and when it strikes, the organisation will not have the necessary public support needed to weather the storm. In fact, an organisation with a negative CR is more likely to be considered guilty even before it has had time to explain itself.

Establishing, maintaining, and repairing good corporate reputation calls for appropriate, effective and consistent management of stakeholders' perceptions. Firms need to manage their corporate reputations in the same manner they manage some of their most valuable assets (Rayner, 2003), instead of the current practise of underplaying reputation and seeing it as an outcome of activities such as marketing or public relations Diermeier, (2011). Managing reputation is thus not only a prudent function but is an imperative.

2.10.1 CRM: Challenges for Services Sectors

CR is disproportionately important for organisations such as banks that are engaged in the production and selling of services. However, the abstract nature of services makes it impossible for consumers to accurately judge quality of the service offered *ax- ante.* Since there are no trial purchases or "test drives", uncertainty about what one gets at the end of a transaction will always be present. Because the quality a service can only be ascertained after purchase and consumption, customers need signals to guide decision making about organisations to engage with. CR thus serves as that important signal of the intrinsic qualities of such organisations and can be taken as a proxy indicating not only quality of outputs, but management, employees as well as business systems relative to competitors. A good CR offsets stakeholders' concerns and uncertainties about the quality of services arising from lack of personal experience and therefore helps cheaper decision-

making in situations of asymmetry information. At the same time, a good CR provides a services-oriented organisation with a basis for implementing a differentiation strategy (Hsu, 2012) thus enabling the building up of competitive advantages and barriers for imitation (Bartikowski & Walsh, 2011; Dowling, 2001; Fombrun & Shanley, 1990). Consequently, CR in the services sectors constitutes a strategic resource for building differentiation from peers. CRM is therefore seen as more important to an organisation operating within the services sector where stakeholders' decisions to engage with a product are based on trust which comes from CR. Organisations such as banks that are selling services may be more likely to feel the effects of a CR loss compared to manufacturing firms.

2.10.2 Corporate Reputation Management: Significance

A positive CR reflects an organisation's relative success in fulfilling the expectations of multiple stakeholders. It reduces stakeholders' uncertainty about an organisation's intrinsic character making them more willing to take risks and engage with the organisation, endorse its actions, and spread positive word of mouth. Once created, a positive CR empowers an organisation to drive markets, rather than to be market driven (Adeosun & Ganiyu, 2013). On the other hand, a poor CR can greatly hamper an organisation's chances of success so it must be managed diligently, like any other important asset.

2.10.2.1 Corporate Reputation and Stakeholder Profitability

Some research findings show that when an organisation has a positive corporate reputation, mutual benefits accrue to the organisations and its stakeholders. The ability of highly reputable organisations to attract the best job applicants (Fombrun, 1996) points to lower recruitment costs for such organisations. A positive reputation in the eyes of customers influences buying intentions, increases repeat purchases, reduces defections and host of other customer citizenship behaviours

(Bartikowski & Walsh, 2011), favourable customer actions that lower an organisation's customer acquisition, servicing and retention costs.

The ability of a positive corporate reputation to reduce costs can be observed in most organisation-stakeholder relationships. For example, it has been noted that regulators are inclined to be less critical when scrutinizing operations of organisations with good reputations, investors more favourably evaluate high reputation firms and are more willing to offer capital at lower cost and effort (Srivastava, et al. 1997), and better relations with suppliers reduce transactions costs. A good corporate reputation signals competence and reliability (Deephouse, 2000; Fombrun, 1996) and allows an organisation to make valuable implicit claims (Devine & Halpern, 2001): claims which are easily accepted by stakeholders thus reducing pressure on spending on advertising since an organisation's reputation is critical when stakeholders consider product advertisements.

While research on corporate reputation-financial performance relationships has produced conflicting results, intuition points to the fact that a good reputation causes favourable stakeholder behaviours that positively impact an organisation's bottom-line. These favourable actions are herein termed stakeholder profitability and defined as operational costs reductions attributable to supportive behaviours of organisational stakeholders. A study by Tischer and Hilderbrandt (2011) highlights some stakeholder supportive behaviours that stem from good corporate reputations.

Table 2: Effects of good corporate reputation

Stakeholder	Effects of Good Corporate Reputation	References
Customers	A risk-reduction mechanism	Goldberg & Hartwick, 1990; Kotha et al. 2001; Goldsmith, 1998
	Influences buying intentions	Yoon et al. 1993
	Leads to higher product prices	Deephouse, 2000; Klein & Leffler, 1981; Landon & Smith, 1997; Podolny, 1993;
	Increases repurchases	Shapiro, 1983
Suppliers	Reduces transaction cost	Bromley, 2002b; Kotha et al. 2001;
	Attracts better suppliers and increases their loyalty	Podolny, 1993
	Reduce contracting and monitoring costs	Roberts & Dowling, 2002
	Leads to long-term relationships	Groenland, 2002

Investors	Enables easy access to capital Reduces cost of capital Leads to being perceived as less risky to invest in influences positive investment decisions	Dhir & Vinen, 2005; Schwalbach, 2000 Beatty & Ritter, 1986 Orlitzky & Benjamin, 2001; Srivastava, et al. 1997 Little & Little, 2000; Lucey & Dowling, 2005; McGregor et al. 2002; Shefrin, 2001
Employees	Attracts top talent Leads to more loyal behaviour and reduces personnel fluctuation Increases morale and productivity	Turban & Greening, 1997; Winkleman, 1999 Fombrun, 1996; Caminiti, 1992; Dowling, 1986; Eidson & Master, 2000; Nakra, 2000; Roberts & Dowling, 2002; Winkleman, 1999; Turban & Cable, 2003

Adapted from Tischer & Hilderbrandt, 2005

2.10.2.2 Corporate Reputation and Trust

Trust has been defined by Laaksonen et al. (2008) as a belief by one partner in a relationship exchange that the other partner will not act against their interests, by Morgan and Hunt (1994) as the confidence of one partner in an exchange partner's reliability and integrity, by Geyskens et al. (1998, 225) as the extent to which a firm believes that its exchange partner is honest, benevolent and will act in the best interest of the relationship and by Zaheer et al. (1998) as the expectation that an actor can be relied on to fulfil obligations, will behave in a predictable manner and will act fairly even when the possibility for opportunism is present. Trust as an emotional connection plays an important role in maintaining stakeholders' willingness to remain in existing relations while at the same time acting as an attraction for future relationships. It creates conditions under which partners in a relationship develop commitment to each other and make relationship-specific investments for their mutual benefits.

The level of trust between relationship partners builds over time as expectations are met. Trust is rarely based on own experiences and whenever stakeholders are unable to rely on own experiences they resort to recommendations and judgements of others. Such recommendations are nothing else but reputation judgements (Bennett & Gabriel, 2001; Eisenberger, 2009). The importance of

reputation in nurturing trust is highlighted by Milan et al. (2015), who argue that reputation has a key intermediating role between perceived quality and trust. A positive reputation is linked with organisation's credibility, which is a major dimension of trust (Chowdhury, 2012). Reputation is particularly important at the beginning of a relationship because it is a powerful signal of trustworthiness. It allows stakeholders to presume that the experiences of other stakeholders' interactions with an organisation will be predictive of their own interactions with the organisation. An organisation that is trusted develops long-term and fruitful relationships with its stakeholders (Svensson, 2005), enjoys enhanced cooperative and collaborative behaviours from stakeholders (Miles et al. 2000), achieves more repeated purchases and larger size of shopping baskets (Kenning, 2008) thus earns more profits and attains higher levels of [stakeholder] satisfaction (Arnott, 2007). By reducing perceptions of risk while enhancing confidence, trust plays a critical function in building relationships.

2.10.2.3 Corporate Reputation and Commitment

A substantial body of research indicates that there is a positive relationship between corporate reputation and a number of stakeholder behaviours (Bartikowski & Walsh, 2011; Dutton et al. 1994; Omar and Williams (no date); Bolton, et al 2002; Puncheva, 2007. One such behaviour is commitment, defined by Morgan & Hunt (1994) as the belief of an exchange partner that the on-going relationship with another is so important as to deserve effort at maintaining it indefinitely. Stakeholders' commitment to organisations is one of the most critical success factors for the development and sustainability of organisation-stakeholder relationships (Morgan & Hunt, 1994). Commitment implies that stakeholders are willing to commit resources into the relationship because of psychological attachments to the focal organisation.

The rationale for positive relationship between corporate reputation and stakeholder commitment can be seen in the social identity and signalling theories. The social identity theory suggests that an individual's sense of who they are is based on their memberships to existing social groups (e.g., family, sporting clubs they support, company they work for, church they attend, businesses they

patronize). That sense of belonging is an important source of pride and self-esteem, and people will endeavour to enhance the perceived statuses of groups they belong to. Corporate reputation can be seen as a status symbol indicating how an organisation is perceived by its stakeholders. Organisations with positive corporate reputations are seen as providing enhanced self-esteem to their stakeholders who then commit by investing in relationships.

The signalling theory suggests that when stakeholders lack direct experience with a company they will rely on available information about an organisation before deciding whether or not to engage in any exchange Puncheva (2007). Such information is provided by an organisation's corporate reputation, a powerful signal that indicates strong cues about the organisation (Whetten & Mackay, 2002; Alniacik, et al. 2011). Because an organisation's good reputation reduces perceptions of risk by stakeholders (Fombrun & Shanley, 1990), it motivates stakeholders to engage with the firm. A positive corporate reputation reduces stakeholders' uncertainty surrounding an organisation's behaviour in its relationships (Rindova, et al. 2005) and is thus used by stakeholders as signals that provide information about organisations necessary for making informed decisions about engaging and committing to the organisations.

Positive relationship between corporate reputation and commitment has been confirmed by a number of studies (Brammer et al. 2007; Sung & Yang 2008; Bartikowski & Walsh, 2011). Commitment is a key variable in successful business relations (Morgan & Hunt, 1994) because it promotes efficiency, productivity, and effectiveness from stakeholders. Committed customers make repeat purchases, readily make recommendations, are more price insensitivity and cross-buy the company's products (Musa, et al. 2005), and are more likely spread word of mouth regardless of satisfaction levels (Brown, et al. 2005). Committed employees are likely to be more productive, more motivated, less inclined to resign from the company and generally take on extra-role behaviours. Committed investors will stick with the company during times of temporary difficulties. Stakeholders committed to an organisation increase cooperative behaviours because of their desire to make the stakeholder-organisation relationship work and to achieve mutual goals (Bartikowski & Walsh, 2011).

2.10.2.4 Corporate Reputation and Identification

The need for belonging is a psychological trait inherent in humans from the point they gain consciousness. To this end, people voluntarily form associations with others they perceive to have the same attributes as themselves. Social groups are thus formed to satisfy people's self-definitional needs (Bhattacharya & Sen, 2003) leading to people-organisation identification (Scott & Lane, 2000) defined by Dutton et al. (1994) as the degree to which organisational members perceive themselves and the focal organisation as sharing the same defining attributes. Organisations with favourable reputations are perceived as more attractive and associating with them generates opportunities for positive social identity. A favourable [corporate] reputation is seen as satisfying an individual's needs for self-enhancement through basking in reflected glory of the organisation (ibid).

Good corporate reputations are platforms on which organisations create solid bonds with their stakeholders through stakeholder-organisation identification, the strongest of the four stakeholder-organisation relationships identified by Bhattacharya e. al. (2008). When a stakeholder perceives characteristics that define a company as capable of enhancing their own social identity, they are drawn to that company because it makes it easier for them to express their sense of self (Ahearne et al. 2005). A positive corporate reputation is thus an important asset (Caruana, 1997; Gray & Balmer, 1998; Roberts & Dowling, 2002) capable of turning stakeholders into "fans" of the organisation by fostering strong stakeholder-organisation identification which in turn results in numerous company-favouring outcomes such as advocacy (Bhattacharya & Sen 2003), helping behaviours towards other organisational members (Ahearne et al. 2005), repeated product purchases (Kenning, 2008; Lichtenstein et al. 2004), increased job seeking intentions (Helm, 2010; Bell & Menguc 2002; Turban & Cable, 2003), and more investors purchasing stock in companies they feel reflect their personal values (Dutton et al. 1994).

2.11 The Corporate Reputation Management Process

CRM is concerned with the establishment, maintenance, and consolidation of positive reputations for an organisation with the aim of building profitable and lasting relationships with stakeholders. It is a well-established research area in management. However, as a management discipline, CRM is yet to gain sufficient traction in many organisations. Indications from literature (Casado et al. 2014; Diermeier, 2011; Griffin, 2013; Shamma, 2012) are that only a few organisations have systems in place for actively managing their reputations. An eight-country study of big corporations conducted in the USA, Belgium, Canada, France, Germany, Italy, the Netherlands and the UK by Kitchen and Laurence finds that less than 30% of big corporations in the said countries have systems in place for managing their CRs (Watson & Kitchen, 2013). Another study by Cole & Fleming (2020) conducted in the USA, finds that 95% of CEOs acknowledge the importance of their organisations' CR and view such reputations as the most important asset entrusted to them by shareholders. The CEOs viewed risks to CR as some of the greatest destroyers of corporate value. In spite of such acknowledgement only 19% of the surveyed CEOs had organisations that actively managed their CRs (Cole & Fleming, 2020). Worryingly enough, a study conducted by Hill and Knowlton (Nakra, 2000) two decades earlier than the Cole & Fleming (2020) study has almost the same findings. That study finds that "96% of CEOs consider corporate reputation a vital component of business success [but] less than 20% have instituted a method of measuring their organisation's reputation (Nakra, 2000: 41). The two studies make it clear that CR is not being managed (at least in the USA), and little to no progress has been made since the turn of the century to improve the status quo. CEOs and directors shy away from CRM and tend to concentrate on financial and other 'hard facts' that are easily quantifiable and readily comparable to hard benchmarks (Knipp, 2009), aspects of business management that CEOs are more knowledgeable about (Rayner, 2003). However, given the almost endless supply of [corporate reputation] management ideas (Wæraas & Byrkjeflot, 2012) it is paradoxical that CRM continues to be an enigma for many organisations.

Regrettably, the acknowledgement of the importance of CR by CEOs (CIMA, 2011; Cole & Fleming, 2020; Ernst & Young, 2015; Griffin, 2015) has not translated to concerted efforts directed into CRM. CR remains largely unmeasured and unmanaged (Schreiber, 2011), is not seen as a priority so it is frequently ignored, underplayed, side-lined, and often shunted into the 'too difficult to handle' pile

(Rayner, 2003). However, it is not clear from literature what makes practitioners feel that CRM is 'too difficult to handle'. One is thus persuaded to draw a conclusion that difficulties arise out of CR measuring challenges caused by the lack of commonly agreed conceptualization and definition. With no clear definition, CR measures are problematic, gathered data are questionable and cannot be relied upon for management decision making. What is clear though is that in many organisations, no robust mechanisms for engaging with stakeholders to ascertain their perceptions about the organisation are available and management of intangible assets such as corporate reputation is then only given sketchy treatment at best or no attention at all until a crisis unfolds.

Some organisations believe that merely doing right by customers, employees and business partners is enough to build strong reputations (Diermeier, 2011). This is in line with Chun (2005)'s suggestion that CRM is essentially about "managing what happens inside an organisation to influence external perceptions" (p105). In reality, such a strategy may not be enough for reputation building/repair because "good deeds have to be communicated to stakeholders" (Aula & Mantere 2008, 133). While organisations are cautioned against 'blowing their own trumpets', just, referenced, credible and energetic communications are essential for an organisation to improve its public standing (Stewart, 2016). The importance of communication is also highlighted by Gray and Balmer (1998) who argue that while the reputation building process is primarily a result of consistent performance over time, it is greatly strengthened by competent communication. The perceived quality of an organisation's attributes (products, systems, and people) is enhanced by signals that the organisation communicates (Deephouse, 2000) and other information exchanges among the various stakeholders (Rindova *et al.* 2005). Communication is seen to play an important role in reputation formation (Fombrun, 1996) since many outcomes for example, stock valuations, are driven more by perceptions than fundamental values.

2.10.1 Corporate Reputation Management: Location of Operationalization

The location of CRM operationalization within organisation is a contested arena (Schreiber, 2011). Corporate affairs/corporate communications/ public relations professionals believe they should have

the lead in CRM because of their specialized training in public relations which enables them to build lasting relationships with the organisation's stakeholders (Hutton, et al. 2001). A number of studies show that public relations activities positively affect corporate reputation (Kim, et al. 2013; Grunig, 1993; Plowman, Briggs, & Huang, 2001) placing public relations at the forefront of reputation management (Rayner, 2003). Hutton et al. (2001) find that CRM is ranked the most important function of corporate functions. CRM is seen by Zulhamri (2009) as a new and emerging function of corporate communications for which Kim et al. (2013) advocate for a strategic role (for communications) going beyond current practice of articulating organisational values to framing the values.

There is however no universal agreement among communications professionals about how this strategic role should be performed in managing reputation. Some feel they are being asked to think and act as business executives and provide reputation strategies even though they lack the competences required for the role (Schreiber, 2011). For Liehr-Gobbers & Storck (2011), corporate communications is but one of a number of business functions shaping organisational reputation, the others being general business management, marketing management, financial management, human resources management and corporate governance. Assigning responsibility for CRM to this one department may create unnecessary tension between departments (ibid). For Eccles, et al. (2007) corporate communication is not the best department to oversee the corporate reputation management process, because it is too heavily invested in communication. As Schreiber (2011) posits that corporate reputations are built, maintained, and enhanced by several elements primarily performance, behaviour and organisational corporate strategy and not merely public relations or advertising slogans. Griffin (2015) concurs arguing that corporate reputation is about everything that an organisation does, how it does it, how it relates to stakeholders, and, how they think, feel and act as a result. Management of corporate reputation goes far beyond the realm of the public relations/communications department.

Two decades ago, Hutton, et al. (2001) saw CRM as a new guiding force in business, a new paradigm for an entire field, and potentially a new body of knowledge which at the time still lacked formalization of roles, just as other business functions did at their inception. Looking at the same

period, Lange et al. (2011) state that, “when future scholars look back at this period, ~~we~~ believe they will recognize it as the critical formative phase of organisational reputation research—a phase marked by uncertainty about definitions, dimensionality, and operationalizations, and by attempts to bring theoretical coherence and rigor to the subject area” (p154). New business functions do not emerge frequently, and it is worth noting that the marketing function dates from the 1960s, purchasing/procurement in the 1970s and logistics in the 1980s. Viewed from this premise, studying CRM today is akin to studying marketing management in the 1980s or 1990s. Given time, CRM will also develop and mature into a comprehensive body of knowledge with universal and effective explanatory principles applicable in different organisational settings.

This research adopts the view that CRM is a new paradigm for an entire field (Hutton et al. 2001) the practise of which requires that organisations “have someone responsible for managing corporate reputation in a focused and structured fashion, rather than seeing it as one of many communication activities” (Taghian, 2012). The lack of a single officer taking charge of managing reputation is seen as a major obstacle to the recognition and development of appropriate reputation management processes (Casado et al. 2014; Corporate Excellence, 2014). This leads Shamma (2012) to calls upon organisations to have managers with the title of Corporate Reputation Manager, a title not widespread even in most well reputed organisations. In fact, a study by Casado et al. (2014) of some of Spain’s most reputed companies finds that only 30% of those companies included ‘Corporate Reputation’ in the titles of managers of reputation.

The primary responsibility of the CR manager is the development of the corporate reputation strategy and its integration into the corporate culture of the organisation in ways that balance the organisation’s self-interests with interests of other stakeholders. As an integrative and holistic activity reputation management necessarily involves personnel from across the organisation. For better coordination and avoidance of friction between departments with regards to managing reputation, some companies have established ‘Reputation Council’ made up of heads of departments that operate under the helm of a Corporate Reputation Executive (Schreiber, 2011). Because corporate reputation is a matter of leadership (Liehr-Gobbers & Storck, 2011), the reputation executive needs to report to the CEO: the ultimate custodian of the organisation’s reputation.

2.10.2 Convergence of CRM with other Business Functions

The fact that management of reputation is a strategic business function of such importance that it cannot be confined to a single department has already been alluded to. It transcends traditional parameters as well as silos in marketing, public relations, and communications activities (Casado, et al. 2014) to encompass many functional areas of the organisation whose expert insights are indispensable in preserving an organisation's reputation. An effective corporate reputation management system set up to establish, maintain and protect an organisation's reputation will therefore include activities of a number of functional areas.

2.10.2.1 CRM and Financial Management

The corporate reputation-financial performance relationship has been explored by a number of researchers (Deephouse, 2000; Roberts & Dowling, 2002; Ross & Thomsen, 2004; Hall & Lee, 2014). The research has been premised on the contention that good corporate reputations contribute to financial performance due to a number of stakeholder supportive behaviours: positive word of mouth, less resistance to higher prices, lower costs of raising capital and attraction of talent, less intrusive inspections (Rindova, et al. 2005). Such research has however produced inconsistent results.

Positive financial performance is underpinned by effective corporate financial management (Siano & Kitchen, 2010) a business function primarily centred on creating and maximizing corporate value while at the same time reducing the financial risks (Dolphin, 2004). This function is mirrored in CRM where the management processes are aimed at creating and maximizing an organisation's reputational capital (Siano & Kitchen, 2010). A simple look at corporate financial management and CRM might not reveal any underlying commonalities/similarities between the two functions. A critical analysis however indicates that the two can be managed under the same basic principles of management that look at organisation-development, cooperation, risk reduction and overcoming crisis situations (ibid).

Table 3: Common principles of CR and CF management

Principles of Corporate Finance Management	Principles of Corporate Reputation Management	Common Principles of Management
Creating economic value	Creating and maximizing the reputational capital	Organisation-development management
Funding acquisition of assets	Utilizing reputational capital to acquire key resources	
Cash pooling, borrowing and lending	Brand extension, co-branding trademark licensing	Cooperative management
Reducing company's financial risks	Reducing company's reputational risks	Risk management
Overcoming financial crises	Overcoming reputational crises	Crisis management

Source: Siano & Kitchen (2010)

When CRM is looked at as a new paradigm for an entirely new field (Hutton et al. 2001) still lacking formalization of roles, Siano & Kitchen (2010)'s identification of common management principles has significant practical implications for people responsible for its management. Literature suggests that officials responsible for CRM (CROs/CREs) can be assisted in their duties by employing better-known and well-established principles of corporate finance management in managing their organisations' reputations.

2.11.2.2 CRM and Human Resources Management (HRM)

The HRM function influences CR indirectly by implementing systems and measures that increase employee competency, motivation, and organisational identification (Friedman, 2009). According to Lockwood (2004), HRM is an integral internal support function, that can assist in CRM by implementing strategic human resources systems designed to instruct, direct and control employee behaviours so that they are consistent with the organisation's desired reputation. For any organisation, the first step in the CRM process are employees, for without their efforts, it is not

possible to create a quality product. With an organisation's CR being essentially a function of how it treats its employees, the role of HRM in CRM can never be overemphasised.

By focussing on actions that build employee competences and motivation, HR can positively affect 'lived experiences' of employees and thus significantly contribute to corporate reputations. Investing in employees through training (enhancing present jobs performance) and development (preparing employees for future jobs) enhances an organisation's human capital, a critical value driver of reputation (Friedman, 2009). Developing employees indicates the organisation's commitment to the employees and shows that they are valued enough to be prepared for possible future higher responsibility positions. When employees feel valued, they commit, readily identify with, and develop emotional attachments with the organisation. According to Cravens & Oliver (2006), employees who are emotional connected with their organisations, will be able to identify themselves with the organisation and will become more reliable and loyal. Friedman (2009) concurs positing that employees who identify with their organisations engage in behaviours supportive to goal attainment and act as organisational ambassadors in their interactions with other stakeholders. For Fombrun & van Riel (1997) employee-organisation identification is an important precursor to an organisation's corporate reputation. Employees identifying with the organisation are conscious of the key roles they play in managing CR and are sensitive to how damaging a reputational loss might be for the organisation and ultimately themselves. Such employees are more willing to 'go beyond the call of duty' in solving problems, taking initiative, helping colleagues and customers, and working collaboratively. These kinds of behaviours are particularly important for stakeholder facing employees whose direct interaction with stakeholders positively influences their (stakeholders) assessment of the organisation's reputation. In fact, in services-oriented organisations, stakeholder facing employees are often perceived as the service itself, the brand, or even the organisation itself and are thus a critical audience in the management of corporate reputation (Gotsi & Wilson, 2001)

As corporate reputations are at the heart of corporate successes, especially in relation to long-term financial success (Brammer et al. 2006; Rose & Thomsen, 2004; Dowling, 2006), relationships with regulators, investors, and customers (Florea & Florea, 2013), as well as the ability to attract and retain employees, and to win new business, managing corporate reputations should be treated as

important strategic imperative for organisations. The contribution to literature on CRM by the HR function is limited (Wæraas & Dahle, 2019). Much of the literature on CRM is from marketing, branding and communications, with the HR function and HR academics relatively silent (Cravens, & Oliver, 2006). However, when HR and other functions work collaboratively in managing corporate reputation, the impact will be more pronounced. Because HR functions permeates departmental boundaries and influences ways organisations performs their business activities and how they relate to all stakeholders the importance of HRM for CRM can never be over emphasized. The HR manager is therefore called to partner organisational leadership (Lockwood, 2004) to drive corporate reputation since human capital is the most critical value driver of reputation (Friedman, 2009).

2.11.2.3 CRM and Marketing Management

Marketing is a broad general management responsibility (Doorley & Garcia, 2015) primarily focussed on choosing target markets, identifying what is valued and delivering the product to the target market at the most efficient cost to the organisation. The strategic importance of marketing management lies in the creation of long-term relationships with key organisational stakeholders through offers of quality products/services, monitoring of changing stakeholder interests and continuously improvement of value offers. By embracing needs of various stakeholder groups and consolidating relationships, MM plays a part corporate reputation formation and management.

A circular relationship can be observed between CRM and MM whereby the marketing function is pivotal in the formation of stakeholder relationships that result in CR. However, once a good reputation is established, it plays an even greater role in the attainment of marketing goals. A good corporate reputation creates market entry barriers, enables customer retention, builds customer loyalty, reduces defection rates, and encourages repeat purchases: outcomes that significantly work in favour of the marketing function. The ability of the marketing function to operate cross-functionally linking key processes of the organisation with various stakeholder groups leads some researchers to call for marketing to be the at the centre for CRM.

2.11.2.4 CRM and Quality Management

Quality determines how successfully a product/service will compete on the market. *Ceteris paribus*, customers prefer higher quality products/services despite having different willingness to pay for such quality (Rogerson, 1983). Higher quality products/services command higher prices and selling these in large enough quantities makes it possible for an organisation to fulfil most of its key business objectives. According to Watson & Kitchin (2010), nothing compares with superior product quality in influencing the way people perceive an organisation and those organisations with higher quality products/services are likely to have more customers, have fewer disgruntled customers who switch to other producers, and word-of-mouth advertising by satisfied customers results in more arrivals. With more satisfied and committed customers, an organisation is able to charge premium prices (Deephouse, 2000; Fombrun and Shanley, 1990; Rindova et al. 2005) which are functions of past quality (Landon & Smith, 1998). Consistent production of high-quality outputs gives rise to performative reputation with attendant stakeholders (customers, investors, employees, shareholders, etc) and it is on this reputational platform other reputations i.e., technical, procedural, or moral, are anchored. As Schwaiger & Cannon (2011) posits, whatever a reputation an organisation possesses, it is ultimately defined by the quality of its outputs. Without a quality offering to the market, there is no CR and no business. Quality products/services are a prerequisite for the creation of a good CR.

2.11.2.4.1. What is Quality?

Quality is a multi-faceted concept that means different things to different stakeholders both internal and external. It is a focus of many disciplines such as philosophy, economics, marketing, and operations management where emphases are on definitional issues, market equilibrium and profit maximization, consumer satisfaction and manufacturing control respectively (Shapiro, 1983). According to Garvin (1987) quality can be understood by looking at the following dimensions:

1. Performance: Concerns a product's primary operating characteristics.
2. Features: Secondary aspects to performance which add to the appeal of the product.

3. Reliability: The likelihood of a product failing within a specified time period.
4. Conformance: The accuracy with which a product/service meets the specified standards.
5. Durability: Expected operating lifetime of a product
6. Serviceability: Downtime and costs of service the product it breaks down.
7. Aesthetics: The look, feel, taste, smell and of a product.
8. Perceived quality: Customers' judgement of quality based on prices, brand name and organisational reputation.

This characterization of quality has significant bearing on the internal dynamics of an organisation from the time a product idea is conceived to the time it is received/used by the customer. For the marketing department (and the customer) the ideal is to have a product that scores highly on all the dimension, but this has to be balanced with the of the production process. The marketing view is that a product scoring high on the dimensions sells with minimum spending on advertisements and promotions (Cowan & Dai, 2014; Chowdhury, 2012). For the manufacturing personnel, a quality product is primarily judged on conformance to specifications, reliability, and performance, all achieved at a competitive manufacturing cost (Garvin, 1987). Aiming for the highest quality entails the use of sophisticated inputs, both manpower, materials, and equipment and this may significantly increase the final cost of the product. The manufacturing view of quality may not be consistent with that of marketing and potential conflicts between the two may arise. Marketing personnel however believe their view should take precedent because their proximity to the customer allows them to better understand the customer's requirements.

To ensure quality in the eyes of the customer and build/protect the organisation's CR, these internal dynamics need continual harmonization. Literature has produced many models that assist in aligning organisational processes so that "quality" is according to the customer. While customers may not be able to say with finality what quality is, this does not stop them from forming expectations of quality (Grunwald & Hempelmann, 2011) and every time customers are in markets, they are intuitively conscious of 'quality' and it is this 'quality' that drives the product to sell, increases customer' word-

of-mouth, satisfaction, loyalty, all culminating in positive CR (Kao & Lin, 2016). Fombrun & van Riel, 2004) advise that direct consumer experience of quality in goods/services is the most important variable for managing CR. The is consistent with Wang et al. (2003) who finds that service quality causes superior reputation in the Chinese banking industry. Good quality products and services are a prerequisite for reputation creation and defence (Grunwald & Hempelmann, 2011). The starting point of strategic CRM is quality management as this is the bedrock on which all forms of reputation (performative, technical, procedural, and social) rest on. Once a reputation for quality is established, it must be diligently managed because customers can punish the business if it lowers product quality (Zheng et al. 2010).

2.12 Components of Strategic Corporate Reputation Management

2.12.1 Strategic Communication

Strategic communication is defined by Hallahan et al. (2007) as “a purposeful use of communication by an organisation to fulfil its mission” (p3). It is an all-encompassing term describing the activities of multi-disciplines including public relations, management communication, and advertising. A robust communication strategy can be an effective tool for building, maintaining, and protecting organisational reputation by conveying carefully crafted messages to the targeted stakeholders using the most suitable media, at the appropriate time. According to Schmid (2009) an effective strategic communication should provide answers to the following questions:

- What message needs to be conveyed
- Whom is the message intended for?
- What will resonate with the targeted audience/stakeholders?
- When is the message to be conveyed?
- How often will be message be repeated?
- What is the nature of expected response and when is it expected?

What Schmid is advocating for is a communications framework that speaks to organisational goals, mission, vision, and values, and is able to enhance the strategic positioning of the organisation in the eyes of its stakeholders. Such a framework is evident in concepts such as audience analysis, goal setting, message strategy, channel choice, and program assessment, concepts used by many of the disciplines engaged in strategic communication (Hallahan, 2007).

An effective strategic communications framework enables disparate parts of the organisation to 'sing from the same hymn-book' in communicating their functions thereby eliminating the transmission of conflicting signals to stakeholders. The resulting consistency in messaging strengthens the message being conveyed and ultimately the organisational reputation. It is however of paramount importance that the communications framework is clear as to who communicates what, when and how? While some communication professionals contend that communications with internal and external stakeholders are their preserve, Schreiber (2011) questions their competences on technical matters such as finance and production. Such consideration raises the 'who communicates what, when and how' question. Schmid (no date) cautions organisations by advising that some facets of strategic communication can be complex and expensive in terms of time and resources. Some elements of strategic communication that should be clearly spelt out are responsibilities for financial communication, marketing communication, media relations, relations with government and other regulators, internal communications, and community affairs. These elements are important for CRM as they appeal to different stakeholders and executing them in ways that meet or exceed stakeholders' expectation strengthens organisational reputation.

2.12.2 Stakeholder Engagement

Stakeholder engagement is the process through which an organisation exchanges information, listens to and learns from its various stakeholders with the goal of building trust, understanding and cooperation on issues of mutual interest (Gregory, 2007). It is premised on the notion that organisational stakeholders should be given the chance to give input into decisions that affect them (Jeffery, 2009). Stakeholder engagement is not an end in itself (Schmid, 2009) but rather a

willingness to listen, to discuss with stakeholders, issues of interest to them, and, if necessary, for the organisation to "be prepared to consider changing what it aims to achieve and how it operates" (Jeffery, 2009: 3). By engaging, the organisation creates alliances and partnerships, support networks which make it possible to share responsibility with stakeholders thereby cementing organisational reputation (Gregory, 2007). It is further argued that engaging stakeholders builds better relationships which create value through the generation of business intelligence (Coombs, 2007), promotes ownership of issues (by stakeholders) leading to the development and expansion of markets or opportunities (Gregory, 2007) and brings different perspectives together improving creativity and innovation. Involvement of stakeholders as co-creators of mutually valuable outcomes may motivate them to behave as "advocates" for organisations by partaking in supportive behaviours which enhance corporate reputation (ibid).

According to Romenti (2010) stakeholder engagement acts as a mechanism for translating corporate identity into concrete organisational behaviour as well as promoting alignment between stakeholders' perceptions and organisational behaviour. Alignment closes the gap between the organisation's reality and stakeholders' perceptions: the basis upon which reputation is built. Closing the reality-perception gap is a key step in Eccles, et al. (2007)'s 5-Step model for CRM. Systematic engagement which goes beyond simply listening to stakeholders' needs and expectations to include implementation of co-decisional processes and partnerships is an effective component of CRM (Romenti (2010).

2.12.3 Crisis Management

Crisis management is defined by Bundy et al. (2016) as a process by which an organisation deals with a disruptive and unexpected event that threatens to harm the organisation or its stakeholders. For the Institute of Public Relations (2007), crisis management is a strategic management action plan designed to prevent or lessen the damage a crisis can inflict on an organisation or its stakeholders. It empowers the organisation with the ability to manage its operations through a crisis by activating previously developed business continuity and disaster recovery plans. When a crisss

strikes, conventioanl management practices are usually inadequate to deal with the losses of lives, finances, business opportunities and corporate reputation. Regardless of the magnitude of a crisis, it will always have the potential to negatively affect the reputation of an organisation if mishandled. An inappropriate/inadequate response to a crisis, even a minor one, if it attracts media attention, it can raise stakeholders' concerns about organisational competences and negatively affect the organisation's reputation.

To protect people, property, information, and reputations, there is need for organisations to have in place crisis management teams (CMTs) composed of executives from human resources, marketing, legal, operations, security, and other key functions (Barton, 2001). CMTs activities are informed by a crisis management plan so developed to provide guidance on how to manage crises throughout their 3 phases i.e., the pre-crisis (planning for crises that might arise), the crisis response (management actions during a crisis) and the post-crisis phases (fulfilling undertakings made during crisis response) Coombs (2007). Having a crisis management plan on hand and being able to rapidly put it into action to address more predictable aspects of an evolving incident reduces the severity of the crisis and the pressure it exerts on human and other resources (Bundy et al. 2016). Effective management crises can increase stakeholders' confidence and trust in the organisation.

A successfully executed crisis management plan can provide a boost to efforts aimed at the impovement/development of organisational reputation even in the face of a crisis. The manner in which Johnson & Johnson handled the 1982 Tylenol crisis is frequently quoted as an example of effecive crisis management. On the local front, two contrasting crisis management scenerios (Steinhoff and Capitec) that unfolded a few days apart offer interesting insights into effective crisis (mis)management. The leadership of Steinhoff took forever to clarify to their stakeholders the self-induced "accounting irregularity" causing a total collapse of its share that wiped more than R200billion of its market value. Even in face of resigning CEOs and board members, mounting litigations and credit ratings down grades, the company failed to get to grips with the crisis for a prolonged time. On the other hand, following an "unethical attack" on Capitec Bank by Viceroy Research (Rossouw, 2018), the bank through its CEO took control of the crisis by effectively communicating with key stakeholders (clients, shareholders, media, analysts, regulators) and

addressing their concerns. The decisive management actions saved the bank from possible collapse, an event that could have led to a systematic banking crisis. As a result Capitec emerged from the crisis with its reputation relatively unscathed.

2.12.4 Benchmarking

It is prudent business practice for organisations to look across their industry for insights from peers on managing reputation. This can be done by benchmarking: a systematic comparison of one or more aspects of an organisation against those of an organisation considered the best in the industry (Elmuti & Kathawala, 1997). Benchmarking can reveal performance gaps within an organisation's internal departments and between the organisation and competition (ibid). Such revelations allow the organisation to have deeper understandings of strengths or weaknesses in its current processes.

Four types of benchmarking (internal, competitive, functional, and generic) are highlighted in literature with competitive benchmarking lending itself most useful for reputation management because it compares an organisation’s processes against those of the best direct competitors. Competitive benchmarking affords the organisation opportunities to imitate styles and processes that can contribute decisively to improving quality of products/services: the most important driver of corporate reputation (Solfa, 2017). According to Deephouse & Carter (2005), organisations that have relatively lower reputations can quickly improve their reputations by imitating basic strategies employed in the industries they are active in. Other reputational drivers: innovativeness, committed workforces, well-tuned strategies, sound leadership, and socially responsible governance structures are also to be focussed on when benchmarking activities with the aim of driving corporate reputation.

Researchers and practitioners have developed benchmarking models with between 4 and 10 phases. Despite variations in number of stages/phases, some common aspects are to be seen included in many of the models in one form or the other. The common phases are: (1) planning which involves an organisation deciding what to benchmark e.g., a process, a service or other business functions, (2) data collection which is guided by cost, relevance/reliability, accessibility, etc. (3) analysis of data for the identification of performance gaps and (4) implementation which is intended at putting in place mechanisms to close gaps. Some of these models include: the Camp Model which

has 5-phases: planning, analysis, integration, action, and maturity; the Spendolini model also with 5-phases: determination of what to benchmark, formation of benchmarking teams, identification of benchmarking partners, collection and analysis of benchmarking information and implantation; the Bruder & Gray model has 7; and the Pfeiffer model with 10-phases (Solfa, 2017).

2.12.5 Corporate Social Responsibility (CSR)

CSR is a set of extra-legal activities that an organisation engages in with the aim of ensuring the well-being of stakeholders while not sacrificing its long-term economic interests in the process (Aksak et al. 2016; Bhattacharya et al. 2008). It is aimed at creating shared value for the owners/shareholders of organisations, their stakeholders and society at large. CSR is mainly conceptualized and operationalized as a three-dimensional framework focussing on the 3Ps (profit, people & planet) aspects impacting the welfare of an organisation's stakeholders and the environment (Sprinkle & Maines, 2010). This is consistent with Elkington's (1997) contention that socially responsible organisations perform on three critically essential responsibilities: economic, social and environmental responsibilities. Many international or multilateral organisations, such as the United Nations, the African Union, the International Monetary Fund, and International Labour Organisation endorse CSR.

Scholars have pointed out that CSR is essential in building and maintaining favourable corporate reputations (Fombrun, 2005; Walsh, G & Beatty, S. 2007, Park, Lee, & Kim, 2014). CSR influence stakeholders' perceptions of how an organisation's activities meet their social and environmental expectations thereby contributing towards the building of corporate reputation (Maldonado et al. 2017; Sprinkle & Maines, 2010). Park, Lee, & Kim (2014) suggest that CSR practices create and foster stakeholder beliefs that an organisation adheres to high ethical standards and cares about society's well-being and such beliefs positively impact assessments of corporate reputation. The positive effect of CSR on organisational reputation is also alluded to by Griffin (2008) who posits that CSR is one of 3 main components of CRM the others being crisis management and issue management. Many other scholars attest to be ability of CSR activities to: (1) influence how stakeholders relate to a company and its products, (2) attract and retain quality customers,

employees, and investors and (3) reduce the severity of fallouts from incidents as products safety issues, work-place accidents and minor misdemeanours. These outcomes can strengthen an organisation's reputation.

Despite CSR being considered highly important in enhancing corporate reputation and the management thereof (Jeffrey, 2019; Park, Lee, & Kim, 2014 Walsh & Beatty, 2007,) there are no certain practices considered universal and applicable to every organisation in every industry. It is instead understood and implemented inconsistently with organisations being advised to integrate CSR activities into their visions, missions, strategic goals, and cultures considering the realities of the organisation itself, the industry it operates in and the general economic environment. Each organisation is thus left to determine for itself activities to consider more socially relevant, putting managers in unenviable positions of having to decide on social issues they are not trained for (Griffin, 2015). The lack of a common practices in CSR programmes leads Devinney (2009) to question effect of CSR in CRM. The same concern is raised by Griffin (2015) who says that CSR activities as they are understood and managed currently have little, if any effect on organisational reputations. Expending money on CSR activities is seen to create "vicious cycles in which firms continue to invest socially just to match competitor's investments" (Peloza, 2006, 55). This subsequently increases cost base and lowers profitability for all firms in the industry leading Banerjee (2007) to suggest that diverting capital that could be used for research and development and allocating it to CSR might actually destroy corporate value. As for Devinney (2009), the return on investment of the management time spent on CSR in terms of reputation gain is minimal at best. Forcadell & Aracil (2017) find a positive relationship between CSR and CR on a sample of banks listed Dow Jones Sustainability Index. The finding is consistent with Dell'Atti et al. (2017) who confirm a positive relationship between CRs of Spanish banking institutions and their CSR activities.

Despite inconsistencies in findings on the CR-CSR relationships, organisations are well advised to engage in CSR activities, especially if industry peers are undertaking social responsibility programmes. Not doing so is a sure way of mismanaging reputation as stakeholders will view the organisation negatively when compared with peers undertaking CSR activities.

2.13 CRM Models

Various models for managing corporate reputation have emanated from many fields, especially public relation, communication, and marketing. Because corporate reputation management is probably one of the more abstract institutionalized ideas currently available to formal organisations (Waeraas & Sataoen, 2013), a standard model for its management is not yet available but rather there exists a number of weak ‘‘prototypes’’ (Sahlin & Wedlin, 2008). These include the RACE model in public relation, the Six Point PR Planning Model by Frank Jefkins, the Four-Step Process Model by Cutlip, Centre and Broom (Nkwocha, 2014), the Harris-Fombrun Six-Point Model (Reputation Institute, no date), the 5-Step Model of Eccles, et al. (2007) as well as a number of variations of these models.

All CRM models are designed with the same basic objectives i.e., the establishment, maintenance, improvement and protection of the organisation’s reputation. To varying degrees, the models emphasize the following steps in CRM.

- Identification of reputational goals.
- Examining the current reality.
- Analysing the gaps.
- Developing tactical plans to close gaps.
- Monitoring and measuring.

2.14 Persistence of Corporate Reputation Non-Management

Literature offering ideas of how CR can be managed abound (Brønn & Buhmann, 2018; Griffin, 2015; Schwaiger & Cannon, 2011; Shamma, 2012). CRM models highlighting functions that an organisation can perform in pursuit of reputation objectives have been developed to aide managers. Yet non-management of CR persists (Cole & Fleming, 2019; Griffin, 2015; Rayner, 2003; Wiedmann, 2005). It would appear as if there is a disconnect between the academic research output (CRM

models) and realities of the business world (application of CRM models). This observation leads Stalder (2018: 471) to conclude that:

> "There is an increasing gap between the academic and the practical world. The rationale is that many scholars have never worked a single day in practice but have become professors based on many of publications. Admittedly, they produce really good journal articles, no doubt, but it has often nothing to do with practice".

Can it be that non-management of CR is due to complexity of the models such that organisations fail to decipher them and thus consign CRM to external consultants and reputation management firms? Or may it be that the models are context-dependent and require some translation and adaptation to suit the environmental characteristics and cultural traits of organisations' locations? In fact, Marschan-Piekkari & Welch (2004) contend that it may be necessary to raise and confront the question of whether approaches (methods, models, recommendations) derived from a Western context can be applied to a wide range of locations. According to these scholars, "… crossing national borders means that researchers, no less than companies, cannot assume that what works at home will work abroad" (ibid: 9). So, can it be that non-management/mismanagement of CR stems from the very models meant to guide the process? After all, "(…) reputation also depends on the expectations of stakeholders for corporate behaviour, and past research has shown how national institutions influenced expectations of individuals across countries" (Deephouse, 2016: 464). As indicated in Chapter 1, adequate deconstruction of contextual realities of organisations may be necessary to properly gauge applicability of some western centric models/recommendations in non-western contexts such as South Africa. Finding out why many organisations end up not managing or mismanaging their CRs would be a viable research avenue. Be that as is may, operationalizing CRM models present as challenges to organisations.

2.15 Empirical Studies of CRM

It has been indicated that there are only few empirical studies looking at how organisations operationalize CRM, and this lack of has been recognised as a feasible research gap to be addressed. The few studies focussing on CRM include:

(1) Spears (2015): - Look at how some UK firms use corporate stories to manage CR.

(2) Kottasz & Bennett (2016): - Looks at how UK banks coordinate their attempts to maintain trust and improve the industry's reputation through The British Bankers' Association.

(3) Casado et al. (2014): Looks at CRM in 20 of Spain's most reputable firms and finds that "mainly the head offices of large Spanish companies are implementing and consolidating CR in their organisational structures" (p10), and in only 30 percent of the firms is the term CR incorporated in titles of officials/departments responsible for CRM. They also find limited knowledge regarding tools for measuring CR and other intangibles and note that the CR departments do not develop their strategies for managing CR with the same sense of urgency.

(4) Middleton (2009): - Looks at how "Australia's most successful charity, The Salvation Army, maintains an exemplary reputation despite allegations of sexual, mental, and physical abuse from children in its care during the period from the 1950s to 1970s" (p145). He concludes that the church uses narrative control as a reputation management technique.

(5) Hailu (2018): - Looks at CRM at the Ethiopian Broadcasting Corporation and concludes that efforts to manage organisational reputation are unsuccessful.

(6) Nkwocha (2014): - Looks at CRM in the Nigerian oil industry and finds that CRM strategies [models] are poorly implemented. Interestingly Nkwocha concludes that the strategies themselves are effective. One is left to wonder how such a conclusion is reached if the models are poorly implemented.

(7) Ngcobo (2016): - Looks at CRM in the South African diamond mining industry and finds that the construct is poorly understood and is not delivering expected results.

(8) Davies (2019): - Looks at CRM in the South African brewing industry and concludes that senior managers do not understand CRM and fail to identify some important stakeholders.

(9) Van Zyl (2019): - Looks at [corporate] reputation management in public hospitals in the Eastern Cape and concludes that CRM is mostly non-existent. They note that where some reputation management activities are undertaken, these are deemed "ill-conceived and not fit for purpose" (p31).

As already alluded to, finding out why organisations struggle to operationalize CRM would have been a viable study. The availability of literature and models should be making the task of the CRM practitioner more bearable. It is however noted that many of the CRM models have not been empirically tested and often their usefulness/validity is routinely questioned (Alsop, 2004; Fombrun, 1996; Griffin, 2015; Mukherjee et al. 2015). It is however important to realise that the models by themselves are not panaceas (nor are they meant to be) for challenges encountered by organisations in their reputation management processes but aim to provide useful references for organisations undertaking this important function. They provide a valuable way forward when there is an urgent need to develop or resource from a low base (Larkin, 2003).

2.16 Conclusion to Chapter 2

The present chapter reviewed literature relating to various aspects of CR and CRM. The literature has shown that CRM has mainly been researched on a conceptual level with major facets looking at construct definition, situating the construct with related concepts, perspectives from various disciplines, measures and models for managing CR. Literature has also shown that managing reputation requires significant investments in terms of time and resources and many business organisations find CRM a daunting undertaking causing them to leave it to chance and only attending to it when a crisis unfolds. This is despite the availability of literature to guide practitioners in their reputation management activities. A persistence of CR non-management or mismanagement manifests in the availability of only a few empirical studies looking at how organisations have operationalized CRM. This lack of empirical studies was recognised as a feasible research gap that the researcher seeks to address. Of the few empirical studies accessed, all those undertaken on African entities reveal that such organisations are failing to manage their reputations (Davies, 2019; Hailu, 2018; Nkwocha, 2014; Ngcobo, 2016; Van Zyl, 2019). While finding out why organisations experience challenges in reputation management or why they do not manage their CR is seen as a viable topic, the literature review crystallized the researcher's contention that investigating CRM in organisations that seem to have functioning CRM processes will produce more valuable research.

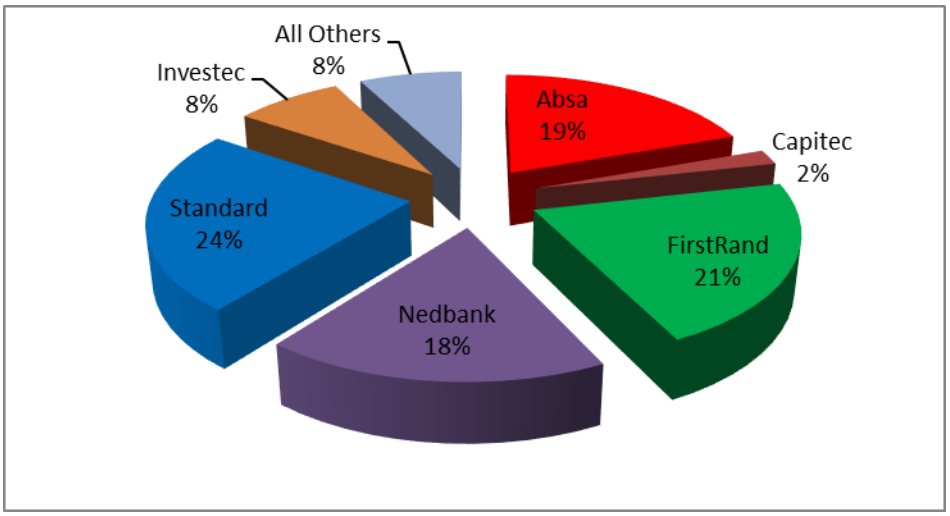
In that vein, the next chapter continues the literature review by taking a closer look at the South African banking industry, which seems to have functioning CRM processes.

CHAPTER 3: Overview of the Local Banking Industry

3.1 A Historical Perspective of Key Players in The South African Banking Industry (SABI)

The SABI is a well-developed financial sector that competes favourably against the best in the world. It is one of the most sophisticated banking industries on the continent and offers a diverse range of financial products and instruments that hold their own on the international stage. It comprises of a central bank, the South African Reserve Bank (SARB) and a number of locally owned and foreign owned banks. The sector operates within a sophisticated regulatory and supervisory regime that is compliant with international regulatory best practices in banking. The country's biggest banks are sound and well-capitalized and are highly regarded, with the top 4 consistently ranked among the world's top 1,000. The industry is comprised of 19 registered banks, 4 mutual banks, 15 local branches of foreign banks, and 36 foreign banks with approved local representative offices (SARB, 2020). The SABI is dominated by five universal banks (ABSA, Capitec, FNB, Nedbank and Standard Bank) and an investment bank (Investec) and between them, they account for almost 92% of banking assets totalling ZAR6.6 trillion (ibid). Total asset holding by these banks is shown below.

Figure 2: Percentage of assets held by Banks



Source: Compiled from SARB 2020 figures

The SABI is a vital sector that contributes to the smooth functioning of the economy through facilitation of business transactions. Through the process of financial intermediation, SABI channels

funds from economic agents who have at their disposal surplus financial resources (savers) to those who do not have enough to carry out desired economic activities (borrowers). The efficacy of the SABI in performing financial intermediation functions is a major factor in the efficiency of the whole South African economy. Effective intermediation requires the banking system to have efficient payments systems, be reliable, be accessible and be able to allocate financial resources to their most productive use. Like in all other economic sectors, the efficiency with which the banking sector performs intermediation is affected by the level of competition in the industry.

Competition in the SABI has been a subject of a number of commissions of inquiry e.g., the 2004 study jointly commissioned by National Treasury and the SARB and the 2008 study commissioned by the Competition Commission. The subject of competition in the SABI has also attracted the interests of researchers e.g., Mlambo & Ncube (2011), Simatele (2015) and Simbanegavi et al. (2015) who find that the industry is monopolistically competitive, Mishi et al. (2016) who contend that the industry is oligopolistic and, Rapapali & Simbanegavi (2020) who find the industry to be operating as a monopoly. Inconsistencies in findings may be attributed to type of tests performed (structural based and non-structural based tests) and the timeframes used. It is however not in doubt that banks compete robustly in terms of range of products and services they offer (BASA, 2017). Banks' brand differentiation, service standards, delivery channels, advertising, range of products and services offered, and strategies employed differ significantly and are highly competitive. Competition in the industry will intensify not only as technology based new entrants (Discovery Bank, Bank Zero and TymeBank) get entrenched into the industry but also because of entry of international banks seeking growth opportunities in the country.

The SABI employs close to 165 000 people and contributes more than 20 percent of the country's GDP. The industry is fairly profitable, with returns on assets (ROA) and returns on equity (ROE) in the year 2020 averaging 1.1% and 14.1% respectively (SARB, 2020). Comparatively, in the same year, returns for banks in the UK are 0.3% and 4.9%, in France 0.4% and 6.4%, in the Netherlands 0.5% and 7.5%, and, in the USA 0.3% and 11.38% (European Banking Federation, 2021; Federal Reserve Bank of St. Louis, 2021). SA banks have capital adequacy ratios well in excess of regulatory

requirements, placing the industry in better position to withstand and manage any unforeseen shocks.

3.2 Key Players in the SABI

3.2.1 The South African Reserve Bank (SARB)

At the heart of the SABI is the South African Reserve Bank (SARB), which is the primary monetary authority and custodian of the country's gold and foreign exchange reserves. The SARB was established in 1921 following the enactment of the Currency and Banking Act of 1920 (SARB, 2015). The establishment of the SARB was at the behest of commercial banks who sort to protect their viabilities by being released from the obligation to convert to gold on demand the bank notes they issued. At the time, commercial banks issued gold backed banknotes to the public. However, when disparities in gold prices in the UK and South Africa arose, arbitrage opportunities emerged allowing economic agents to convert banknotes to gold in South Africa, smuggle and sell the gold in the UK where it fetched a premium. The need to fully back issued bank notes in gold meant that SA banks had to obtain the gold at a premium in London but pay it out in South Africa at a par in terms of their obligation to convert their banknotes into gold on demand (SARB, 2015). The obligation to trade at loss (ibid) threatened viability of banks giving impetus to the need for release from the convertibility obligation.

The SARB opened its doors on June 30th, 1921 and took over responsibility for issuing banknotes. It had an initial mandate of 25 years to issue currency and issued its first banknotes to the public on April 19th, 1922 (SARB). The SARB also became the custodian of all gold previously held by commercial banks. At its inception the SARB issued a share capital of 1 million pounds (£1 000 000) in 2 million shares which were fully subscribe by March 1922 (Rossouw & Breytenbach, 2011). Of the £1 000 000 issued share capital, nearly £720 000 was subscribed by private individuals and the remaining balance subscribed by banks (Gelb, 1989). It had 2 primary objectives: (1) the restoration and maintenance of order in the issue and circulation of domestic currency and (2) the restoration of the gold standard to the pre-World War 1 rate (SARB, no date; Rossouw & Padayachee, 2011), an

objective that was achieved in May 1925. The SARB also discounted short-term commercial paper and made advances against such commercial paper, gold, or government securities (Vermeulen, 2020).

In 1932, South Africa introduced a new monetary policy framework that aligned the value of local currency to the British Pound. By then, the UK had abandoned the gold standard and South Africa followed suit soon after. The Currency and Banking Act was replaced in 1944 by the South African Reserve Bank Act. This Act extended the SARB's mandate to issue currency indefinitely. The SARB continued to issue Pound Sterling linked currency until 1961 when the rand was introduced following the country's exit from Commonwealth to become the independent Republic of South Africa. The rand was introduced at a rate of R2: £1. The SARB's issued share capital of £1 000 000 was converted to R2 000 000, a value that still stands today (SARB, 2015).

The SARB is managed by a 15-member board of directors of which 8 are appointed by the government and 7 are elected by shareholders at an ordinary general meeting (OGM) of shareholders. The daily affairs of the SARB are managed by the Governor and 3 Deputy Governors who are appointed by the President in consultation with the Minister of Finance and the Board. The President also appoints another 4 directors. The remaining 7 directors are elected on the basis of their expertise in important economic sectors of the country: mining, industry, agriculture, finance. There are nearly 800 shareholders of the Bank, each limited to a maximum holding of 10 000 shares. The shareholders' rights are limited to considering the Bank's annual financial statements, electing 7 non-executive directors, appointing external auditors, and approving their remuneration. They have no say in the determination and execution of monetary and financial stability policies or the regulation and supervision of the financial sector. Shareholders are entitled to a dividend pay-out capped at 10 cents per share per year, giving a total dividend pay-out of R200 000 per year. The rest of the Bank's profits are paid to government after allowing for provisions such as company tax on profits and transfers to reserves.

Despite the clearly visible hand of government in the appointments of the Bank's executive board members, the SARB is technically independent of government control. The Bank's ability to make

policy decisions independent of the government is guaranteed by the country's constitution. In fact, the relationship between the two is ordinarily understood in the law of banking and bills of exchange as that between a banker and a client. The SARB however works closely with Treasury and helps in the formulation and implementation of the country's macroeconomic policy. The primary functions of the SARB are the protection the value of the rand and the control of inflation achieved through the regulation of money supply. Finally, the Reserve Bank is the authorized buyer of gold bullion, thereby acting as agent for the gold-mining industry in effecting sales on their behalf in the private market (SARB, 2015).

As the country's central bank, the SARB is primarily responsible for overseeing banks. The responsibility for the registration and supervision of banks is assigned to the SARB by various acts including the South African Reserve Bank Act, 1989 (SARB Act), the Banks Act, the Mutual Banks Act, 1993, and the Financial Sector Regulatory FSR Act, 2017. Under these Acts, the Prudential Authority (PA), as a juristic person under the administration of the SARB, supervises the domestic activities of all banks, representative offices and branches of foreign banks, and the foreign activities of South African banks. The PA keeps abreast of international regulatory and supervisory developments by participating in, and contributing to, various international forums on prudent banking. The PA is accountable to the Governor of the SARB, but also has a direct reporting line to the Minister of Finance.

3.2.2 The Standard Bank of South Africa Limited (SBSA)

The SBSA is the largest of the Big 6 banks in South Africa. It was founded in 1862 in London as the Standard Bank of British South Africa, Limited with capital fixed at £1,000,000 in 10,000 shares of £100 each, with power to increase to £2,000,000 (Amphlett, 1914, Henry & Siepmann, 1963). The bank's operations started in Port Elizabeth in January of 1863 performed by the bank's agents Alexander Croll & Company (Standard Bank, 2009). A network of branches was quickly established by absorbing existing town banks, and where this was not possible, new branches were opened. This was in line with the mandate given to the founding Chairman John Paterson, by the Board in

London, to establish “without delay a widespread system of branches throughout the country” (Henry and Siepmann, 1963: 5). By 1880, the bank had 43 branches and “of the total amount of £1,057,000 held in specie in Cape Colony, the Standard Bank coffers alone accounted for £703,000” (Amphlett, 1914: 46). The bank’s larger capital base enabled it to continue with its course of expansion and acquisition throughout the 1880s. By the early 1890s, its branch network had increased to nearly 100 (ibid).

When gold was discovered in the Transvaal, the SBSA responded by establishing its operations in that state (Jones, 1996). The bank was able to move smoothly into the Transvaal and cope with the demands of the gold mining industry on the back of its impeccable record acquired from its dominating position in the Cape. The bank’s Klipdrift branch, opened in November 1870 was the first bank on the diamond fields (Standard Bank, 2015). The SBSA was appointed the sole Banker to the Government of the Cape Colony towards the end of 1875, and in 1877 it was involved in a major acquisition when it took over the operations of the London and South Africa bank (Verhoef, 2017).

Because the bank’s volume of business in the Cape surpassed that of the other provinces, the bank moved its headquarters from Port Elizabeth to Cape Town in 1885 (Jones, 1991). The bank continued to perform the task of banker to the government and to act as a central bank, holding the country’s cash reserves, acting as a lender of last resort (Amphlett, 1914, Jones, 1991) until the absorption of the Cape Colony into the Union of South Africa in 1910. The bank then became the government’s banker in the Cape Province.

By the beginning of the 1910s, the South African banking industry was dominated by two banks: the SBSA and the National Bank of South Africa (NBSA). To limit excessive competition between themselves, the banks often engaged in cartel-like arrangements: arrangements that would certainly attract sanction from the Competition Commission today. According to Verhoef (2017),

> “The General Managers of the SBSA, African Banking Corporation, NBSA and the Nederlandsche Bank voor Zuid-Afrika (NBvZA) met on 4 September 1912 and agreed to devise a strategy to curb excessive competition, and agreements were entered into in

> September 1913 to curb all forms of 'touting', set minimum interest rates on deposits and advances, ledger fees and banking hours" (p10).

A pre-First World War cooperation agreement committing banks not to open branches during the war years sustained throughout the war. The agreement however expired in July 1919 and competition for market dominance between the SBSA and the NBSA resumed in earnest. In little over 5 months (August to December 1919) the SBSA opened "44 new branches and sub-branches (…), and 81 new agencies were opened" (Jones, 1996: 182). The branch network further expanded in 1920 following the bank's acquisition of the African Banking Corporation (Jones, 1996; Standard Bank, 2015). By 1921, the SBSA had 346 branches and sub-branches of which 40% were not profitable. The bank thus carried into post war depression a large network of branches that were uneconomical (Webb, 1992). The situation was the same for the NBSA but neither bank took a step back for fear of falling behind the other.

In 1962, the bank's shareholders voted in favour of splitting off its South African business from the parent company into a wholly-owned South African subsidiary (Geljon, 2017; Standard Bank, 2015). The London based parent company became responsible for overseeing operations of non-South African branches and agencies. It changed its name to Standard Bank Limited and the South Africa subsidiary retained the "Standard Bank of South Africa Limited" name. Up until then, the bank was known as the SBSA even though its operations were across Africa. Local investors however had to wait until December 1967 to able to buy shares in the SBSA. Before then, they could only buy shares in the parent company, the Standard Bank Limited (Standard Bank, 2015). The first public issue of the bank's shares saw 3 million R1 shares sold at R3,10. After the share sell, the Standard Bank Limited still retained over 80% ownership of the SBSA's shares.

A broadening of activities beyond the traditional banking activities during the 1960s saw the bank engage in formation and acquisitions of other financial services firms. By 1969 the bank had become a diversified financial services institution, with 7 subsidiaries (ibid). A holding company was thus formed and incorporated on 25 November 1969 with an authorised share capital of R50 million. The company, the Standard Bank Investment Corporation (Stanbic) listed on the Johannesburg Stock

Exchange on 9 February 1970. The SBSA shares were exchanged for shares in Stanbic, making the SBSA a wholly-owned subsidiary (Standard Bank, 2015). Over 80% of Stanbic's shares were still held by Standard Chartered Banking Group Limited (the Standard Bank Limited had merged with Chartered Bank of India, Australia and China in 1969).

In line with a 1973 government declaration setting a ceiling of 50 percent foreign shareholding on local companies (Verhoef, 2009), the Standard Chartered Bank gradually reduced its shareholding in Stanbic during the 1970s and 1980s. By 1987, the Standard Chartered bank's shareholding in Stanbic had declined to less than 40%, and by the year's end, it had sold its remaining 39% stake. After the transaction, Stanbic became a fully South African owned institution since its formation.

International trends of deregulation and internationalisation during the 1990s and the 2000s saw the reappearance of foreign shareholdings in South African banks. In October 2007, the Industrial and Commercial Bank of China (ICBC) acquired a 20% stake in Standard Bank for US$5,5 billion, a landmark deal that still ranks the single largest foreign direct investment into the country (Gelb, 2010). Foreign ownership which had been increasing in prior years rose to 40% after the ICBC transaction (Standard bank, 2015). On the other hand, the SBSA was establishing in international markets through acquisitions and/or setting up of agencies. Today the group's operations are truly global, extending to 20 sub-Saharan African countries and 16 countries outside of Africa in the following three key regions: the Americas, Asia, and Central Eastern Europe, Middle East and Central Asia (Standard Bank, 2015).

Despite major forays into international markets, the group's major market remains as South Africa where it employs over 46 000 people in its more than 1 000 branches. The SBSA is the largest of the Big Six with assets in excess of R 2,533 trillion (US$176,85 Billion), tier 1 capital of R189 billion ($13.2 billion) as of December 31, 2020 (Standard Bank, 2021). It is the largest residential mortgage lender and the largest credit card issuer in South Africa. The bank is ranked among the top 200 global banks (the Businesstech, 2020). The SBSA is driven by its vision of becoming a leading emerging market financial services organisation (Standard Bank, 2015).

3.2.3 The First National Bank Limited (FNB)

First National Bank (FNB), is a wholly owned subsidiary of FirstRand Bank Limited, a holding company formed through the amalgamation of Rand Merchant Bank Holdings and Anglo Americans financial interests in 1998. It is considered the oldest bank in South Africa and began its life as the Eastern Province Bank (EPB) in 1838 in Grahamstown. The drive for the formation of EPB originated from local merchants' resentment of the Cape Colony based Cape of Good Hope Bank which was charging them higher interest and discount charges. The founding members of the EPB, Charles Maynard, William Cock, William R. Thompson, Thomas Nelson and James Black were prominent merchants who had been tasked with establishing a branch of the Cape of Good Hope Bank in Grahamstown, a task they accomplished, and a branch was opened on September 1, 1838 (Webb, 1992). However, by the end of that September, these merchants were in the process of establishing the EPB.

At the time of its founding, the capital of EPB was set at £40 000 (in 1600 shares of £25 each) of which £27 250 was subscribed for by early October of 1838 (Webb, 1992). The bank opened its first branch on January 1, 1839, issuing its own bank notes, discounting bills, and accepting deposits. In the early years, EPB did most of its business with its shareholders who were also prominent merchants in Grahamstown. By the 1850s, the bank had changed tact and was not only accepting deposits and mobilising savings from a select group of merchants but from the wider public. The 1850s saw prosperity of the Eastern Province rapidly increasing driven by booming exports of wool. This prosperity fed into the fortunes of the EPB, and the bank entered the 1860s in a healthy position to the extent that it increased its paid-up capital to £100 000 (ibid).

The arrival of imperial banks in the Eastern Province in 1863 signalled the beginning of the demise of the EPB. The bank's initially attempts to defend its tuff involved attempts of establishing a branch network and to this ends the Cradock Union Bank was incorporated in in September 1863. The EPB also tried linking and amalgamating with another Grahamstown bank, the Frontier Commercial and Agricultural Bank to form a new venture which was to be known as the Eastern Province Alliance Bank. The proposal however collapsed dealing a death knell to EPB as the bank was suffering from

“mounting bad debts (..) and falling profitability from serious depletion of the discounting business (…)” (Webb, 1992: 51). On January 1, 1874, EPB was taken over by the Oriental Bank Corporation.

3.2.3.2 The Oriental Bank Corporation (OBC)

The OBC originated in India, having been incorporated in 1851, and found its way to the Cape Colony in early 1873 (Jones, 1996; Jones, 1988; Webb, 1992). Immediately after its establishment in the Cape, the OBC embarked on an expansion endeavour which saw it take over the Port Elizabeth Bank, the South African Central Bank, the Queenstown Bank, the Fauresmith Bank and the EPB. Branches were also established in King William’s Town and in Uitenhage (Webb, 1992). By 1875, through mergers or buyouts, the OBC had representations in the Cape (8 branches) in the Orange Free State (2 branches) and Natal with 1 branch.

In 1879, the OBC found itself in a crisis emanating from its parent company’s economic difficulties that arose following a fall in the exchange rates between London and India (Webb, 1992). In order to save its operations in India and the Far East, a decision was made to exit the South African market and a new bank, the Bank of Africa, was formed in London to take over SA operations.

3.2.3.3 The Bank of Africa Limited (BAL)

The BAL formed the Cape roots of First National Bank’s family tree. It was established in 1879 “with the specific intention of taking over the property and business of the OBC in South Africa” (Webb, 1992:75). The bank’s promoters believed that there was enough market space for two imperial banks (itself and The Standard Bank) to operate profitably in The Cape and Natal. It paid £31 000 for the business and premises of the OBC (Hardijzer, 2019). At the time of its registration, the BAL intended to be capitalized to the tune of £1 000 000 in 40 000 shares of £25 each (Webb, 1992).

To cement its place in the market, the BAL extended on the branch network inherited from the OBC. The bank was able to return a profit in the first two years of its operations before the onset of the 1881 to 1886 depression which affected the economies of the colonies. When the recovery finally

emerged following the discovery of gold in the Witwatersrand, the bank moved into the Transvaal where it came to dominate the buying of gold. By 1902, the bank had grown its branch network from 23 to 41 branches (Ibid).

Towards the end of the 1900s, the fortunes of the bank began to turn for the worse in face of stiff competition from the Standard Bank and the National Bank of South Africa (Jones, 1996). With the business of the BAL stagnating, the bank's board became interested in selling the bank or amalgamating with others. The bank was approached by the National Bank and negotiations for its purchase commenced in December 1911 and were successfully concluded in June 1912 with the National bank taking over all the operations, assets and the staff of BAL who wished to stay on (Webb, 1992).

3.2.3.4 The National Bank of South Africa Limited (NBSA)

The idea of forming a local bank manifested in the thinking of the leaders of the Transvaal soon after they established themselves in the new South African Republic (Zuid-Afrikaansche Republiek). Immediately after settling in the new area, the need for an indigenous bank became clear as early settlers experienced difficulties in maintaining adequate stocks of coinage north of the Vaal River (Webb, 1992). While the need to replenish the coinage from the Cape based banks was not pressing in the early years and was offset by lucrative barter trade, growth of government and the need to pay taxes called for an acceptable medium of exchange. It was thus envisaged that the establishment of an indigenous bank and the creation of a new monetary unit separate from the imperial currency (the pound sterling) would solidify the independence of Transvaal from British domination while also relieving the republic from cumbersome barter arrangements.

The creation of a national bank was however a cumbersome venture that took more than ten years of wrangling before a banking concession was granted. A concession for setting up the national Transvaal bank was finally granted in August 1890 and the NBSA was established as De Nationale Bank der Zuid-Afrikaansche Republiek, Beperkt (Hardijzer, 2019; Jones, 1988; Webb, 1992). Even though the Transvaal authorities wished to reduce reliance on British capital, the consortium that

won the concession included English bankers (Geljon, 2017). From inception, the bank enjoyed a privileged position amongst other banks operating in Transvaal at the time. The NBSA quickly gained the support of mining firms which preferred to deal with locally controlled banks “whose directors were more open to influence than those of imperial banks’’ (Jones, 1988: 7). It also became the banker to the government, and its bank notes were the only bank notes that were accepted by the state (Geljon, 2017; Webb, 1992). The bank’s privileged position was entrenched by the banking legislation of 1893: a law that imposed severe restrictions on the operations of other banks (Joubert, 1986). The bank got a 50-years limited liability concession and from the onset, it was promised government clientele. The NBSA opened for business on April 15, 1891 (Webb, 1992).

In line with bank’s concession, branches were established in the far-flung areas of Transvaal Republic. By the end of 1898, the NBSA had 36 branches in areas such as Pietersburg, Lydenburg, Ermelo, Middleburg, Belfast, Rustenburg, Carolina, Standerton, and Piet Retief (ibid). Branches or agencies were also established in major port areas of Cape Town, Durban, and Lourenco Marques (Maputo). Overseas branches were opened in London and Paris.

The bank’s progress was halted by the outbreak of the Second Anglo-Boer War in October 1899. At the onset of hostilities, the Transvaal government ordered that all British subjects leave the republic within a week (Webb, 1992). The bank thus lost some of its staff as well as access to supply of coin from coastal areas. During the war years, the bank essentially operated as two separate entities: one based outside the Boer Republics and another one based inside.

Cessation of hostilities in early 1902 saw the bank refocussing on its goal of becoming a truly national bank. On July 1, 1902, the bank changed its name from De Nationale Bank der Zuid-Afrikaansche Republiek Beperkt to the National Bank of South Africa Limited (Hardijzer, 2019; Webb, 1992). The rebranded bank engaged in a sustained policy of expansion, firmly establishing in all the four colonies. The branch network increased from 29 in 1901 to peak at 74 in 1906 before slightly falling to 66 in 1909 (Jones, 1996). The NBSA took over the National Bank of the Orange River Colony in 1910, Bank of Africa Limited in 1912 and the Natal Bank in 1914 (Arndt, 1928). With these

acquisitions, the NBSA transformed itself into the largest bank in South Africa ahead of the SBSA (ibid). By the end of 1920, the bank had 510 branches (Webb, 1992).

Rapid expansion and a policy of "granting easy loans at a time of boom conditions, brought about the downfall of the bank when the depression struck in 1920" (Jones, 1996: 43). With the country's economic situation worsening throughout 1921 and 1922, the NBSA found itself short of cash and had to approach the newly established SARB for assistance. The bank's situation became acute when in February 1922 a New York client of theirs collapsed with liabilities to the bank amounting to £2 000 000 (Baster, 1929; Webb, 1992). This loss wiped out the bank's cash reserves leading to the depreciation of its shares by 30% from £10 to £7.

Despite receiving government and central bank guarantees in 1923 (Webb, 1992), the fortunes of the bank did not improve. By 1924, the full magnitude of challenges facing the NBSA became clearer, and it was realised that the bank would not survive through its own endeavours. With shares of the bank unsaleable, and no South African corporation large enough to take it over, the only viable solution was "the unthinkable one of allowing the National Bank, the darling of Kruger and the old South African Republic nationalists, to be taken over by imperial bank" (Jones, 1996: 47). Negotiations which had been going on since 1921 between the bank and Barclays Bank reached fruition in 1925. The NBSA was taken over by Barclays and a new bank, the Barclays Bank (Dominion, Colonial and Overseas) was formed.

3.2.3.5 Barclays Bank (Dominion, Colonial and Overseas) (BBDCO)

The BBDCO, a subsidiary of Barclays Bank Limited (BBL), was formed from the merger of three banks: the Colonial Bank, the Anglo-Egyptian Bank and the NBSA, that were all controlled by BBL. Initially the structures of the three original banks remained and operated under powers delegated by the central board based in London. Local boards for the Colonial Bank and Anglo-Egyptian Bank were based in London while the South African one was based in Johannesburg.

During 1954, the bank's name was shortened to Barclays Bank DCO. In October 1971, the bank restructured its operations. Its South African interests were shed off and a locally incorporated company, Barclays National Bank Limited (BNBL), was established as a wholly owned subsidiary of Barclays International. Due to the intensification of a nearly 2 decades disinvestment campaign against South Africa and its apartheid policies, Barclays Bank PLC was forced to sell its shareholding in BNBL in 1986. The new bank was formed and named the First National Bank of Southern Africa Limited (FNB), a wholly locally owned and controlled South African bank. A 1998 merger of FNB, Rand Merchant Bank, and Momentum Insurance and Asset Management formed a holding company, the FirstRand Limited, of which the FNB is a subsidiary.

Over the years, FNB as a bank has survived the country's economic upheavals, wars and disinvestment and is firmly established as one of South Africa's Big Six banks. It provides personal, commercial and corporate banking services to more than six million banking customers across South Africa and six neighbouring countries.

3.2.4 Amalgamated Banks of South Africa Limited (Absa)

Absa was formed in 1991 through the merger of the Volkskas Group, the Allied Building Society (ABS) and the United Building Society (UBS) and some interests of the Sage Group (Absa, 2021; Jones, 2003; Verhoef, 2010). The following year, 1992, Absa took over Bankorp, in a transaction that transformed the bank into the largest banking and financial services provider in Africa (Absa; McKenzie, 2013). At the time of its inception, Absa was an exclusively South African financial institution since all the amalgamated institutions had originated locally, with local capital. The merging entities had two distinct banking business backgrounds: commercial banking and mortgage financing (building societies). The roots of Absa are thus traced from banking as well as building society industries.

3.2.4.1 Absa's Building Society Roots

3.2.4.1.1 Allied Building Society (ABS)

The discoveries of diamonds in Kimberley and gold in Witwatersrand in 1870 and 1886 respectively triggered immigration booms into the interior of South Africa. The quickening pace of the country's economic development saw rapid increases in populations around the developing economic centres. As large numbers of people flocked to these mining centres in search of fortunes, acute shortages of accommodation developed. To relieve the housing shortages, enterprising businesspeople conceived ideas of forming building societies with the objective of assisting their community members to acquire resources at reasonable costs, for building/purchasing their own homes.

First to be formed was the Johannesburg Building Society, which was established in 1887 (ABSA n.d.). Two other building societies, the Rand Provident and the Alliance Building Society, followed in 1890 and 1894, respectively. These two merged in 1955 to form Allied Building Society (ABS) (ibid). At inception, the ABS was "a typical English-type building society, not very audacious in its pursuit of depositors and somewhat reserved in its approach to lending, with prospective homeowners being required to put down deposits of 25% of the purchase price" (Jones, 1991: 152). Lending was centralised at the Johannesburg Head Office, but depositors could access their accounts from a chain of branches and agencies. In 1970, the ABS absorbed the Johannesburg Building Society and became the third largest savings institution in South Africa (Jones, 1991).

3.2.4.1.2 Universal Building Society (UBS)

The UBS was formed in 1892 following the amalgamation of the Johannesburg No.1 Terminating Building Society with three other terminating societies. The Johannesburg No. 1 Terminating Building Society was originally established in 1889. In the early days of UBS, most of its clients were miners and artisans, who were taking out housing loans of up to £150 (Davie, 2017). Growth came in gradually and by 1899, UBS had assets approaching £50 000 (ibid). Business was however interrupted by the outbreak of the Anglo-Boer war in 1899. UBS had to close its doors for nearly two-and-a-half years, waiving all interest that had accrued on bonds during the wartime (Jones, 1991).

After the war ended, UBS resumed operations and by 1907 it set its sights on moving into areas outside of Johannesburg (Davie, 2017). Growth continued steadily and by the end of 1909 its assets had risen to over £300 000, and a decade later the assets were valued at slightly over £900 000 (ibid). Branches were opened in Cape Town (1923), Port Elizabeth (1926), Durban (1931), East London (1938) and Bloemfontein (1939). The opening of these branches gave UBS a footprint in all the four provinces - Orange Free State, Transvaal, Cape, and Natal.

In 1941 UBS acquired the Queenstown Mutual Building Society, an entity which had been formed in 1864 (ABSA n.d.)[3]. By 1970 UBS had shareholders numbering 174 000, 639 000 depositors, mortgage bonds exceeding R542 million and assets of R680 million (Davie, 2017).

While trading conditions were not always conducive due to a plethora of restrictive government regulations and building societies' own innate conservatism (Jones, 1991), these business entities persevered and were able to expand further afield to eventually cover the whole country through the establishment of agencies/branches as well as amalgamations. Throughout the years, mortgage financing remained the backbone of their business activities. However, by the end of the 1970s, the traditional business model of borrowing short and lending long was no longer tenable. Building societies more and more found themselves on the wrong end of competition for savings between themselves and other financial institutions i.e., banks and insurance companies. With demand for mortgage financing from qualifying prospective home owners outstripping the capacity of building societies to finance, banks began to muscle in on mortgage financing. The end of the 1970s thus marked the end of an era during which clear distinctions existed between banking and mortgage financing businesses and many building societies were taken over by banks.

The law finally changed in 1985 following the passing of the Financial Institutions Amendment Act which permitted building societies to convert from mutually based to equity-based institutions (ABSA n.d.; Jones, 1991). With changes in legislation placing building societies on an equal footing with the commercial banks in competition for savings, capital and other resources, the road was thus cleared

[3] This acquisition gives Absa grounds to claim a financial services history extending back more than 150 years

for building societies to enter the banking field and to list on the JSE. In the second half of 1986, the UBS announced that it was moving into banking and that it was going to convert itself into a bank holding company. Many building societies which banks had not yet taken over followed the lead of UBS and converted to bank holding companies (Jones, 1991).

3.2.4.2 Absa's Banking Roots

3.2.4.2.1 Volkskas Bank

Volskas, the largest of the three entities forming Absa, was the first bank formed by Afrikaner nationalists and grew by appealing to Afrikaner nationalism to harness Afrikaner economic power to challenge the dominance of English capital (SAHO, 2017). It started life in July 1934 as Volkskas (Cooperative) Ltd following the full subscription of its 5 000 shares and its subsequent registration by the Registrar of Cooperative Associations.

Volkskas opened its first branch in February 1935 in Pretoria and a second followed a few months later, opening in Johannesburg in August 1935. By 1940 the bank's capital had risen above £30,000 allowing it to be granted the status of a commercial bank. At the end of 1945, Volkskas had 53 branches scattered around South Africa. Its subscribed capital grew in tandem with branch expansions and amounted to £1,142,910 in March 1947 (Jones, 1988).

In 1947 Volkskas came into full compliance with the Banks Act of 1942 and became an officially registered commercial bank. It entered a hostile competitive environment that was dominated by the Big 3 (Barclays, Standard Bank and the Netherlands Bank) who attempted to close the market space by charging high fees for cheques drawn on Volkskas and refused to admit it into the Bankers Organisation. The 3 banks only relented when large numbers of their own Afrikaners clients began moving their accounts to Volkskas. Volkskas' fortunes further turned when state accounts were moved to its books following the ascendance to power by the National Party in 1948 (Jones, 1988). By the early 1950s the bank had expanded across South Africa with approximately 100 branches, numerous agencies, a foreign division, and its shares listed on the JSE (ABSA n.d.). With the

patronage of the state and large numbers of affluent Afrikaner workers, the bank had a captive clientele (Jones, 1998) which allowed its assets to quickly rise to £50 million by 1955 (SAHO, 2017).

Volkskas' phenomenal growth continued through the 1960s, 1970s and the 1980s with branch network expansion as well as movement into non-banking industrial activities. It became a holding company: the Volkskas Group (VG) with commercial interests spread across many industrial sectors. Through its industrial subsidiaries, VG had interests in engineering, construction, mining equipment, earthmoving, forestry, sawmilling, farming, and property. By 1982 the Volkskas had risen to become the third largest commercial banks and was no longer reliant on state patronage.

3.2.4.2.2 The Banking Corporation of South Africa (Bankorp)

Bankorp was established in 1977 as a subsidiary of Sanlam, a holding company which had under its wing its former parent company, Santam, as a subsidiary (Hagedorn-Hansen, 2017). Bankorp was formed to consolidate Sanlam's banking interests following the near collapse Trust Bank, a major subsidiary of Sanlam (Verhoef, 2018). At that time, Trust Bank was the fifth largest banking institution in South Africa. On June 30, 1978, Bankorp took over Santam Bank Limited and later transferred all its banking assets and liabilities to Bankorp in exchange for 3,5 million Bankorp ordinary shares (ABSA n.d.; Hagedorn-Hansen, 2017).

Bankorp embarked on an aggressive lending and acquisition strategy (Absa, 2017) with the intention of building "a conspicuously successful, big Afrikaner bank" (Financial Mail, 1996). By 1985 Bankorp had extended its interests into all spheres of the financial services industry. However, because of its fixation on gaining market share without concern for the quality of acquisitions, in 1985 Bankorp found itself in severe financial trouble and needed bridging capital. It approached the SARB for a low-interest R300m loan (Absa, 2017; Verhoef, 2018). Further loans were to be extended to Bankorp to avoid its collapse. With the bank's situation not improving, Bankorp was then acquired by Absa in 1992.

The Bancorp transaction transformed Absa into the largest banking and financial services provider in Africa. It had total assets in excess of R80-billion (McKenzie, 2013), a value that almost tripled to reach R213-billion 10 years later. Initially the four banking institutions traded independently within

the Absa group. A strategic decision was made in 1998 to unify and reinvent the Absa brand (ABSA n.d.). At the turn of the century Absa had more than 794 branches, 2683 ATMs and the largest internet and telephone banking client base in the country.

In 2004 Absa sold 10% of its stake to Batho Bonke a BEE consortium led by, led by Mvelaphanda chair Tokyo Sexwale. It was the first among the Big Four to do so. By 2005, Absa had assets worth R314 billion, a market capitalisation of R50 billion, more than 7 million customers, with the customer base growing at a rate of 14% per annum, commanded a 27% market share in instalment finance, 33% in mortgages, 30% in other loans and advances, and 25% in credit cards (ABSA n.d.).

The bank's performance inevitably attracted the attention of foreign investors. In 2005, Barclays Bank PLC acquired a 56.4% stake in the ABSA Group for £2.6 billon (R30 billion) in a transaction that was the largest foreign investment into South Africa. The relationship did not however last as Barclays PLC sold its stake in Absa and remained with only a 14,9% minority stake in Barclays Africa Group Limited, a holding company that was formed when the operations of Absa were merge with Barclays PLC's African interests. The bank then relaunched under its original name in 2018.

3.2.5 Nedbank Limited

3.2.5.1 The Nederlandsche Bank en Credietvereeniging (NB en CV)

The NB en CV was established in 1888, aimed at providing banking and lending services, issuing bank notes, and setting up and participating in companies to promote agriculture, trade, and industry in South Africa (Bosman, 1988; Joubert, 1986; Nedbank, 2021). The bank was set up by a consortium of local sympathisers of the South Africa Republic and Amsterdam financiers (Geljon, 2017). Initially, the bank hoped to obtain the concession to establish a national bank for the South African Republic (Webb, 1992). While other banks were already operating in the ZAR when the NB en CV was established, the colony's government distrusted them because of their connections to the British (Joubert, 1986). Discussions for granting a banking concession were held in Amsterdam between a delegation of the ZAR and the bank in 1884 (Webb, 1992). However, no breakthrough was reached but the bank nevertheless incorporated in Amsterdam and opened an agency in

Pretoria focussed on financing international trade between the ZAR and Europe (Jones & Verhoef, 2006).

Despite missing out on the national bank concession, the NB en CV still established as a purely Dutch institution with Dutch capital. It provided a counterbalance for the distrusted British banks that were operating in the Transvaal (Joubert, 1986). The bank was less conservative than British banks (Jones & Verhoef, 2006) and made "funds available to any Dutch person who wanted to start a business of whatever nature [but] lacked working capital" (Joubert, 1986: 120). The NB en CV was however uninterested in the gold mining industry nor in rural agricultural credit and concentrated on urban business, only opening branches in commercial centres which had well established Dutch communities (Geljon, 2017; Jones & Verhoef, 2006). In centres such as Johannesburg, Pretoria, Durban, Cape Town, and Dullstroom, the bank was well received and showed comparatively higher annual compound growth in deposits, loans, and other advances than much bigger banks like the Standard Bank. In the country of its origin, the NB en CV enjoyed great prestige and was accepted as reliable and important representative of the Netherlands in the Transvaal Republic.

3.2.5.2 The Nederlandsche Bank voor Zuid-Afrika (NBvZA)

When the Second Anglo-Boer war broke out, the British authorities banned the NB en CV (Joubert, 1986) but was allowed to resume operations once the war ended. In 1903 the NB en CV changed its name to the Nederlandsche Bank voor Zuid-Afrika (NBvZA), and in 1925 it merged with the Transvaalsche Handelsbank, a bank which had been founded in 1892 in Amsterdam with its principal agency situated in Johannesburg (Bosman, 1988; Nedbank; Verhoef, 1992).

3.2.5.3 The Netherlands Bank of South Africa (NeBSA)

In January 1951, the Netherlands Bank of South Africa (NeBSA) was established and incorporated in South Africa. It was 100% owned by the NBvZA (Verhoef, 1992). The drive to turn the bank into a South African entity was premised on the belief that the NBvZA was going to lose business to Volkskas which had converted to a banking institution in 1947. Also, the economic and political dynamics obtaining in the country following the end of the WW2, made it desirable for the bank to

be locally controlled. The new name was thus intended to convey 'the South Africanness' of the bank without discarding too much of its Dutch heritage. The NeBSA was established with a capital of £1 500 000 which was increased to £2 000 000 following an issue of £500 000 worth of shares to South African investors (ibid). The successful issue of the shares resulted in the NeBSA being 25% locally owned.

In December 1961, the NeBSA became a South African bank with local interests holding 51% of the bank's shares. The rapid industrialization of the South African economy that took place in the 1960s necessitated constant recapitalization of the bank using local resources. This process diluted the foreign shareholding in the NeBSA such that by 1967, 80% of the bank's shareholding was local (Bosman, 1988). The bank became a wholly owned South African bank in August 1969 when it took possession of the last of its shares that were still owned by foreign entities (Verhoef, 1992).

3.2.5.4 Nedbank Limited

On October 1, 1971, NeBSA changed its name to Nedbank Limited when all ties with the former parent company were severed (Geljon, 2017). A further name change occurred in 1989 when the bank was renamed Nedcor Bank Limited (Nedbank Website). Nedbank increased its footprint in the South African economy when in late 1973 it merged with Syfrets South Africa, South African Trust Companies and Union Acceptances Holding Ltd to form the Nedbank Group. The same year saw Old Mutual taking a stake in Nedbank Group Ltd, in a transaction that marked the beginning of a long and complex association between the two financial services organisations (Joubert, 1986). In 1986 Old Mutual acquired a majority interest in Nedbank when it raised its shareholding in the bank to 53%. The relationship endured for more than 30 years until 2018 when Old Mutual decide to unbundle of its shareholding in Nedbank.

By adapting to changing economic and political events with the country throughout the bank's history, Nedbank has grown to become one of the popular banking brands in South Africa. A 'final' name change occurred in 2005 when the bank reverted to its old designation of Nedbank Limited, a reminder of its origins as a bank from the Netherlands. Today the bank is the fourth largest in the country (by market-cap) with a client base of more than 7 million. The bank offers diversified financial

services that include retail and business banking, stock-broking, asset management, life assurance, and short-term insurance.

While South Africa remains the bank's key market, Nedbank has been expanding beyond the country's borders, with acquisitions and investments in such countries as Eswatini, Lesotho, Namibia, Malawi, Swaziland, Mozambique, Nigeria, and Zimbabwe. The bank has strategic alliances across the globe and is "proud of [its] reputation as one of the most transformed banks in South Africa" (ibid).

3.2.6 Capitec Bank Limited (CBL)

The CBL is South Africa's largest bank in terms of active banking clients (14.5 million), the largest digital bank and the third largest in market capitalization valued at R111.2 billion as of September 2020 (Businesstech, 2020; Capitec, 2020). It employs 14 590 people in its network of more than 860 branches across South Africa. CBL's services focus on four core needs of their customers:

- Saving: - Provides the bank's customers a facility to receive and store funds.
- Credit: - Provides for customers' needs to access and borrow funds. CBL offers loan products with terms ranging from one month to a fixed term of up to one year (Capitec, 2020). While loan provisioning is the bank's main income generating activity, it encourages its customers to only take credit for the right reasons (ibid).
- Transacting: - Allows for payments and movement of funds. CBL's customers, regardless of income, get one type of bank card called Global One Card, which allows for 4 free savings plans, personalised credit options, and insurance (Capitec, n.d.).
- Funeral Cover: - Personalised according to the needs of customers. The customers choose a level of premium that suits their budget, and the premiums are lower when cover is purchased via the banking app.

Underpinning CBL's offerings to customers is its slogan, "it's banking, just simpler", which resonates with the banking public, and has enabled the bank to grow its client base rapidly. The bank describes the focus of its activies as the provisioning of retail banking services to all individuals based on the following principles:

- Simplicity: - Very limited product range that deliver the best value add to customers. Products are at basic needs level making them easy to understand and use. Branch operations are mostly paperless, and clients are not required to fill in slips of paper to transact.
- Affordability: - At R25 minimum balance and R5 monthly administration fee, banking services are offered at prices difficult to obtain elsewhere.
- Accessibility: - Branches are located in areas that are easily accessible by the customers, usually close to where they live, work and commute, thus compensating for their lack of mobility and dependence on public transport. Branch office hours are uncharacteristically long, from 0800hrs to 1730hrs.
- Personal service: - While other big banks discourage customer traffic into branches, CBL places a high premium on face-to-face interactions with its customers. Consultants mostly speak the native language of the customer.

It is quite remarkable that CBL, a 'toddler' in terms of South Africa banks' histories, has managed to completely rewrite the banking manuals for the industry. For a bank that is just turning 20, it is phenomenal that it now has the largest number of banking customers (almost 5 million more than second placed ABSA), for the past five years running, CBL has had the most-satisfied customers of all banks in the country (SAsci, 2020), has won numerous banking accolade and its shares trade at prices that blow the competition out of the water. On 17/03/2021, the bank's shares traded at R1 327.22, a price more than 10 times that of the second-best performing bank share (Sharedata, 2021) and a whopping 113 000% of its initial listing price of R1,17. CBL's operations model, focussing on low-cost banking, digital solutions, and supply-chain integration, now occupies the top spot on the agendas of local banking businesses (PWC, 2014). The model is also serving as a blueprint for new players who are pursuing several aspects of the model, allowing them to provide their own customers with in-house banking solutions.

CBL traces its roots to the 1997 acquisition of two Gauteng-based microfinancing businesses, SmartFin and FinAid by the PSG Group. PSG had identified microfinancing as a viable business venture within the financial services market (Capitec, 2020). The microfinancing industry was at the

time fragmented, with hundreds of small firms operating in that market space. PSG consolidated some of these firms and turned them into a viable banking institution (Coetzee, 2003). The acquisition of SmartFin and FinAid availed to PSG a network of over 300 branches giving the group a sizeable footprint into the market. These were incorporated in PSG Investment Bank in 1999. The bank was capitalized to the tune of R400 million (PSG History). In 2000, PSG Investment Bank bought The Business Bank (TBB) which in 2001 went on to buy the business of Keynes Rational, a PSG Group subsidiary focussed on providing personal loans to low-income groups (ibid). The transaction was worth R164,5 million (News24, 2021).

After merging the business of Keynes Rational into TBB, a banking licence was obtained, and the new entity was named Capitec Bank. Keynes Rational Limited became a holding company of Capitec Bank (PSG, 2001). The Keynes Rational transaction gave Capitec Bank a network of 299 country-wide branches which were trading under different brands and continued to do so even after the formation of Capitec Bank. The intention however was to convert these to bank branches able to offer comprehensive but straightforward banking products to their clients (Ibid). The micro-lending branches were thus steadily converted into banking branches, at significant cost to Capitec.

In early February 2002, Keynes Rational Limited was renamed Capitec Bank Holdings Limited and on February 18th, 2002, it listed on the JSE. The listed company which owned 100% of Capitec Bank Limited was itself 52,25% owned by PSG Group, 12,56% by directors, and management, 29,99% by other investors and the remaining 5,2% belonging to a Share Incentive Scheme (Coetzee, 2003; PSG, 2001).

Initially CBL grew slowly, and the number of branches actually fell between 2003 and 2005 (Makhaya & Nhundu, 2016). Growth however accelerated significantly from 2008 to date: 2021. With nearly 15 million active customers, 864 branches, top of the line ICT systems and a share price that is ‘off the charts’, CBL is a miracle that unfolded in front of the ‘eyes’ of the Big 5 (Standard Bank, FNB, Absa, Nedbank & Investec).

3.2.7 Investec Bank Limited (IBL)

The IBL is specialist banking group wholly owned by the JSE listed Investec Limited operating within Southern Africa. It is the fifth largest bank in South Africa with assets worth over R500 billion (SARB, 2019). IBL started as a small leasing and financing firm in 1974 formed by Larry Nestadt, Errol Grolman, and Ian Kantor in Johannesburg (Investec, 2021). In 1980, it acquired a banking licence and started to expand its activities to include such offerings as corporate and professional banking, treasury, corporate finance, and project finance. IBL's expanded portfolio called for the establishment of a network of international contacts as well as the opening of regional offices in Cape Town and Durban. In 1988 the bank went through a major restructuring which placed it in the hands of management and staff (ibid). It then went on to list as Investec Group Limited (IGL).

Throughout the 1990s and the 2000s, Investec continued to expand through a combination of organic growth and a series of strategic mergers and acquisitions. In July 2002, Investec implementing a dual listed companies (DLC) structure becoming the first South African company to list on both the LSE and the JSE. The LSE listed entity: Investec plc is the holding company for the group's non-Southern African operations and the JSE listed Investec Limited is the holding company for the group's Southern African operations (Investec, 2021). "Investec plc and Investec Limited are separate legal entities and listings but are bound together by contractual agreements and mechanisms and Investec operates as if it is a single unified economic enterprise" (Investec, 2020: 10). After the unbundling of the asset management business, Investec Limited was left with two subsidiaries (wealth & investment, and specialist banking) which listed separately on the JSE. Of these two subsidiaries, the main one is IBL.

IBL offers a wide range of banking services including lending, transactional banking, treasury and trading, advisory and investment activities to government, institutional investors, corporate and high net worth and high-income clients (ibid). In 2020, the bank had more than 6 500 employees recruited on the basis of "aptitude and attitude, with the deliberate intent to build a diverse workforce and promote an inclusive workplace, appropriately and fully representative of the jurisdictions population" (Investec, 2019: 8). Its adjusted operating profit for the year ended 31 March 2020 was R7 278,9 million or £383.1 million (Investec, 2020).

3.3 The Regulatory Environment and the Reputation of the SABI

Even though banks, like any other commercial endeavours, are operated for profit, free to make decisions and take courses of action they deem best suited for achieving their key objectives, banking in many jurisdictions is commonly treated as a matter of public interest. Heightened public interest in the operations of banks emerged post the 2008 sub-prime induced global financial crisis: a crisis that decimated the international banking sector resulting in some of the world's leading banks going under, others needing to be bailed out by governments, and still more forced into mergers with stronger partners. In response to the financial turmoil, policymakers took rafts of measures—many unprecedented and/or untested in terms of their efficacy—to support economic activities and preserve the banking system's ability to provide critical services to economies. New banking regulatory regimes, that were substantially stricter, had tougher capital and liquidity regulations were implemented across the globe.

In South Africa, the regulatory environment within which the banking sector operated even before the 2008 financial crisis significantly restricted the sectors' ability to engage in sub-prime lending (BASA, 2017) or to invest in complex and high-risk offshore securities/instruments such as the US collateralized debt obligations (SARB, 2009). Thus, the SABI survived the relatively unscathed and unlike banks in the US, the UK, Germany, France and most of Europe, South African banks never required capital injection from the state. Instead, the local banking industry emerged with a bolstered reputation of being a well-managed, efficiently regulated and relatively conservative sector (ibid).

It is, therefore, tempting to surmise that the stellar reputation of the SABI owes much to the SARB as the industry's regulator. Such a supposition will be in line with Crone & Vetsch (2009) who contend that in regulated industries, the CR of an individual firm is complemented or replaced by a standard's reputation or the standard setter's reputation i.e., the regulator. Hill (2020) concurs and asserts that "banks rely not just on their own reputations, but also on those of their regulators" (p534), because the regulators engender trust of people by having reputations as technical experts. While it may be indisputable that the SARB plays a part in the CRs of banks, it is but one of the many key stakeholders, and each individual bank's reputation is heavily dependent on its own strategic

orientation. In fact, literature also suggest that regulation may be detrimental to CRs of individual firms, since the role once played by CR in fostering a high-trust environment for economic interactions is usurped by regulation. According to Macey (2013: 1), in heavily regulated countries like the US, it is no longer the case that “nurturing and maintaining an organisation’s reputation is absolutely critical to growth and continued success” because law and regulation are now serving as substitutes for reputational capital. They go on to argue that firms in the heavily regulated financial services industry will end up with weak CRs relative to firms in less regulated sectors. Such an assertion is consistent with Deephouse et al. (2016) who find an inverse relationship between regulation and CR in a 2007 to 2011 study of 600 of the world’s largest corporations in 32 countries.

The SABI, however appears to be a unique case in that the regulator, the SARB, has an impeccable reputation as an efficient and independent regulator that does not pander to political pressure (SARB, 2019). On the other hand, individual banks, in their own rights, have high CRs which they highlight in their annual reports, and local and international ranking agencies seem to agree (The Sunday Times Top 100, Magna Carter’s African Reputation Index, South Africa’s Consumer Satisfaction Index, the African Business Top 100 Banks survey, WEF). Virtually all the Big Six indicate that their CRs receive attention from top management. South Africa is thus a unique case in that both the regulator and the regulated have very good CRs.

3.4 Conclusion

The SABI is a sophisticated, well-regulated, and efficiently run sector that tops regional peers on many measures. It even compares favourably against banking industries of industrialized countries. At the centre of the SABI, is the SARB which has prudential and regulatory authority over the industry. The SARB was established in 1921. It is independent but operates in coordination, cooperation, and consultation with many state organs. Among other things, its mandate is to ensure financial stability, safety and soundness of financial institutions, fair treatment and protection of banking customers, prevention of financial crimes and financial inclusion. The SARB is managed by a 15-member board of directors with its daily affairs being managed by the Governor and 3 Deputy

Governors who are appointed by the President in consultation with the Minister of Finance and the Board.

The SABI is heavily influenced by the legacy of imperial banking mainly British. Three of the Big Six (Standard, FNB, Nedbank) have roots steeped in imperial banking legacies. From the early days of the SABI in the second half of the 19th century to the late 1980s, the industry was dominated by two imperial banks: Standard and Barclays. Significant ownership of the industry only moved to locals following the drive to disinvest from the country as well as the enactment of laws requiring that locals hold the majority shareholding in banks.

The fall of apartheid and the reintegration of South Africa into the world economy saw the SABI progressing and moving into new markets particularly in Africa. While the SABI was able to make forays into foreign markets, entrance into the local market remained difficult for both local and foreign banking entities. To date, the only significant entrant is Capitec Bank Limited which entered the industry in 2002. Thus, the SABI is deemed oligopolistic and is dominated by the Big Six (Standard, FNB, Absa, Nedbank, Capitec & Investec). They account for more than 92% of the industry's total asset holding of R6,6 trillion. The recent emergence of technology-based banking institutions presents an interesting dynamic to the industry. However, with the Big Six also venturing into the digital banking space, only time will tell how the fortunes of the new entrants will fare.

CHAPTER 4 Methodology and method

4.1 Introduction

The present chapter describes the setup of the research design seen as best disposed to answering the research questions raised in Chapter 1. The study's methodology as well as the methods for carrying out empirical work will be discussed. Some alternative methodological frameworks in extant literature will be outlined. Justification for selections between alternatives will also be discussed. Then this study's methodology, methods and paradigm will be explained. Saunders et al. (2016)'s theoretical concept of research onion provides guidance for the discussion of the main philosophical aspects of this research.

4.1.1 Philosophical Fundamentals

Social science researchers need to have "working knowledge of philosophical issues" (Scotland, (2012:9) because these issues have profound effects on research outcomes and how the outcomes are judged (Babbie, 2013). A researcher's understanding of philosophical issues at the outset provides guidance with regards to the general design of a research. By its nature: a logical, diligent, and systematic enquiry into the nature of the world (natural and social) aimed at validating and/or refining existing knowledge, generating new knowledge, or finding solutions to particular problems (Babbie, 2013; Creswell, 2009; Easterby-Smith et al. 2012), research is value-laden. While the values may be explicitly stated, implied, residing in the researcher's conscious or sub-conscious mind, they are ever-present when one undertakes research. In fact, "whether we are aware of it or not, we always bring certain beliefs and philosophical assumptions to our research" (Creswell & Poth, 2017:15). The philosophical assumptions a researcher carries are the principal reasons behind the choices of what to investigate, why the investigation and how the investigation is done.

Research is carried out within the confinements of a set of philosophical frameworks (commonly agreed standards relevant to the research field) that align constituent parts of the study in a scientifically sound form. A researcher must appreciate the relevant confinements and the

limitations/restrictions these may impose on a study. The research processes and products can only be meaningfully interpreted when there is clarity regarding the philosophies of that study. According to Easterby-Smith, et al. (2012:17):

> "There are at least three reasons why understanding philosophical issues is very useful. First, it can help to clarify the research designs. This not only involves considering what kind of evidence is required and how it is to be gathered and interpreted, but also how this will provide good answers to the basic questions being investigated in the research. Second, knowledge of philosophy can help the researcher to recognize which designs will work and which will not (work). Third, it can help researchers identify, and even create designs than may be outside his or her past experience. It may also suggest how to adapt research designs according to the constraints of different subject or knowledge structures".

Situating research in appropriate philosophical frameworks ensures that the processes (how research is pursued) and products (knowledge produced) are on sound footing. There will thus be more coherence in fundamental aspects of the study, increasing the likelihood of producing more credible answers to the research questions.

For this study, a careful reflection on philosophical issues was deemed valuable in order to establish a coherent link between the phenomena, the research questions, the research design, the data, and the findings. Doing so is particularly important in social science where the research process is inextricably entrenched in commitments to particular worldviews held by the researcher. Adherence to consistent philosophical positions is more likely to produce credible answers to the research question – in this research, how CR is managed in South African banks. A discussion of the philosophical issues follows.

4.2 Research Paradigms

A paradigm is defined by Braun & Clarke (2019:333) as "a conceptual framework within which scientific theories are constructed, and within which scientific practices take place". It is a worldview: a general philosophical position about the world and the nature of research that a researcher

subscribes to and brings to a study. A researcher's intentions for carrying out a study, goals to be achieved, and philosophical assumptions taken, are all inextricably linked and dictated by the worldviews held. Accordingly, Guba & Lincoln (1994) assert that a paradigm represents a researcher's set of basic beliefs i.e., beliefs that "must be accepted simply on faith (however well argued) because there is no way to establish their ultimate truthfulness" (ibid, 107). Scotland (2012:9) concurs positing that "the philosophical beliefs behind each paradigm can never be empirically proven or disproven". Notwithstanding these assertions, a researcher's philosophical beliefs, which often remain hidden or unmentioned, have implications for verifying knowledge claims. Explicit discussion of a research's paradigm is thus encouraged since making transparent the philosophy that underpins a study strengthens quality and rigour.

According to Guba & Lincoln (1994), a research paradigm is seen as comprising of the following three elements:

- Ontology – What is reality?
- Epistemology –How do you know something?
- Methodology – How do you go about finding it?

Ontological, epistemological, and methodological questions are interrelated in such a way that answering one limits the options on how the other questions are answered. It is advisable for a researcher to fully consider ontological and epistemological perspectives to make informed decisions regarding the methodological choices.

There are several social scientific paradigms, each having its own unique ontological and epistemological perspectives available in the literature. Cohen et al. (2011) identifies four paradigms:

- Positivism - value-free science in which 'factual' knowledge is gained through measurements and observation, anything that cannot be observed and quantified is of little or no importance in science.

- Constructivism - people are deliberate and creative in their actions, they actively construct their social world, and reality needs to be examined through the eyes of participants, not the researchers.

- Transformative - research inquiry needs to be intertwined with politics and a political change agenda of social issues of the day, issues such as empowerment, inequality, oppression, domination, suppression, and alienation are emphasized.

- Pragmatism - multiple ways at arriving at the reality which may be subjective or objective or a combination of subjective and objective techniques.

Blaikie (2010) identifies and discuss four paradigms:

- Positivism - reality consists of discrete events observable through human senses.

- Critical rationalism - rejection of sensory experience as a secure foundation for scientific theories: "(…) 'pure' observation impossible" (Blaikie, 2010:98).

- Classical hermeneutics - discovering the meaning of ancient texts.

- Interpretivism - social reality is a product of its inhabitants, a world that is interpreted by meanings respondents produce.

For Carter (2012), the following are paradigms applied in the social sciences:

- Positivism: Reality is objective and can be "found" discourse is structured and transparent, reflecting reality, emphasising objectivity, knowability, deductive logic, social phenomena can and should be studied empirically and scientifically.

- Interpretivism: Reality is subjective, socially constructed, and ever-changing. Social contexts and social interactions frame social realities, and discourse is dialogic.

- Critical Paradigm: Reality is subjective, constructed on the basis of issues of power; social science never truly value-free, should be conducted with the express goal of social change, discourse embedded in (and controlled by) rhetorical and political purpose.

- Postmodernism: Truth is always bound within a historical and cultural context, with no universally true explanations, discourse inseparable from its subject.

4.2.1 Research Paradigm for this Study

The present research was conducted under the paradigm of interpretivism. The ontology and epistemology were relativism and interpretivism/constructionism, respectively. An interpretivist paradigm pays attention to what research participants say, tries to understand their unspoken words and how they make meaning of the phenomena being researched. The researcher is thus situated in the world of research informants, with whom there is direct interactions. Our hope was that patterns, trends, and themes would emerge from the interactions between the researcher and participant to shed light on CRM processes used by banks. Justifications for the adopted ontological and epistemological perspectives is discussed in the following sections.

However, before discussing ontological and epistemological positions adopted, reflections regarding some dimensions of the complexity of the phenomena under study need to be considered.

4.2.1.1 Research Phenomenon under study

The phenomenon under investigation can be stated as:

“How CRM is operationalized in South African banks”

CRM is a considered complex and elusive phenomenon that a majority of global corporations are failing to grasp (Cole & Fleming, 2019; Zaby & Pohl, 2019; Griffin, 2015). A multiplicity of understandings (or misunderstandings for that matter) of CRM as highlighted in literature review gives credence to this notion. Various academic disciplines (strategic management, marketing, public relation, communication, etc.) have their own takes on what CRM is. A multiplicity of understandings, should also be expected in practice. As a result, an investigation of CRM processes should be cognisant of possible complexities that could be associated with this important function, how they (complexities) may arise and how these may affect the research.

- An organisation has multiple CRs. Since CR is a perceptual evaluation of an organisation by stakeholders (Fombrun, 1996; Walker, 2010), it can be managed by positively influencing the perceptions of stakeholders. Possible complexities arise because stakeholders' perceptions, expectations and demands on an organisation are not uniform i.e., different stakeholder place different and, at times conflicting, demands on an organisation. Meeting the expectations of some stakeholders might be done at the expense of unfulfilled expectations of other stakeholders.

- CR is context-dependent, and CR perceptions are impacted by national/cultural norms (Bartikowski & Walsh, 2011), the multi-cultural nature of South Africa may be imposing complexities in the management of CR.

- An organisation's reputation is not solely dependent on its actions: it is also affected by actions of other players in the same industry. Reputational interdependences introduce another level of complexity in CRM.

- CR can be affected by activities unrelated to the fulfilment of organisational goals: e.g., informal expressions of employees, non-involvement in community centred activities (CSR), ill-considered statements to the media, etc can affect the CR of an organisation. Factoring these into CRM processes adds another layer of complexities.

These are some factors that present as CRM realities. They were the points of departure in consideration of this study's ontological (what is the reality of CRM in SABI) and epistemological (how is knowledge about this reality generated) orientations.

4.2.2 Ontology

Ontology refers to the assumptions made about the kind and nature of reality, i.e., assumptions about what exists (Richards, 2003; Saunders et al. 2019) or what constitutes reality (Scotland, 2012; Krauss, 2005). It is defined by the SAGE Online Dictionary of Social Research Methods (2006) as "a concept concerned with the existence of, and relationship between, different aspects of society

such as social actors, cultural norms and social structures" and by Crotty, (2003: 10) as "the study of being" and is concerned with "what kind of world ~~we~~ are investigating, the nature of existence, and the structure of reality as such". Ontological assumptions seek to respond to questions such as: 'what is there that can be known?' or 'what is the nature of reality?' (Guba & Lincoln, 1989). For business and management researchers (and all other social scientists for that matter) answering these questions is not a 'straightforward' matter because the objects of their studies are "human beings, their actions, their unpredictable and idiosyncratic behaviours, and the concepts and ideas which they invent" (Scales, 2013:4). Humans are individually unique, with largely non-generalizable personalities, have multiple interpretations of, and perspectives on, similar events and situations. They interact with their world in ways predicated by their perceptions of reality (Easterby-Smith et al. 2012). The reality (e.g., the issue under investigation) may be objective, factual in nature and external to the individual or it may be a subjective, socially constructed product of the mind (Burrell & Morgan, 1987). This reality, which manifests itself as everyday life (Berger & Luckman, 1994), is the object of a social scientist's analyses. Thus, research phenomena need to be examined through the eyes of the participants (Cohen et al. 2002).

4.2.3 Ontological Perspectives

A researcher's claims about the types of social phenomena that exist (can exist), the conditions under which the phenomena exist and the interplay of relationships between the phenomena indicate their ontological standpoint. Several ontological perspectives are discussed in the literature. According to Braun & Clarke (2013), the ontology continuum ranges from realism (reality exits and can be accessed through research), to critical realism (reality exits but it can only be partially known), to relativism (reality is dependent on the ways people/societies come to know it). Saunders et al. (2019) mention two ontological perceptions: objectivism (social entities exist in reality external to social actors) and subjectivism (social phenomena originate from the perceptions and consequent actions of social actors). Easterby-Smith et al. (2012) alludes to four perspectives: realism, internal realism, relativism, and nominalism. It however appears from literature that the highest level of

ontological abstraction has realism and relativism (Easterby-Smith et al. 2012), as the 2 mutually exclusive positions existing at the extreme ends of the ontological spectrum.

4.2.3.1 Realism

A realist perspective asserts that natural and social phenomena have existence independent of the knower (Creswell, 2009). Realists do not explicitly distinguish between the natural and the social worlds, asserting instead that “discoverable reality is not mediated by human senses and exists independent of the researcher” (Scotland, 2012, 10). Easterby-Smith et al. (2012) concur, positing that realists believe the social world has an external existence independent of human perceptions of it, human feelings, or other human attitudes towards it. Knowledge of reality is seen to be acquired through observable objects and events. Realists advocate for the employment of natural science methods in studies of social phenomena (Creswell, 2009; Saunders et al. 2019). The researcher in such a setting takes the role of an observer and is expected not to influence research results in any way.

4.2.3.2 Relativism

A relativist ontology asserts that there are multiple constructs of realities (Easterby-Smith et al. 2012) and that reality cannot exist without perspective (Blaikie, 2007; Bryman, 2008). [Social] reality is seen as a construction of the mind thus it is an outcome of the context within which social phenomena take place and is formed on the basis of social norms present within that context. Relativists believe that knowledge and meaningful reality are contingent upon human practices and are constructed during interactions between humans in their worlds. Each person has their ‘own correct view’ of reality (Easterby-Smith et al. 2012), produced through social interactions and this reality is constantly changing as belief systems are revised when new information is acquired. Researchers embracing the relativist orientation therefore intend to understand "the world of human experience" (Cohen & Manion, 1994; 36), i.e., the social world of research objects by relying on their (research objects) views of the situation under study (Creswell, 2003). The researchers recognise the impact of their

own backgrounds and experiences on the research and openly acknowledge, reflect on, question, and incorporate their own values within their research (Saunders et al. 2016).

4.2.3.3 Ontological Orientation of this Study

The phenomenon under study in this research is how managers perceive and understand CRM in South African banks. The ontological reality here concerns banks' subjective attitudes, evaluations, perceptions and beliefs of CR and CRM which manifest in management's view of these constructs. CRM is 'everyday life' (Berger & Luckman, 1994) of managers whose task it is to protect a bank's reputation. Despite the subjective evaluations/perceptions of reputation and CRM by managers, the constructs do not exist in isolated ways in their (managers') minds but are formed through social interaction and are shared with other social actors. The CRM reality of each bank is thus a social construction, not only existing in the minds of individuals (employees/managers) but also existing within social settings (e.g., the banks, the SABI, the research world) that include multiple social interactions. There may be multiple CRM realities within the banking industry making it imperative to set the study in the relativist ontological orientation. While acknowledging that there is no 'right' or 'wrong' ontology (Bryman & Bell, 2015; Saunders et al, 2019) for any study, this study took the view that the realism ontology and its concomitant emphasis on application of natural sciences methods was not the most appropriate for studying CRM dynamics in the SABI. In fact, it is contended by Bryman (2008) that methods of the natural sciences are not suitable for studying the social world since social reality cannot be captured or portrayed accurately by such methods. Our belief was and remained that a deeper understanding of contemporary phenomena, such as reputation management processes employed in South African banks, called on researchers not to detach themselves but to engage in the construction of meanings and interpretations together with their research objects. Only through immersion in the world of research participants could a holistic understanding of CRM processes at play in the SABI be achieved.

4.2.4 Epistemology

Epistemology is seen by Crotty (2003) as a way of understanding and explaining how societies know what they know. Bryman (2008) defines epistemology as a philosophical concept addressing the question of what is to be regarded as acceptable knowledge in a discipline. Epistemological assumptions underpin selected research decisions and indicate beliefs held concerning the relationship between the researcher, the knower and the known (Creswell, 2009; Saunders, et al. 2019) and provide guidance regarding ways knowledge can be generated, assimilated, and communicated. Epistemology thus provides the philosophical grounding for deciding what kinds of knowledge are possible, what is considered acceptable knowledge, what constitutes good-quality data, what kinds of contribution to knowledge can be made and how to ensure that processes adopted are both adequate and legitimate (Crotty, 2003; Saunders et al. 2019). There are diverse epistemological positions with varying ways of looking at what knowledge entails.

4.2.5 Epistemological Perspectives

Several epistemological perspectives are discussed in literature. While there is general convergence in meanings in the discussions, scholars often give different labels to the epistemologies. Easterby-Smith et al. (2012) distinguish between positivism (importance of objectivity and evidence in searching for the truth, independent observer, irrelevant human interests) and social constructionism (knowledge is grounded in people's particular experiences, the researcher is part of what is being researched, human interests are the main drivers of science). Saunders et al. (2019) mention objectivism (objects exist independently of human perceptions/knowledge) and interpretivism (knowledge is produced by exploring and understanding the social world). Blaikie (2010) allude to 6 epistemological perspectives: empiricism (the ultimate sources of knowledge are human senses), rationalism (knowledge comes from logic and a certain kind of intuition), falsificationism (knowledge is produced as a process by of trial and error), neo-realism (emphasizes knowledge of the causes of observed regularities), constructionism (social scientific knowledge is the outcome of social scientists reinterpreting everyday knowledge into technical language) and conventionalism (the body of established scientific knowledge is grounded in explicit or implicit conventions and not because it

is a ‘truer’ account). The majority of scholars however site epistemological perspectives on a continuum with positivism and interpretivism being the extremes.

4.2.5.1 Positivism

Positivism is a philosophical stance that calls for the employment of natural science processes to study social phenomena (Saunders et al. 2019). From a philosophical perspective, positivism only accepts observable/measurable experiences of the world as data for investigation, the findings of which are considered positive/objective (unbiased) truths of reality. Positivists believe that reality is stable and can be observed and described objectively without the researcher interfering with the reality being studied. Because positivists contend a single falsifiable reality which can be studied by a detached researcher interested in finding relationships or explaining cause and effect, they call for the employment of natural world methods (called scientific methods) in the study of social phenomena. Such scientific methods only accept observable data and there is no room for unobservable data. Researchers in positivism view their methodologies as value neutral (Creswell, 2009). They further argue that application of such methodologies generates knowledge that is also value neutral which can be used to formulate laws, predictions, and generalizations.

4.2.5.2 Interpretivism

This research philosophy contends that reality can only be fully understood by subjective interpretation and intervention in that reality. It rejects the objectivist notion that knowledge is out there waiting to be discovered but rather holds that people construct knowledge as they interpret their experiences of the world. Interpretivists do not assume a single unitary reality separate from human perceptions but that there are many interpretations of reality which in themselves are part of the scientific knowledge being pursued. They hold that every human has a unique perspective, developed over time through interacting with others and the world, from which they view the world. The study of phenomena in their natural environment and the acknowledgement that scientists cannot avoid affecting those phenomena they are studying are key to the interpretivist epistemology. Interpretivism accepts that the world is constantly changing and that meanings are shifting and

contested. In the interpretive paradigm, the overarching aim of an investigator is to get the research subject's in-depth insight on the phenomena of interest.

4.2.5.3 Critical Realism

Critical realism seeks to explain what is seen and experienced, in terms of the underlying structures of reality (Saunders et al. 2019). It is seen as a middle way that leverages elements of positivism and interpretivism to provide a more sophisticated approach to developing knowledge. Critical realists acknowledge the subjective interpretation of reality (interpretivism) and the existence of a reality independent of the human mind (positivism): a reality which constrains or enables the pursuit of certain human actions.

A central tenet of critical realism is that human knowledge of specific natural or social structures (internally related objects or practices that constitute the reality being investigated) is limited because of the difficulty of getting through different levels of stratification of reality (ibid). For critical realists, the social world can only be understood if the researcher understands the structures that generate specific happenings or actions as doing so allows the researcher to distinguish between an event and the structure causing it.

Conducting research under the auspice of critical realism calls for a deeper understanding of the underlying social situation by going beyond the observable and investigating the mechanisms behind it because, unlike natural laws, rules of culture and society are not universal and are only applicable in certain locations and times (Bryman, 2003). Both qualitative and quantitative methodologies are seen as appropriate for researching mechanisms that drive actions and events. Statistical analyses, case studies, unstructured or semi-structured in-depth interviews are acceptable methods applicable with critical realism. "With critical realism, the seeming dichotomy between quantitative and qualitative is therefore replaced by an approach that is considered appropriate given the research topic of interest and level of existing knowledge pertaining to it" (Krause, 2005; 762).

4.2.5.4 Pragmatism

A pragmatic viewpoint argues for bringing together multiple sources of knowledge to find workable solutions and gain a greater understanding of people and the worlds in which they live (Crotty, 2003). It is a viewpoint that is associated with mixed-research methods. Underlying this philosophy is the thinking that the most important determinants for selecting a particular research position (in terms of ontology, epistemology, or axiology) are the research questions (Creswell, 2009; Saunders et al. 2019). Not committing to only one philosophy allows pragmatists to focus on the 'what' and 'how' of the research problem. In pragmatic research, anticipated outcomes inform the choices of research position/s to adopt. A pragmatist's choice of approach directly relates to the purpose of and the nature of the research questions to be addressed (Creswell, 2009) and the acknowledgement that many different ways of interpreting the world and undertaking research exist.

For pragmatists, assuming that a single philosophy can ever give the entire picture of the physical and metaphysical worlds is not practical. They are therefore willing to combine research approaches (positivism and interpretivism) and employ multiple research methods (qualitative and quantitative) within the scope of a single research if necessary. Emphasizing the "what works" tactic enables researchers to address questions that do not sit comfortably within a wholly quantitative or qualitative approach (Saunders et al. 2019).

4.2.6 Epistemological considerations for this Study

To achieve the research objectives and answer the research questions posed in this study, it is necessary to build an understanding of how managers perceive and evaluate their banks' CRs and how they apply that knowledge into CRM. The required understanding requires an exploration of bank managers' thought processes. This necessarily calls for direct interactions between the researcher and the subjects. Such interactions will influence the understanding of CRM for both the researcher and the subjects. Knowledge of CRM within the SABI will thus be created during such interactions. Additionally, it is also noted that bank managers may know more about CR and its management than they can put into words. This observation follows from the notion that 'knowledge banks' of people consist of explicit and tacit knowledge (Polanyi, 2009). Tacit knowledge (knowledge

that cannot be easily written down or formalized) may be accessed when the possessors of such knowledge are prompted to think about it in an interview setting. Accordingly, the researcher-informant interactions may be viewed as knowledge transformation processes converting through reflection, the tacit knowledge possessed by informants into explicit knowledge. In other words, only through interaction and dialogue between the researcher and participants can clearer understanding of CRM dynamics be attained.

4.2.7 Adopted Epistemological Orientation: Interpretivism

Given that CR is a social construct, impacted by context (Fombrun, 1996; Walker, 2010), national/cultural norms (Bartikowski & Walsh, 2011) and institutional factors (Roberts & Dowling, 2002), understanding the realities of its management requires the researcher to immerse himself in the social world of research subjects and co-create CRM knowledge. As indicated in the preceding section, understanding respondents' realities is best achieved by accessing their thoughts (explicit and tacit), and taking note of the contexts, cultural/national norms, or institutional factors as part of the scientific knowledge being pursued. Assuming this conceptualization of the nature of the phenomena under study (CR and CRM), the interpretivist epistemological perspective was adopted. Adopting an interpretivist epistemology enabled to access and collection of knowledge as a constant interactive process. This epistemology situates the researcher as a participant in the phenomenon under investigation. Such involvement makes it possible for the researcher to make thick descriptions of phenomena. Our view thus was that an interpretivist epistemology was most suited for answering the research questions.

4.3 Approach to Theory Development: Induction

The main approaches to theory development highlighted in literature are the deductive and inductive approaches. Deduction is a logical process mostly applied in quantitative studies wherein a researcher starts with a theory, formulates hypotheses, gathers, and tests data to validate or refute the theory. In contrast, induction reasoning starts with the collection of data relevant to a topic of interest, analysing the data to ascertain any patterns and then working towards developing theories

that could explain observed patterns. When a researcher uses an inductive approach, they move from particular experiences of research subjects to general propositions about those experiences. In other words, they move from data to theory or from the specific to the general (Saunders et al. 2019).

While researchers are encouraged not to restrict themselves exclusively to a particular approach (Onwuegbuzie & Leech, 2005), this research adopted an induction approach to theory development. With no clearly discernible, universally accepted, and sufficiently robust theory of CRM existing in literature, applicability of deduction was negated as the researcher felt there was nothing to test. An inductive approach was considered more suited because its use could result in generation of a theory of CRM which other researchers can later test can later test.

4.4 Research Methodology

The methodology is "the strategy, plan of action, process or design lying behind the choice and use of particular methods and linking the choice and use of the methods to the desired outcomes." Crotty, (2003:3). It is a contextual framework, a clear and logical plan that helps to ensure consistency between selected tools, techniques, and the underlying philosophy. A research methodology guides the researcher's thinking in terms of the kind of data required, why that kind, where the data is to be collected from, when it will be collected and how the data is collected and analysed. Accessing data relevant to the research problem generally involves specifying the type of evidence required to answer the research question. The aim of the study might be to test a theory, evaluate a program, or accurately describe and assess meaning-related research phenomenon. The type of evidence required thus depends on the nature and purpose of particular research.

4.4.1 Purposes of Research

Scholars have different opinions on what the purposes of research are (Scotland, 2012), what they should be called (Strydom, 2013) and how many they are (Blaikie, 2010; Creswell, 2013; Easterby-Smith et al. 2012). Terminologies used to indicate types of research purposes include exploration, description, explanation, correlation, evaluation, intervention, and action research (Strydom, 2013).

However, according to Saunders et al. (2019), in business and management research, exploration, description and explanation are the three most common purposes of research. While it is necessary to distinguish the purposes of research, it is common practice in most studies to include elements of all three purposes in one study (Babbie, 2013). In fact, the demarcation between descriptive and exploratory studies is blurry since they have many similarities and often merge in practice (Strydom, 2013).

4.4.1.1 Exploratory Research

This is a form of research designed with the intention of generating initial insights into the nature of a problem without necessarily providing definite answers to the problem (Strydom, 2013). Exploratory research is a valuable means for finding out "what is happening; to seek new insights; to ask questions and to assess phenomena in a new light" (Saunders et al. 2019, 143). It involves collecting large amounts of unstructured data to help the researcher better understand the issue/s under study, determine feasibility of a more extensive study, or ascertain the most appropriate methods for use in a subsequent study (Babbie, 2013). Exploratory studies are valuable in social science research designs and tend to shed light on phenomena on which little or no previous research has been done (Blaikie, 2010).

An exploratory purpose could have been envisaged for this study. It has been highlighted in Chapter 1 that there is limited extant literature on CRM as it relates to South African industries in general and the banking sector in particular. Carrying out an exploratory study may have generated large amounts of data (Babbie, 2013) that could have shed light on the phenomena (CR and CRM) thus answering the question "what is happening?" (Saunders et al. 2019). However, the key theme of this study was to find out how South African banks have managed to operationalize CRM in light of international studies that indicate non-management of CR by most of the world's biggest corporations (Cole & Fleming, 2019; Zaby & Pohl, 2019; Griffin, 2014). An exploratory study was consequently seen as insufficient since such a research design seeks to investigate social phenomena without explicit expectations. This research had explicit expectations as set out in Chapter 1. The study could not therefore have been set out as an exploratory study.

4.4.1.2 Descriptive Research

A descriptive study is defined by Marlow (2005, 333) as a “process of recording and reporting phenomena; not primarily concerned with causes”. It is a comprehensive summarization of specific experiences of individuals as they interact with their world. A descriptive study portrays an accurate profile of persons, events, or phenomena (Saunders et al. 2019) by describing reality accurately as it exists in its natural setting (Babbie, 2013; Strydom, 2013). A descriptive study is useful when researchers want to know aspects such as: who is involved, what is involved, and how a particular phenomenon arises. Such a descriptive study, however, cannot conclusively ascertain answers to the why aspects of a phenomenon.

This study aimed to give a rich narrative of CRM processes and dynamics in South African banks, so it was situated as descriptive research. However, the study was not limited to giving a rich narrative but also at inductively developing a CRM conceptual framework that can be used in other industrial settings. The purpose of the study was therefore defined as descriptive and interpretive (Cohen & Manion, 2007). Having a dual purposed study is not usually in social scientific studies (Babbie, 2013). Researchers often go further to examine why the observed phenomena exist and what they imply.

4.4.1.3 Explanatory Research

This kind of research seeks to establish causal relationships between factors (Saunders et al. 2019), to predict how one phenomenon will vary in relation to some other variable, or to test theory (Blaikie, 2010). Such studies are normally deductive and thus quantitative, experimental, designed to test hypotheses and build theories (Strydom, 2013). Explanatory studies occupy the highest level on the knowledge continuum and produce results that can be generalised to entire populations. They gather copious amounts of data about a phenomenon and use statistical analyses to interpret the findings. To achieve high levels of reliability, validity, and general robustness of statistical analyses, required data must be collected from large numbers of ‘units of analysis’ (Babbie, 2013).

The requirement for large numbers of ‘units of analysis’ contrasts significantly with the situation obtained in this study. The population of interest (South African banks) is too small (39 banks) to

draw out any meaningful sample. Coupled with limited extant literature, neither establishing causality nor testing theory was seen to be a viable research purpose for the present study. The study could not thus be set as explanatory.

4.4.2 Rationale for a Descriptive Study

"CRM is seen as a guiding force or new paradigm for an entire field" (Hutton et al. 2001: 249), a potentially new body of knowledge which still lacks formalization (Griffin, 2014). It is still to develop and mature into a comprehensive body of knowledge with universal and effective explanatory principles applicable in different organisational settings. The developing status of the CRM highlights that the concepts suitable to serve as foundations for hypotheses do not yet exist. Instead, diverse perspectives must first be uncovered and brought into the open. This consideration completely rules out an explanatory design but instead justifies a descriptive-interpretive research purpose and design.

Given the research purpose was mainly descriptive, no universally applicable laws were expected to be developed as research outcomes. Instead, ~~we~~ expected research outcomes to be context bound (the SABI) shedding light on how banks manage their CRs. Conclusions and inferences will be available, but it will be up to readers in other sectors of the SA economy to assess applicability, in their own contexts, of CRM strategies employed by the SABI.

4.5 Research Methods

Research method refers to the tools a researcher employs to conduct a study. A researcher has a choice of quantitative, qualitative, or mixed methods. A researcher must anticipate the nature of the data they will need to answer the research questions raised in their study. The required data could be numerical, textural, or both. Based on the assessment, one of the three methods is selected.

4.5.1 Quantitative Methods

Quantitative methods are research approaches that emphasize numerical values in the collection of data. These methods are generally associated with positivist research paradigms (Saunders et al.

2019). Researchers employing these methods seek explanations and/or predictions that will generalise to other persons or situations. The research intentions are centred on the establishment, confirmation, or validation of relationships in order to develop generalizations that contribute to theory (Blaikie, 2010; Creswell, 2013; Easterby-Smith et al. 2012). A researcher starts with a problem statement, formulates hypotheses, and performs a literature review. Numerical data is then collected and subjected to statistical treatments and analyses to ascertain evidence supporting or refuting knowledge claims. Quantitative researchers use predetermined and pretested instruments (Creswell, 2013) to collect data, build protections against bias, control for alternative explanations and have assumptions about being able to generalize and replicate their findings (Babbie, 2013; Saunders et al. 2019). Several types of quantitative research are found in literature e.g., survey (sampling a small part of the population), correlational (determining the degree and strength of a relationship between two or more variables), experimental (manipulation of variables to establish cause and effect) and causal comparative (determination of relationships between variables after an action or event has occurred).

In the present research, a quantitative method was considered to be inconsistent with the adopted paradigm. Such a method endeavours to develop universal laws applicable in all cases. An attempt to uncover universal laws governing CRM was deemed tenuous given contextual factors' influence on organisations' CRs. Answering the research questions required that contextual factors were embraced rather than controlled as required in quantitative approaches.

4.5.2 Qualitative Methods

Qualitative methods are research approaches used for exploring and understanding meanings people ascribe to social phenomena (Creswell, 2013; Easterby-Smith et al. 2012; Saunders, et al. 2019). These methods are often employed when answers to questions regarding experiences, meanings, and understandings of phenomena, especially from the viewpoints of research participants are sort. They typically seek answers to the ‘what’, ‘how’, and ‘why’ questions of phenomena and enable researchers to develop some level of detail from high involvement in participants' actual experiences. Data not amenable to counting or measuring (non-numerical data)

is collected by way of personal experiences, introspection, interviews, observations, interactions, and visual texts examinations. A qualitative research design is intended to cover, among many others, some of the following functions: (1) description: - outlining the nature of certain situations, settings, processes or relationships, (2) interpretation:- gaining new insights about certain issues and developing new concepts/theories based on those issues, (3) verification:- testing the validity of certain assumptions, claims or theories in real world-contexts and (4) evaluation:- checking the effectiveness of proposed solutions (Robson 2002). Several qualitative research types are discussed in the literature, including: a case study (deep exploration of a phenomenon), ethnography study (prolonged study of an intact group in which observational data is mostly collected), phenomenological study (understanding experiences from the participants' points of view), grounded theory (deriving abstract theory of a process, action, or interaction grounded in the views of research participants) and content analysis (systematic examination of the contents of a particular body of materials for the purpose of identifying patterns or themes).

This research adopted a qualitative method and justification of the selection is given after a discussion of mixed methods.

4.5.3 Mixed Methods

Mixed methods research is a type of research in which a researcher combines elements of qualitative and quantitative research techniques, methods, concepts or language into a single study (Creswell & Plano-Clark, 2011). The central premise of mixed methods is that using both quantitative and qualitative approaches in a single study provides a better understanding of research problems than using either approach. According to Johnson & Onwuegbuzie (2004), mixed methods research is a third research movement, a movement that moves past the paradigmic wars between qualitative and quantitative theorists and offers a logical and practical alternative the two traditional methods. Philosophically, mixed methods are rooted in pragmatism and their logic of inquiry uses induction (discovery of patterns/themes) and deduction (testing of theories and hypotheses). The overriding objective of mixed methods research is to expand and strengthen a study's conclusions.

A mixed methods design could have been adopted for this study if the objective was to find out the insider's and outsider's perspectives of CRM processes applied in banks. It was the researcher's view that an outsider's (stakeholder's) perspective would produce limited information on how CRM is operationalized by South African banks. Such information can only be accessed by engaging with insiders privileged with the information, i.e., bank managers. A mono-method qualitative design was deemed the only viable option to address the research objectives.

4.5.4 Rationale for Adopted Research Method

This research is a qualitative study within a descriptive-interpretive mindset. It aimed to give a rich description of CRM processes in South African banks. The nascent status of the CRM called for a qualitative method because of its potential to capture unique experiences and real-world sense-making of study participants (Edmundson & McManus, 2007). Despite being criticised on a number of grounds, such as being time-consuming, difficult to replicate and generation of excessive amounts of data, the qualitative method was considered more appropriate for this study due to the following key aspects:

(1) CRM is a contemporary phenomenon whose understanding requires more than figures. A qualitative method had the potential to capture the unique experiences of study participants, and its flexibility allows the researcher to collect detailed data in greater complexity.

(2) The population of interest (SA banks) is small, and consequently, any sample that might be drawn will also be too small for quantitative methods which are more focussed on statistical analyses. Proving statistical robustness with such a small group is out of the question.

(3) Tacit knowledge about CRM processes could only be accessed through interactions between the researcher and participants.

(4) A qualitative method allowed for flexibility in the data collection processes. This made it possible for interesting new themes that emerged during the researcher-informant interactions to be given the opportunity to flourish and be pursued and be investigated in depth.

From the philosophical considerations discussed, the only way to build knowledge about the nature of CRM and how it is operationalized in the SABI called for a qualitative design.

4.6 Study design

In light of the aims and objectives of this research, the case study approach was seen as the most suitable. Case studies are intended to portray 'what it is like' to be in a particular situation (Cohen, et al. 2007) by seeking to understand the lived realities of research participants (Creswell, 2009). As alluded to earlier, not enough is known about how organisations manage their CRs. Many are not. However, the CR statuses of SA Banks point to effective CRM processes. Thus, banks provided opportunities for doing in-depth case studies. This study aimed to give a rich narrative of CRM processes and dynamics at play in South African banks. Thus, it can be seen as a descriptive case study (Yin, 2017). At the same time, it also intended to inductively develop a conceptual framework that can be used for CRM in other settings. Thus, it can also be deemed an interpretive study (Cohen et al. 2007). The study design is, therefore, a hybrid descriptive-interpretive type.

4.6.1 Case Study

There is considerable confusion among students, researchers, and methodologists about the definition and the main characteristics of case study research (Dul & Hak, 2008). Ambiguity about a case study being a method, a methodology or a strategy adds to the confusion so does the lack of "consensus on what constitutes a case study or how this type of research is done" (Merriam, 1998; 26). Many authors give different definitions to similar terms used in connection with case studies compounding the difficulties encountered by researchers in grasping the nature of case studies. In literature case study is variously referred to as a research strategy (Dul & Hak, 2008; Saunders et al. 2019; Yin, 2017), a method (Merriam, 2009), a methodology (Dul & Hak, 2008), a qualitative research design (Creswell & Creswell, 2018), or a qualitative study (Stake, 1995). The interchangeable use of these related terms by many authors creates challenges for (new)

researchers setting their studies as case studies. Also, the significant overlap between case study and other related methods such as ethnographic study, phenomenology, grounded theory (Merriam, 2009), participant observation, fieldwork and life history (Hammersley et al. 2000) makes an already bad situation worse.

A number of definitions of the case study have been put forward by researchers such as Yin (2009; 18) who defines a case study as “an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used”. Creswell (2009;13) states that “a case study is a strategy of inquiry in which the researcher explores in depth a program, an event, an activity, a process or one or more individuals”, and Merriam (2009; 40) simply terms a case study “….an in-depth description and analysis of a bounded system".

Case study as a research method is criticised on a number of fronts including biased case selection, non-replicability, subjective conclusions (Creswell & Poth, 2017), lack of representativeness (small size), and lack of rigour in study construction, data collection and analysis of empirical material (Merriam, 2009). Critics contend that lack in ‘scientific thoroughness’ (in case studies) results in findings which cannot be generalized across a particular population and therefore judge case studies as being of limited use in the scientific community. Some of the criticisms (e.g., non-generalizability, lack of scientific rigor and small size) are however rejected as poorly founded, made in the midst of methodological conflict by researchers concerned with hierarchical ranking of research methods (Dul & Hak, 2008). Criticism on the basis of non-generalizability is deemed misplaced as the aim of case study research is not to generalize the findings of a case to a population (Bryman, 2008) but to get an in-depth understanding of a contemporary phenomenon in context (Creswell & Creswell, 2018; Merriam & Tisdell, 2016; Yin, 2009). As for ‘small size’, it is seen as a misconception to view a case or small number of cases as samples drawn from populations of interest. The robustness of a case study research is not reliant on large samples. Yin (2009) argues that the relative sample size, whether 2, 10, or 100 cases are used, has no bearing on the validity of results as these are solely dependent on parameters established for the study and how these are applied and adhered to during the course of the research. In this way, even a single case could be

considered acceptable, provided it meets the established objective. Supporters argue that case studies are an indispensable method for studying contemporary phenomena in their natural contexts (ibid). When properly formulated, they are as valid as other research methods, capable of producing results that can be generalized to wider populations.

This research was set as a case study aimed at investigating CRM processes in use in South African banks. A range of techniques such as interviews, questionnaires and document analysis were employed as appropriate to enhance the validity of findings. While Yin (2009) contends that a case study is appropriate where the aim of research is to describe phenomena, develop and test theory, this research intended to primarily describe banks' CRM processes. It was hoped that a theoretical framework of CRM would emerge. However, the testing of such a framework is left for another study or for other researchers. Setting the research this way made it cost effective in terms of time and money.

Key to the successful execution of a case study is the proper identification of the case, the context of the case, the unit of analysis and the participants to provide the required data.

4.6.1.1 The Case

A case constitutes a range of phenomena and can be anything: an individual, a group of individuals, an organisation, an event, or a process, that is studied in its real-life context (Creswell & Poth, 2017; Merriam, 2009; Yin, 2009). The phenomena being studied are the CRM processes employed by South African banks. The logic behind the choice of the case is that CRM is a nascent area of study still to develop to a level where universally accepted theories are available. As a contemporary and evolving business phenomenon, organisations are having challenges in operationalizing CRM (Griffin, 2015), thus they need help now! This research is an endeavour to contribute in making that help available.

4.6.1.2 The Study Context

The study context is the framework within which a problem resides. This could be a specific time frame, a geographical area or any other demarcation that brings perspective to the structures and

relationships that are of interest. The study context is the South African Banking Industry, a services sector in a developing country. The choice of the SABI was informed by a number of considerations:

- CRM is more important in the service industry because the produced outs i.e., services, are purchased on trust (Fombrun, 1996). A tarnished CR can have major implications on an organisation's future by reducing trust. The SABI as one of the largest service industries in the country, is thus a natural choice.

- On a yearly basis, banks rank highly in local reputation surveys e.g., the Sunday Times Top 100, the SA Consumer Satisfaction Index, the Top Employer Index, the African Reputation Index.

- The country's four largest banks are consistently ranked among the top 200 most reputable global banks and occupied the top 4 spots in African rankings in 2019 (The Business Report, 05/07/2019).

- The SABI highly regarded in Global Competitiveness Reports. It was ranked 26th (out of 138) for soundness (World Economic Forum, 2020) in 2019.

These considerations seem to point to effective CRM processes within local banks making the industry appealing for conducting in-depth case studies of CRM.

While the SABI is highly developed and globally comparable, it essentially operates in a dualistic economic environment where a well-advanced capitalist economy (the first economy) that is integrated within the global economy operates side by side with a less developed informal rural and urban economy (the second economy). The banking industry is seen as catering to both the needs of its sophisticated stakeholders of the first economy and those of the less sophisticated stakeholders of the second economy. The ability of the banks to be seen as reputable in both economies speak volumes about how CR is managed within these institutions.

4.6.1.3 Units of Analysis

The units of analysis for this study are banks. A unit of analysis is the entity being analysed in a study and maybe a specific individual, an organisation, a project, or a decision. While discussion of units of analysis is considered relevant for all types of research (Babbie, 2013) as "it forms the basis upon which data will collected and subsequently be analysed" (Easterby-Smith et al. 2012: 65), it is not essential in constructivist forms of research (Baker & Edwards, 2012; Mason, 2010). Implications for such discussions are clearest in cases of nomothetic, quantitative studies (Babbie, 2013).

However, this research project considers it important to define the units of analysis because the ontological and epistemological orientations adopted make it imperative to clearly distinguish between units of analysis and units of observation. The reality that needs to be understood and how it manifests (ontology) is that of South African banks; therefore, banks are the units of analysis. However, accessing/building knowledge of the said reality (epistemology), is done indirectly through interactions between the researcher and bank managers, and therefore, bank managers (people) are the units of observation. Still, this study does not seek to investigate bank managers' individual perceptions on the phenomena of interest but the perceptions of banks as legal persona. It is not lost to the researcher that the 'places' where the phenomena under study (CR and CRM) exist are people's minds. These phenomena thus cannot have existence independent from people. Perceptions and beliefs concerning the manageability of CR or lack thereof are formed through social interactions but held in minds of individuals. Because perception, understanding and evaluation are characteristics associated with individual people, CR and CRM can only be investigated by researching individuals who will be expected speak for their organisations.

4.6.2 Population

The SABI is a well-developed but highly concentrated industry that operates within a sophisticated regulatory and supervisory regime, compliant with international regulatory best practices in banking. The industry is comprised of 19 registered banks, four mutual banks, 15 local branches of foreign banks, and 36 foreign banks with approved local representative offices (SARB, 2019). The Big Six (ABSA, Capitec, FNB, Investec, Nedbank, and Standard Bank) account for almost 92% of banking

assets totalling ZAR6.6 trillion (ibid). For the present study, the population is defined as a registered bank, thus, only 19 entities are of interest.

4.6.3 Sampling: Purposive Sampling

The proposed sampling method for this study is purposive sampling, also known as judgmental, selective, or subjective sampling (Creswell & Creswell, 2018; Denzin & Lincoln, 2018). Purposive sampling is a form of non-probability sampling widely used in qualitative research (Crotty, 2003; Creswell & Plano-Clark, 2011). With this sampling method, the researcher relies on their own judgment regarding the choice of a particular subset of the population to include in their study. In choosing this sampling method, this research is guided by two key considerations: (1) the study units fit a particular profile (South African banks with strategies formulated first and foremost to address aspirations of local stakeholders) and (2) there is a limited number (19 local banks) of primary data sources that can contribute to the study. In cases where there are few possible data sources, Creswell (2009) advises that purposive sampling may be the only appropriate method available to a researcher.

4.6.3.1 Sampling technique: Homogenous-Expert Sampling

Two sampling techniques: homogenous and expert sampling, are proposed. Homogenous sampling will be used to select the banks to include in the study. A homogenous purposive sample is selected on the basis that members of the sample have a shared characteristic or a shared set of characteristics that are of particular interest to the researcher. According to Patton (2002), a homogeneous sample should be chosen when the research question being addressed is specific to the particular interest group's characteristics. Applying homogenous sampling yielded a sample made up of the six largest banks in the country.

Following the homogenous sampling, expert sampling was employed to choose informants from the homogenous sample. This involved identifying and selecting individuals that are knowledgeable about or experienced with the phenomenon of interest (Creswell & Plano-Clark, 2011). It was the contention of this study that those most knowledgeable about the banks' CRM processes are the

senior managers involved in strategy formulation and/or operationalization. Once banks indicated their willingness to participate, they were asked to suggest the officials to be interviewed. These were then contacted in line with acceptable rules determined by the University.

4.6.3.2 Sampling size

There is no consensus among qualitative research experts regarding sample adequacy (Baker & Edwards, 2012; Mason, 2010; Morse, 2000). Choosing a suitable sample size in qualitative research thus remains an area of conceptual debate and practical uncertainty (Vasileiou et al. 2018), and there is great variability in what is suggested to be adequate. According to Baker & Edwards (2012, 5),

> "Louisa Passerini and Linda Sandino write about the ways in which one interview is valid within oral history and how single qualitative interviews can produce rich accounts of subjectivity. For Julia Brannen, a single case may be sufficient if it is unique and not comparable to other cases, and for Howard Becker, a single interview is adequate in order to establish if something is possible and suggests that it may also only take a few interviews to build an understanding of a phenomenon previously thought to be more complex."

According to Dworkin (2012), a large number of articles, book chapters, and books suggest anywhere between 5 to 50 participants as an adequate sample. Creswell (2009) suggests a range of 20 to 30, Ritchie et al. (2003) recommend samples less than 50 and for Green & Thorogood (2009) little new information is generated after interviewing 20 or so people belonging to one analytically relevant category. Many other researchers, however shy away from suggesting specific sample sizes (Baker & Edwards, 2012) but instead emphasize the concept of saturation/information redundancy (Morse, 2000; Fusch & Ness, 2015) which is determined by factors such as the homogeneity or heterogeneity of the population, sample selection criteria, research budget, time frame and other key stratifiers critical for in-depth understanding of the topic being examined.

This study envisioned a sample of 6 comprising the largest banks with 2 informants per sample unit. It is important however to view the sample size in context of the SABI. This sample represents the

whole universe of relevant cases for all intents and purposes since the Big Six account for 92% of the banking industry's assets and over 98% of the bank clients. Only a single interview per participant was possible. Interviews were conducted on different days to allow for 'interesting issues' arising in the first interviews to be properly scrutinized for possible ventilation during interviews with second informants.

4.6.4 The Time Dimension

Time is an important element in the design and execution of research (Babbie, 2013, Saunders, et al, 2016). The time dimension is an important factor in setting up sampling frameworks as it indicates whether follow-up sessions are an integral part of the study. Researchers have two primary choices available for dealing with the issue of time in the design of their studies. A researcher may choose to investigate phenomena of interest at a single point in time, either before, during, or after a specific event or series of events have occurred (cross-sectional study), or to investigate the phenomena over an extended time period (longitudinal study). Two types of timeframes, longitudinal and cross-section, are discussed in literature (Babbie, 2013; Easterby-Smith, at el. 2012; Saunders, et al. 2016). The choice of one-time frame over another is dictated by the research questions.

4.6.4.1 Longitudinal Study

Longitudinal studies are designed to permit observations of the same phenomena over extended period of time. A researcher observes and collects data on the activities of a population, uses records or artifacts to study changes over time (Babbie, 2013). The main strength of longitudinal studies lies in the fact that researchers are able to detect changes or developments in characteristics of the target population (Saunders et al. 2016). They can also be used to locate causes of social phenomena or to make connections between events that are separated in time.

For the present study, a longitudinal design was seen as unsuitable. Firstly, such a design is expensive (Babbies, 2013; Easterby-Smith, at el. 2012) in terms of money and especially time. The limited time available for completion of this doctoral study ruled out carrying out a prolonged project. The informants (bank managers) are busy professionals so it was highly unlikely that they could

afford the researcher multiple opportunities for interviews. Most importantly, a longitudinal design would have necessitated a complete repurposing of the study from the intention of finding out 'what works' with regards to CRM processes of banks, to for example, studying the evolution of banks' CRM processes. Considering that CRM is still an evolving academic discipline (Corporate Excellence, 2014; Kim, et al. 2013; Hutton, et al. 2001) and management function, this researcher believed that it was more important to find out what is working for the banks at the present moment.

4.6.4.2 Cross-Sectional Studies

A cross-sectional study involves observations of a sample, a population or a phenomenon that are made at one point in time. Unlike a longitudinal study, no time dimensions are involved in cross-sectional studies, as necessary data are collected at one specific point in time and mostly refer to the time at or around the time of the data collection. Participants in a cross-sectional study are selected based on particular characteristics of interest to the researcher. A cross-sectional study can be viewed as a snapshot of a particular phenomenon at a given point in time and provides information about what is happening at the present moment.

As specified in the objectives, this study intended to give a detailed account of South African banks' 'snapshot' of CRM processes. A cross-sectional design was thus adopted.

4.6.5 Rationale for a Cross-Sectional Design

The research aimed to get as much information as possible about how CRM was operationalized (what works) in banks and was not focussed on understanding the dynamics of how banks got to where they are in terms of their CRs. Setting the study this way made it more affordable (timewise and moneywise) and increased the likelihood of getting access to required informants. Also, a cross-sectional design allowed the researcher to look at numerous facets of CRM at once, e.g., the drivers of CR, measures of CR, location of CRM within banks, management of CR interdependences, etc. While a longitudinal study could have been a very laudable design, it was left for other researchers or another study.

4.7 Data Collection Techniques

A researcher has available to them a number of data collection techniques that allow for systematic collection of data about research phenomena and the settings in which they occur (Babbie, 2013; Creswell & Plano-Clark, 2011; Saunders et al. 2016). Using an appropriate technique improves the quality of research findings. The techniques employed to gather data are largely determined by the research questions and objectives. When the techniques are effectively deployed, participants' views are gathered, transcribed, and analysed to reveal the story or conceptual framework that represents the meanings of phenomena being investigated. Irrespective of the type of data required, a qualitative data collection process takes time (Creswell & Creswell 2018). As a matter of prudence, the researcher must record any potentially useful data accurately and systematically, using suitable means (field notes, sketches, audio recordings, photographs). Commonly used techniques in business and management research are shown in the table below.

Table 4: Commonly used data collection techniques in business and management research

Technique	Data Sources	Procedure
Document Analysis	Reports, publications, constitutions, laws, charters, official minutes, etc	Read all materials deemed relevant to research phenomena
Observations	Direct and indirect participants' observations	Taking notes and electronically recording of observations
Interviews	Primary and secondary participants	Taking notes, electronically recording, and transcribing the interviews

Source: Researcher's compilation from Babbie (2013) & Creswell & Creswell (2018)

Participant observation is viewed as more suited for a longitudinal study ruling it out as a data collection technique. Document analysis on its own will not produce information detailed sufficiently to paint a complete picture of CRM in banks. It will, however, be a valuable supplement to the main technique: interviewing.

4.7.1 Interviewing

Interviewing is a vital qualitative data-collecting technique that involves verbal communication between the researcher and the informant. The verbal communication (conversation) has a structure and a purpose that the researcher determines. “In an interview conversation, the researcher asks about, and listens to, what people themselves say about their lived world (..) and social life” (Kvale, 2007: 1). Interviews are mostly applied in surveys, exploratory and descriptive studies and are particularly useful for uncovering stories behind informants’ experiences (Creswell, 2009). Questions are asked during interviews in the hope that informants will give honest and impartial answers. Knowledge construction occurs as the researcher-informant interactions unfold during a research interview.

Research interviews vary in terms of *a priori* structures and the levels of freedom informants have in responding to questions. Interviewing approaches range from completely unstructured (informants talk freely about whatever they wish) to highly structured interviews (responses limited to predetermined answers). The choice of interview approach depends on the overall objective of the research.

1. Structured Interviews: - A tightly structured schedule of questions is used, with the questions asked in a specific order. Questions are usually phrased such that a limited range of responses is elicited, and informants select responses from a list of pre-coded options. The researcher will provide clarification on questions as necessary.

2. Semi-Structured Interviews: - A set of predetermined questions is used, but the informant's answer in their own words, i.e., questions are open-ended. The open-ended nature of questions provides opportunities for deeper discussions between the researcher and the informant. The interviewer is free to ask supplementary questions for clarification or follow a line of inquiry introduced by the informant. Semi-structured interviews are useful when detailed information needs to be systematically collected from informants.

3. Unstructured Interviews: - These have very little structure. The researcher approaches the interview with no specific guidelines, restrictions, predetermined questions, or list of options

(Bryman & Bell, 2015; Easterby-Smith et al. 2012; Saunders et al. 2016), aiming to discuss a limited number of topics, sometimes as few as one or two (Creswell, 2009). At the beginning, the researcher engages an informant in open, informal, and spontaneous discussion, asking broad questions with successive questions framed according to previous responses. Unstructured interviews are used to get the stories behind informants' experiences or when there is little information about a topic (Babbie, 2013).

4.7.2 Type of Interview Adopted: Semi-Structured

The present study collected data through semi-structured in-depth interviews with CRM experts. The loosely confined structure provided guidance and focussed discussions while flexibility allowed in-depth exploration of research phenomenon. Finding out what is happening in as far as CRM is concerned required complex questioning, considerable probing, listening to and gaining an understanding of stories of those involved in CRM. It has been indicated in prior discussions that CRM knowledge has both tacit as well as explicit components, possibly with fluid boundaries, and these could only be exploited through reflections during an interview. Transcending the boundaries between tacit and explicit CRM knowledge held by managers may only have been possible through interactions between the researcher and the managers. We believe a more complete picture of CRM realities was drawn from the researcher-manager interactions during the interviewing.

It was hoped that interviews were to be held face-to-face or via online videoconferencing platforms such as ZOOM or Skype. Videoconferencing (Voice over Internet Protocol) platforms replicate features of face-to-face interviews by allowing for real-time interactions involving sound, video, and written text. Interviews held over VoIPs platforms are much like face-to-face interviews with the exception that researchers and informants are in different locations. While the researcher would have preferred VoIP platform-based interview sessions (cost, flexibility, convenience, ease of access and secure recording of sessions), the ultimate choices were at the sole discretion of the informants. It later turned out that informants deemed online platforms to be insecure for discussions that may have revealed sensitive information. Interviews were thus face-to-face and were recorded on multiple electronic devices to provide layered back-ups against electronic failure and faults. Interviewing was

the primary data collecting technique and was supplemented by data collected from archival records and other publicly available records of the banks.

4.8 Data Collection Processes

4.8.1 Pilot Study

The instrument guiding data collection, the interview guide, went through two validation processes. First, it was reviewed by two university-appointed reviewers when an ethical clearance application was launched. The reviewers were of the opinion that the guide was too long and recommended that some items be removed. The initial document had 52 questions. Following the recommendation, questions that more or less addressed the same aspect were consolidated as much as possible. Others were eliminated completely. The resultant interview guide which the reviewers subsequently approved had 18 questions.

The second instrument validation involved testing the interview guide in a pilot study. The main aim at this stage was to determine how well questions would be understood, gauge whether the flow of questions would allow informants to adequately engage with the CRM construct and provide answers that would address the research objectives. The test also endeavoured to highlight possible biases that could have been inadvertently introduced by the researcher.

Three participants, all branch managers of banks located within Central Johannesburg, took part in the pilot study. Two were White females and one African male. All had tertiary education and their combined years of experience in the banking field was 51 years. Recording the discussions was deemed unnecessary since the focus was on checking the flow of questions and how these were comprehended. Despite not having been provided with advance warning of what the study entailed (other than the topic), the participants latched onto the CRM construct to such an extent that the interviews unfolded smoothly. In fact, the discussions went so well that no further amendments to the interview guide were necessary. The pilot study confirmed that questions were tapping into participants' implicit and explicit thought processes essential for the study's success.

4.8.2 Main Study

The six biggest banks in South Africa were approached, requesting them to participate in the study. In all cases, initial contact was through e-mails sent to the public relations/corporate communications managers. Responses were received advising the right departments and/or persons to contact. The responses also informed us that the initial e-mails had been forwarded to these departments/persons. To make the process more formal, ~~we~~ proceeded to redirect our e-mails to the said persons. After three weeks, the researcher only received a single affirmative response prompting the researcher to send follow-up e-mails. These produced responses from three other banks, with two agreeing to participate and one refusing. Further follow-ups saw another bank responding favourably, but one never responded even after the third follow-up e-mail and telephone calls. However, before the start of the interviews, one of the banks that had originally consented to take part decided to pull out. No reasons were given for the withdrawal. This left three banks that will henceforth be identified as Bank 1 (B1), Bank 2 (B2) and Bank 3 (B3).

4.8.2.1 Participant Selection

Two officials were seconded for participation by B1 and B2, while B3 put forward one official. With B1 and B2, initial communication was with the corporate communications managers, who became the liaison officials between the researcher and the informants. Following approval from the top management, the Corporate Communications Manager in B1 identified the Head of Reputation and Risk Management as the focal person for providing the strategic management aspect of CRM. A Branch Manager at a branch located in Johannesburg CBD was also identified to give operational perspectives on CRM. Going forward, these two officials are referred to as B1P1 and B1P2, respectively. With B2, the identified officials were the Executive Manager: Corporate Reputation (B2P1) and a Branch Manager (B2P2) at a branch in rural Mpumalanga. For B3, the identified informant was the Corporate Reputation Manager (B3P1) based at the bank's head office in Johannesburg.

Once the participants were identified, the researcher contacted them first by phone and then by e-mail. The aim was to provide them with brief background of the study, its aims and objectives, and

the researcher's expectations of them. The interview guide was furnished to the informants to familiarise them with the research questions. They were advised that the researcher and his supervisors were available to answer any questions they might have had regarding the study. Ample time (one week) was given to allow the informants to consider their participation.

The Corporate Communications Managers in B1 and B2 signed the organisation consent forms (Appendix GGG) on behalf of their banks. B1P1, B1P2, B2P1 and B2P2 signed the individual consent forms (Appendix BBB). B3 and B3P1 refused to sign any forms arguing that the invitation to participate stated that participation was subject to anonymity; thus, asking them to sign forms was in contradiction with the anonymity pledge. The researcher contacted his supervisors for guidance on the way forward. A decision was made to allow B3 and B3P1 to participate without signing any forms. E-mail communication between the researcher and B3 was deemed good enough. The demographics of the five informants are given below.

Table 5: Demographics of the five informants

Informant ID	Race	Gender	Age	Tenure	Role	Qualification
B1P1	Black	Male	52	+20 years	Head: Reputation & Risk Management	Masters
B1P2	Black	Male	44	+10 years	Senior Manager: Reputation & Risk management	Honours degree
B2P1	Black	Male	48	+20 years	Executive Manager-Corporate Reputation	Masters
B2P2	Black	Female	35	+15 years	Corporate Reputation Manager	Honours degree
B3P1	Black	Male	59	+20 years	Chief Reputation Strategist	Masters

4.8.3 Data Collection

Data collection began in 2018 when the idea of this study was initially conceived. Activities undertaken were not intrusive and needed no input from the banks. The data collected was freely available from the banks themselves and other external sources. Data collection that needed active participation of banks was carried out during the months of February 2022 and March 2022. Prior to the commencement of this data collection phase, an ethics application was lodged with the Economic and Management Sciences Research Ethics Committee (EMS-REC) of North-West University. The ethics approval was obtained on the 11th of August 2021 for a period of one with the number NWU-00892-21-A4 (see Appendix 1).

4.8.4 Procedure

4.8.4.1 Semi-structured interviews

The main method for data collection used in this study was an in-depth semi-structured interview. This method allowed for gathering both implicit and tacit knowledge regarding CRM. In all interview sessions, the same general interview guide with six key questions derived from the research objectives was used. Each key question had a number of probing questions framed in everyday language. Interviews were conducted in English. The format was the same for all interviews. This made it easier to, later on, compare cases with each other and draw conclusions regarding similarities. The guide had an introductory part, themes/ key questions and closing comments in line with literature recommendations (Bryman & Bell, 2015; Saunders et al. 2016). Using the guide ensured that only issues pertinent to the objectives of the study were discussed.

To encourage rapport between the researcher and the informants, open-ended questions were used during the interviews. The attraction of open-ended questions was their potential to allow for detailed, free-flowing narratives, and at times unexpected responses to questions (Creswell, 2012; Easterby-Smith et al. 2012). The researcher, however, had the flexibility to adjust questions, omit some, or to add some in order to probe answers, and allow informants ample opportunities to build on or explain their responses (Bryman & Bell, 2015; Easterby-Smith et al. 2012; Saunders et al. 2016).

To minimize the potential for imposition of the researcher's prior understanding or biases regarding what CRM entails, interviews followed the narrative format (Creswell, 2012), building a 'narrator' and 'listener' relationship (Chase, 2011) wherein the informants were the narrators, and the researcher was the listener. Narrative interviewing allows understanding to develop through the use of language, conversation and dialogue. Adopting this approach was important in order to gain informants' perspectives of their banks' CRM processes as lived professional experiences narrated by the informants themselves. According to Chase (ibid), narratives are natural ways of recounting experience, constructing sensible meanings to fundamental challenges of everyday life, as well as creating rational order out of lived [professional] experiences. We also viewed narrative interviewing as consistent with the adopted ontological and epistemological stances and findings were reported in narrative text rather than numerical form.

Although the researcher had initially envisaged that interviews would be conducted in-person, face-to-face, or via online videoconferencing platforms such as ZOOM, Skype or Microsoft Teams, all interviews were in-person at the offices of the informants. The researcher took notes before (at the time of arrival), during and after each interview. The notes focussed on where the interview took place, how it progressed, and how the researcher felt about the whole interview process. This was in keeping with Bryman & Bell (2015), who recommend providing contextual information to aid data analysis.

4.8.4.2 Transcription

Prior to the commencement of interviews, informants were asked and consented to be recorded. Audio recordings were then transcribed by the researcher. While noting the availability of a number of transcription techniques, the researcher opted for intelligent verbatim transcription, which allows for filtering and minor editing of the text during the transcription process. This transcription techniques aims to capture what was said rather than how it was said. By filtering out the spoken words, sounds uttered, and all non-verbal forms of correspondence, intelligent verbatim transcription makes readability of texts easier. This was an overriding consideration given our aim of producing a

document that would easily guide managers in implementing CRM processes within their organisations.

Because all interviews took place in the late mornings, transcriptions were performed on the day of interviews, when recollections by the researcher were still fresh in their mind. However, the busy schedules of informants meant that each interview was ‘a one-shot event’ with an informant. With no recourse to follow-up interviews, same-day transcription and notes taken during interviews became very important. The notes and other documentary evidence gathered provided supporting information to interview data. Interview transcriptions were sent to participants to allow them to verify that the transcriptions accurately recorded their thoughts and perceptions regarding the CRM processes of their banks. Getting the interviewees to verify transcriptions is referred to by Merriam & Tisdell (2016) as respondent validation and is considered very important because it bolsters a study’s credibility (Lincoln & Guba, 1985).

4.8.4.3 Documentary research

To supplement interview data, documentary research was also undertaken. This entailed systematic collection and analysis of internally and externally produced organisational documentation. Most documents were publicly available. Internally produced documents included corporate reports, corporate advertisements, corporate website materials, training manuals, newsletters, and other documents written by the banks for specific stakeholders. External ones included those produced by the regulators, primarily the SARB, print and electronic media, rating agencies and research institutions. The collection of publicly available documented started in 2018 when the research idea was conceived. Key attractions of documentary research include its relatively inconspicuous nature and the potential to cover a wide range of events and settings (Yin, 2017). This made it possible to investigate CRM processes of banks using multiple channels aimed at broad audiences and specific stakeholders. It was not lost to the researcher that consulted documents were intended for particular purposes and stakeholders and may have been predisposed towards a particular view and may not have accurately portrayed the CRM processes of banks (Bryman & Bell, 2015; Creswell, 2012;

Easterby-Smith et al. 2012; Saunders et al. 2016). However, as indicated earlier, documentary research supplemented interviews and allowed for triangulation.

4.8.5 Data Analysis

In qualitative data analyses, the researcher aims to understand the words spoken by interviewees. Using different data analysis techniques, the spoken words captured in interview transcriptions are transformed into codes and themes (Guest et al. 2011). The study analysed the interview data using the QDA Miner software package to code the data. Some codes were developed during the data collection phase and later fed into the QDA Miner program.

Data analysis was an iterative process that started during the early stages of data collection. Simultaneous data collection and analysis processes gave rise to insights which led to the refinement of questions and questioning. This led to more insights that were incorporated into subsequent data collection processes. The qualitative data analysis technique adopted was the thematic analysis approach. Guest et al. (2011) portrays the main concepts of the thematic analysis as follows:

Data: The textual representation of a conversation (interview transcripts, notes), observation (video recordings, images) or interaction (audio recordings).

Theme: A pattern, topic or concept that repeatedly comes up in a data set.

Code: A label assigned to part of a text to identify and summarise an important idea within a particular set of data.

Coding: The process by which qualitative data is categorized in a way that allows the analyst to derive themes and patterns.

Braun & Clarke's (2006) six-phase thematic analysis approach guided the data analysis process. According to these authors, "thematic analysis is an easily accessible and theoretically flexible interpretative approach to qualitative data analysis that facilitates the identification and analysis of patterns or themes in a given data set" (cited in Byrne, 2021: 1392). The thematic analysis allows data to be analysed without being influenced by pre-existing themes ensuring an unbiased analysis of participants' views. Elimination of bias from the analytic process contributes towards better understanding and evaluation of ideas and issues and the development of themes that address research concerns.

The overall aim of this study was to give a detailed description of how banks experience a common phenomenon: CRM. From the documentary and interview data collected, our goal was to use the highlighted experiences with the phenomenon (CRM) to describe the universal essence of the phenomenon (Creswell & Poth, 2017). By so doing, the researcher hoped that the elusive CRM phenomenon would be brought into the fore based on common experiences shared by the banks. The researcher's belief was that other organisations are still trying to come to grips with CRM would learn from the experiences of the banks.

4.8.5.1 Bringing the Thematic Analysis Approach into Life

1. Getting familiarised with the data: This involved listening to the interview recordings a number of times, transcribing the interviews, reading, and rereading the transcriptions. Throughout this phase, the researcher kept taking notes that augmented notes taken during the interviews.

2. Generating initial codes: This phase entailed identifying data features that served as the most basic elements of the raw data. As indicated above, the researcher used the QDA Miner software to code the data. Working thoroughly and systematically through the entire data set, data were coded, interesting features noted, and collated data relevant to the relevant code. See appendix 7 for the initial coding.

3. Searching for themes: During this phase, the researcher ‘cleaned’, sorted, and analysed the codes. Some codes were combined according to noted similarities to form potential themes. Some others were grouped as sub-themes, and some were discarded.

4. Reviewing themes: This phase entailed refining coded themes generated in the third phase 3 above. The researcher systematically checked to ascertain that the themes worked in relation to coded extracts. At the end of this phase, a thematic map that collated codes and data items relative to their respective themes was produced.

5. Defining and naming themes: The phase entailed deep analysis of the underlying data items to refine the specifics of each theme. Clear definitions and names for each theme were generated. The researcher also identified the data items to be used as extracts during the writing up of the analysis of results.

6. Producing the report: The phase provided the final opportunity for analysis. The researcher satisfactorily worked out data themes, selected captivating extracts, performed final analysis of selected extracts, and related these to the research question and literature.

A casual reading of the six-phase thematic analysis approach may give the impression that the process is linear with the next phase only starting at the end of the preceding phase. In effect, phases are not hard and fast rules that cannot be altered. Coding and theme development is a flexible and organic process that repeatedly evolves throughout the phases. Braun & Clarke (2019; 2020) advise that the coding and analysis processes hardly ever fall cleanly into single phases. These phases thus need to be taken as guidelines designed to help qualitative researchers by providing the basics of thematic analysis. The whole process is rather recursive; the researcher keeps moving back and forth whenever the data demands.

4.8.5.2 The Rationale for Choosing the Thematic Analysis Approach

The relatively flexible nature of the thematic approach informed the choice. The thematic analysis does not follow a set of strict pre-defined procedures, as is the case with other qualitative data analysis techniques such as grounded theory (Braun & Clarke, 2020). This was particularly

appealing to a relatively inexperienced researcher as the author. Added to that, thematic analysis was seen as compatible with the constructionist epistemological orientation (Braun & Clarke, 2020; Creswell & Creswell, 2018) adopted for this study.

4.9 Issues of Bias

This being a qualitative study, the primary data collection instrument: the researcher (Creswell, 2009; Denzin & Lincoln, 2005) could have knowingly or unknowingly introduced biasedness into the study. Bias could have occurred at any stage during the research process, including study design and execution. The choice of research topic, framing of research questions, the philosophical assumptions made regarding the nature of study reality, choice of data collection processes and techniques, data analysis, and interpretation of results were all susceptible to researcher biases. Completely eliminating bias in research is next to impossible (Corbin & Strauss, 2015), but a carefully designed study is more likely to reduce bias. To minimize bias, researchers are advised to engage in reflexive practices (Creswell & Poth, 2017; Lincoln & Guba, 1985; Moon et al. 2016), wherein they will ventilate all decisions and processes embarked upon during the formulation and execution of the study. For qualitative studies, engaging in processes of reflection and clearly articulating the basis of choices made is a rite of passage for doctoral students and novice researchers new to the qualitative methodology (Creswell & Creswell, 2018). Several potential issues of bias are present in this study.

1. Topic Selection: - The researcher selected the topic based on personal interest originating from his professional background. The researcher thus decided that the topic is ‘interesting’ and worthy of being investigated based on personal interest. While issues of manageability CR or lack thereof are also rooted in literature, the fact that selection of the particular topic indicates researcher bias. Such bias is normally couched in palatable terms like ‘professional interest’.

2. Choice of research questions: - The evidence collected during research is solely dependent on the questions asked. Questions raised in this study reflect what the researcher perceives

as pertinent to understanding CRM processes of South African banks. The questions are, however rooted in literature.

3. Research philosophies: - A researcher's philosophical orientation may lead to ideas and processes incompatible with held worldviews to be side-lined in research. If such 'incompatible ideas and processes' are not embraced simply because they take a researcher out of their comfort zones, research output will be biased. To guard against such tendencies, researchers are expected to justify decisions taken. Through-out the research journey this researcher gave explanations and justifications for to decisions made.

4. Choice of informants: - A researcher may be inclined to recruit as informants, people who have characteristics similar to their own e.g., same profession, political leanings, religion, etc. Familiarity with informants' key characteristics might assist in data collection but is a significant source of confirmation bias. For this research, banks selected informants based on their expertise in the phenomenon under investigation.

5. Choice of data collection technique: - Researchers may be motivated to use techniques they are most comfortable with and attempt to 'fit the data collected' into that data collection technique (Corbin & Strauss, 2015). The results of such studies will thus be seriously compromised. The adopted technique in this research was informed by the study design and the type of data required. Justification for the chosen technique has been given.

6. Data analysis: - A major type of bias that could have been introduced during data analysis is cognitive bias, often due to the brain's tendency to take "short-cuts" to simplify information processing. Three types of cognitive bias: anchoring effect, bandwagon effect and confirmation bias are particularly noteworthy. The anchoring effect arises when decisions are made based on one piece of information, usually the first to be collected. The researcher tried to overcome this by relying on all information gathered: all interviews as well as documentary evidence. Bandwagon effect results from making decisions by following the majority. The researcher tried to mitigate this bias by maintaining a healthy scepticism. All data were looked at through the "third eye". Confirmation bias arises when decisions are

made by favouring information consistent with the researcher's own preconceptions. This researcher tried to overcome this bias by constantly challenging preconceptions, belief systems and keeping an open mind through-out the data analysis phase.

4.10 Assessing the 'Quality' of a Qualitative Research

Research quality is assessed by appealing to the scientific processes followed in executing the project. It looks at all aspects of research including design, match between methods and questions, selection of subjects, measurement of outcomes, and protection against biases. There is no consensus on how quality and robustness of qualitative research can be assessed. A researcher designing and implementing a case study thus misses the opportunity to know in advance how their work will be judged. This opportunity is ever present for a quantitative researcher as the fundamental concepts of validity, reliability, and generalizability are universally understood in quantitative research settings. Applicability of these concepts, which have acquired the status of the 'scientific holy trinity' among quantitative researchers (Kvale, 1996) is a contentious matter in qualitative research community.

On one side of the quality argument are researchers (e.g., Yin & Morse et al) who contend that validity, reliability, and generalizability are overarching constructs that should and can be appropriately used in qualitative studies as in quantitative studies. On the other side are researchers who regard these concepts as being of very little significance in qualitative studies, arguing that qualitative research is a diverse field; any attempt to synthesize or appraise different studies under one system is impossible and conceptually wrong (Dixon-Woods, et al. 2004). They, therefore, view the concepts of validity, reliability, and generalizability as only pertinent when applied in quantitative methods. Yet others recognizing the rationale for establishing quality (in the eyes of other researchers) of qualitative research but not wanting to embrace quantitative concepts call for the "development of distinct study designs and theoretical perspectives that qualitative researchers can adopt…" (ibid, 225). Lincoln & Guba (1985) propose credibility, transferability, dependability, and confirmability as constructs available to the qualitative researcher. These constructs are respectively analogous to internal validity, external validity/generalisability, reliability, and objectivity and have

been embraced by many researchers (Kvale, 1996). A discussion of credibility, transferability, dependability, and confirmability constructs and how there were operationalized in this research follows.

4.10.1 Credibility

Credibility refers to the degree to which the research represents the actual views of the research informants, i.e., the accurate and truthful depiction of a research informant's lived experience (Lincoln & Guba 1985). According to the authors, ensuring a research project's credibility is critical in establishing trustworthiness, especially if research findings are used to make policy recommendations. (This research made recommendations on how to implement a robust CRM system. See Chapter 6). Successful implementation of policy recommendations depends on the extent to which policy implementers believe the recommendations to be credible (Moon et al. 2016). Employing strategies such as data and method triangulation, peer debriefing, reflective commentary, debriefing sessions (researcher and supervisors), and member checking enhances the credibility of a research project. To enhance credibility, the researcher performed individual level, within the cases and between cases data analyses. Systematic triangulation across various data sources: interviews, internally and externally produced documentary sources, was performed. While it was not possible to constantly refer back to the interviewees for validation of generated outputs (codes, themes, interpretations), the interviewees were kind enough to find time to validate interview transcriptions. The use of multiple sources of evidence converging to similar findings contributed to answering the research questions.

4.10.2 Transferability

Transferability refers to the degree to which the phenomenon or findings described in a study are applicable or useful to theory, practice, or future research (Lincoln & Guba, 1985). Transferability of particular research findings to other contexts is, however, severely limited by the fact that "the findings of a qualitative project are specific to a small number of particular environments and individuals [therefore] it is impossible to demonstrate that the findings and conclusions are applicable

to other situations and populations" (Shenton, 2004; 69). The desirability of transferability is, however questioned by Gomm et al. (2000) who contend that findings are reliant on the specific contexts in which they occur and any attempt to generalize demeans the importance of the contextual factors defining research. Transferability if at all desirable depends on the congruence between the "*sending context*" and the "*receiving contexts*" (Carcary, 2009) thus the onus is on the reader to determine whether the case described in a study is similar to their own situation. The researcher's responsibility in transferability is thus limited to providing sufficient contextual information, including the number of participants in the study, disclosure restrictions of the participants, methods of data collection used and the period over which the data has been collected. The provision of such information enables the reader to make informed decisions regarding the transferability or lack thereof of a research's findings. In this study, the researcher has provided thick descriptions of contextual information (the SABI) in Chapter 4. The researcher explained the philosophical orientation of the study, the logic behind the selection of units of analysis and units of observation and, also gave detailed descriptions of data collection and analysis processes undertaken. Providing such detailed information will aid readers in gauging the applicability of findings in their own situations.

4.10.3 Dependability

Dependability refers to the degree to which a qualitative research study can be replicated, audited, or critiqued by other researchers to establish the consistency and reliability of findings and research processes used (Moon et al. 2016). The establishment of consistency and reliability is only possible when the whole spectrum of the research process is verified through examination of such items as raw data, data reduction process, and process notes. This necessarily calls for meticulously documentation of all aspects of qualitative research; a process that results in the compilation of an "audit trail" (Lincoln & Guba, 1985). Such an audit trail allows the reader to assess the extent to which appropriate research practices have been followed (Shenton, 2004). As the provision of a complete set of notes pertaining to decisions made during the research process, research team meetings, reflective thoughts, sampling (if employed), research materials adopted, information about

the data management and, the emergence of findings is the responsibility of the researcher (Moon et al. 2016), a comprehensive audit trail of this study was kept. Compilation of the audit trail followed the specifications proposed by Edward S. Halpern (Lincoln & Guba, 1985) which has 6 categories: raw data, data reduction and analysis, data reconstruction and synthesis process, process notes, materials relating to intentions and dispositions and instrument development information. Triangulating interviewees' experiences, internal documents, and external viewpoints regarding the phenomena (CR and CRM) also served to enhance dependability.

4.10.4 Confirmability

Confirmability is the degree to which qualitative study results can be confirmed or validated by other researchers (Lincoln & Guba, 1985; Moon et al. 2016). It is concerned with the aspect of neutrality and establishes that the interpretation of findings is based on data grounded in participants' narratives and not preferences, viewpoints, or inventions of the researcher. Literature advises that techniques such as keeping of an audit trail (detailing the data collection, data analysis, and data interpretation processes), a reflexive journal (reflecting on one's own background and position to see how these influences the research process), periodic confirmed informant checks (verifying evidence or finding with participants) and triangulation are incredibly important for establishing confirmability. We undertook literature advice as practically as possible. As highlighted in preceding section, detailed descriptions of processes were given.

4.11 Ethical considerations

The nature of social research is such that some ethical issues are involved and need to be discussed. Ethical issues to contend with are principles and values that must be followed and guide a researcher's conduct in relation to the rights of those who become the study (Saunders et al. 2016). In conducting this research, the researcher was guided by the NWU code of conduct for researchers. As a first step, the researcher submitted an ethical clearance application to the Economic and Management Sciences Research Ethics Committee (EMS-REC) of the university. Upon ethics

approval (see Appendix 1) the researcher proceeded with study. Key ethical principles that the researcher particularly gave attention to are discussed below.

4.11.1 Informed consent

According to Denzin & Lincoln (2011), in research that involves people, informed consent is the cornerstone of ethical considerations. It indicates autonomous decision-making of participants and ensures that the choice to participate is solely their own. The two scholars advise that individual parts of the term: 'informed' and 'consent', need careful attention. The 'informed' element requires that participants are given sufficient information about the research (in a language they are comfortable with) regarding what will be expected of them, what will be asked, how information collected will be used, what rewards (if any) will be given as incentives and so on. Detailed requisite information was provided to the banks as well as the official put forward to be interviewed (see Appendix 2 and Appendix 3). The 'consent' element requires of participants to provide explicit and signed consent to take part in the research. As indicated earlier, two of the three participating banks and their officials signed consent forms (Appendix 3 and Appendix 4). While the third bank did not sign the consent forms, e-mail communication (Appendix 9) between the researcher and bank officials was deemed adequate.

4.11.2 Participant Anonymity and Participant Confidentiality

Ensuring anonymity and confidentiality is critical step aimed at protecting research participants from potential harm. These ethical terms that are frequently conflated and/or used interchangeably. Participant anonymity refers to the act of collecting data where the researcher does not know or does not record any personal identifying information. Typically, anonymity applies in quantitative studies, where data are collected from a large number of participants. However, because of the nature of this study (qualitative) and the data collection processes (interviews) it was necessary to record some details about each interviewee. The details included areas the interviewees worked in, their job titles, educational levels, time with the bank and time in the CRM role. Participant anonymity was thus not possible. Participant confidentiality, which entails separating and/or modifying any personal

identifying information from the data became paramount. Banks and interviewees were assigned codes known only to the researcher and his supervisors. Interview recordings, interview transcripts and other electronic documents availed to the researcher by the banks were digitally stored in password-protected files in cyberspace and the researcher's personal computer. No other person has access to these data which will be kept and destroyed in 5 years in line with university guidelines.

4.11.3 Right to check and modify transcripts

At the conclusion of the transcription process, transcripts were sent to participants for review and possible modification. The aim was to have interviewees validate the transcripts, empowering them by allowing them to control what was written. Also, by allowing the interviewees to check and modify transcripts, the researcher was able to preserve research ethics (Braun & Clarke, 2019; Corbin & Strauss, 2015; Easterby-Smith et al. (2012). Interviewees, however needed reminding: two e-mails for four of the interviewees and three for the fifth. All authenticated the transcripts as accurate representations of their spoken words.

4.11.4 Conflict of Interest

Conflict of interest in research arise when the researcher's financial or other personal considerations negatively affect or appear to be negatively affecting a researcher’s professional judgment in conducting or reporting research. Existing relationships or prior connections between a researcher and study participants potentially create conflicts of interest that need to be transparently reported on within an ethics approval application (Braun & Clarke, 2013; Denzin & Lincoln, 2005). For this study, no grounds, or potential grounds for a conflict of interest existed. The professional interest that gave rise to the study came from the researcher’s bank working experience acquired in Zimbabwe. The researcher was not in any way related to the organisations (banks) invited to partake in the research. At the time invitations to participate were extended, the researcher did not know whom the interviewees were going to be. The banks themselves suggested potential informants from their pools of officials whose functions directly related to their CRM processes and could thus provide answers to the research questions. Direct communications with interviewees only started after the

banks indicated their willingness to participate in the research. Serve for the opportunity given to the researcher to conduct this study within the banks, no other benefit in any form accrued to the researcher from the banks as a result of undertaking this study.

4.12 Conclusion to the Chapter

The present chapter undertook an exposition of the philosophical issues informing the guiding principles of the research. The adopted paradigm (interpretivism), and, the attendant ontology (relativism) and epistemology (interpretivism/constructivism), have been discussed and the rationale behind their choices ventilated. The complexities associated with the phenomena under study (CR and CRM) and their bearings on the philosophical orientation of the study were highlighted. The purpose of the research (descriptive) has also been discussed in an effort to provide a reliable premise for the selected research method (qualitative).

CR and CRM have been recognised as part of both tacit and explicit knowledge possessed by informants, which needs to be accessed in an interview setting. The need to access tacit knowledge necessitates the adoption of a qualitative method. The data collection technique (interviewing) and the thinking behind its adoption have been elucidated. Interviewing will either be face-to-face or over online platforms as per wishes of the informants. A cross-sectional design rather than a longitudinal design is adopted as it best fits into the research purpose and strategy.

Issues of bias and how these could have affected the research and the validity of findings have been given attention. Necessary safeguards against biases advised in literature were adhered to and guided the researcher until study completion. Embracing credibility, transferability, dependability, and confirmability as concepts analogous to internal validity, external validity/generalisability, reliability, and objectivity was an important way of minimizing researcher bias and improving the quality of research output.

CHAPTER 5: Interpretation of Results

5.1 Introduction

The present chapter discusses several themes and sub-themes that emerged from the data analysis process discussed in the preceding chapter. Each theme relates to a specific research question. The discussions on nascent findings will link themes to interview and documentary data. The researcher will contextualize findings within the literature, highlighting where findings are consistent or contradictory to current literature.

5.1.1 Note on theme sub-theme saturation matrix

The tables list themes and sub-themes per research question. The top row shows the research question. The first column lists the emergent theme, and the second column lists the associated sub-themes. The third column, headed ‘saturation’, is further divided into five columns, each recording sub-theme occurrences as enunciated in interviews. The column ‘units of observation’ record the total occurrences for the five interviewees, while the last column titled ‘units of analysis’ records total occurrences for the 3 banks that participated in the study.

The previous chapter discussed the themes and sub-themes generation process (see Section 4.8.3). Each sub-theme is composite made up of a number of codes (see Appendix 5). Scoring indicates that at least one of the codes giving rise to a sub-theme applies to an interviewee’s responses. In some cases, interviewees B1P2 and B2P2 are not scored because responses provided in earlier interviews by B1P1 and B2P1, respectively, were deemed adequate for their banks. The related questions were, therefore not posed to the 2 interviewees.

During the transcription of interviews and write-up, ~~we~~ used symbols that ~~we~~ present in the table below. The interpretation of the symbols is meant to help readers better understand quotes from interview transcripts.

Table 6: Transcription Symbols

Symbol	Meaning	Example
...	Indicates that a few words have been left out from the beginning or the end of a quote.	E.g., ... I need to say that it is very important to have these [externally developed] tools adapted to suit each firms specific needs.
(...)	Indicates that a large part of an interviewee's response has been left out.	E.g., Well, CR (...) is an asset, intangible as it is.
[ ]	The researcher added words in square brackets to provide greater clarity on the context	E.g., Our reputation is bad (sombre, shakes his head).
Underlined words	Indicates emphasis by the researcher	E.g., I would say the bank has a very good reputation for sure. Many of our stakeholders will attest to that.

5.2 Introductory Question: What is your understanding of CR?

The introductory question was meant to set the tone for conversations between the researcher and interviewees. Going into the interviews, the researcher held a belief that the way banks understood CR understood CR informed their CRM processes. In fact, the question gets greater significance given that CR has multiple conceptualizations (see Section 2.3.1). Our view was that the way CR was perceived within banks dictated how it was managed. We are convinced that the question had to be asked.

Going through responses to the introductory question, the researcher finds widespread consensus in how banks view CR. Our analyses of interview responses and bank documents produced the following theme and sub-themes:

Table 7: Saturation matrix for introductory question

Introduction	What is your understanding of Corporate Reputation?								
Theme	Sub-Themes	Saturation					Unit of Observation		Unit of analysis	
		B1P1	B1P2	B2P1	B2P2	B3P1	Total	%	Total	%
CR is an Asset	CR is a fragile asset	X	X	X	X	X	5	100	3	100
	Building CR takes time	X	X	X	X	X	5	100	3	100
	Critical for prosperity	X		X		X	3	60	3	100
	CRs of banks good	X	X	X		X	4	80	3	100

5.2.1 CR is an Asset

Answering the question in an open-ended way, all interviewees described CR as an asset. Some of their responses are as follows:

> "Well, CR is an asset that accrues to the bank as a result of consistently meeting expectations (…). CR is an asset we jealously protect" (B1P1).

> "CR is an asset built by fulfilling stakeholders' expectations. We see our CR as an asset a very important one. While it is not a physical asset reflected on a balance sheet, it is still an asset with an up-side and a down-side like any other asset (…)" (B1P2).

> "So, my understanding or should I say our understanding of CR as a bank is that it is an asset that drives the bank's successes. It [CR] flows from the behaviour of our people, employees and senior leadership, our employment practices, our business conduct, our level of transparency, our responsiveness to stakeholders' concerns, to name but a few. It [CR] is an asset rooted in the bank's corporate culture" (B2P1).

We noted from early on that the interviewees hold clear views of what CR is. None of them referenced academic debates regarding the construct. They are quite clear as to what CR is and

what it entails. They view CR as an asset that is fragile, has a long maturity, is important for survival and is underpinned by bank behaviour. Because CR is seen as an asset, it has been pushed up the corporate priority lists of banks. As ~~we~~ will show in following sections, the need to protect CR has become a guiding principle for the banks. Business strategies have been reframed, systems and processes implemented, all focussed on ensuring that bank CRs are as good as they can be.

5.2.1.1 A fragile Asset

That CR is built over a lifetime but can be lost in a second is a popular saying found in reputation literature. The saying underscores the fragility of CR. Banks clearly understands this key characteristic of reputation. They realize that the positive CRs they have built through many years of good work can easily be damaged by their actions or inactions. The fragile nature of CR can be seen in the following quotes:

> "CR is transitory (…) I mean uhm corporate reputation can be destroyed in a flash" (B2P1).

> "… CR is an asset with a long maturity. Improvements to CR tend to be slow and difficult to measure. However, on the downside, a CR liability falls due quickly costing an organisation dearly. It is a fragile asset" (B1P2).

> "It takes many years of good work to build a reputation. But all that good work and the CR built can go downhill really quick. It is a super sensitive asset that needs to be handled with extra care" (B2P2).

The theme that CR is a fragile asset is well established in literature. Typically for banks, CR may be damaged due to failures to aptly manage such risks as credit, strategic, operational, or other material risks. Damage can also emanate from external factors that are beyond a bank's control. Banks acknowledge this fragility and have in place systems for monitoring their CRs day in, day out. They have early warning systems for detecting potential threats to their CR well in advance. According to B1P1, "scanning the horizon for threats to CR is a full-time job" that is critical for business survival. Because "nothing is as expensive as fixing a broken CR" (B1P1), banks go the extra mile to ensure that their reputations are not compromised in the first place. To that end, the researcher sees in all

banks that employees are provided with reputation training yearly, CRM processes and procedures are regularly updated, and stakeholders are engaged through many platforms: websites, e-mail, text-massaging, phone calls, in-person meetings, virtual meetings, brainstorming sessions, and others. Feedback from engaging with stakeholders allows the banks "to more precisely understand stakeholder expectations and meet their needs" (B3P1) in ways that lessen the fragility of CR.

5.2.1.2 Building CR takes time

CR is gradually built as an organisation "consistently meets expectations of its employees, shareholders, investors, financial analysts, economists, regulators, government, and many others" (B1P1). Responses by interviewees make it clear that it has taken banks some time to build their CRs to the levels they are. A selection of quotes highlights this aspect of CR.

> "You see, CR is an asset with a long maturity [in that] improvements to CR tend to be slow and difficult to measure. (…) It is a fragile asset that needs to be nursed for a long time to mature" (B1P2).

> "CR is not (…) an off-the-shelf asset that someone else builds for you and you buy it from them. Nor is it built overnight. (…). CR is deliberately built up over time by an organisation in terms of the quality of its product offerings, the way the organisation and its people behave, and how it engages and communicates with stakeholders" (B2P2).

> "Well, CR (…) is an asset, intangible as it is. Building the [CR] asset is a task and a half. Very expensive (…)" (B1P1).

While building a positive reputation is a task and a half, the benefits are only available in the long run. The result is that business managers are thus inclined to devote their time to dealing with the more immediate hard-edged day-to-day operational priorities leaving CR. However, as ~~we~~ have noted, the costs of neglecting CR are immediate. Businesses have lost millions of rands following CR damaging events. Costs of a damaged CR "can be measured in terms of lost revenues, increased operating, capital and regulatory costs, erosion of shareholder value" (B2P2). On the other side, "a good reputation protects the bank [or any other organisation] from minor errors of judgement

on the part of the bank or its employees" (B2P1). Also "the time and long hours invested in building a positive CR are worth it in the end" (B1P2).

5.2.1.3 Critical for business prosperity

Long term survival and prosperity of an organisation depends on the organisation's ability to attract resources from its environment. That ability is greatly impacted by its reputation. This is a point that is widely discussed in literature. An unfavourable CR may see an organisation struggling to attract the right kind of employees, failing to retain customers, or failing to access financing easily, outcomes of which threaten business survival. With this in mind, protecting CR from damage is a business imperative demanding buy-in from all within an organisation. The seriousness with which banks take CR is reflected in the following quotes:

> "CR is a prerequisite for [business] survival (…) and our commitment to safeguarding our reputation is based on that understanding" (B1P1).
>
> "…we consider CR as an asset critical for achieving our business objectives" (B2P2).
>
> "You see, CR is critical for the success of an organisation's strategic plans, business and other prospects" (B2P1).

Damage to reputation is costly and at times fatal. A reputation developed carefully over many years may crumble overnight as the cases of Steinhoff International and Bell Pottinger show (see Sections 2.4.2 and 2.10.3). A lesson to be drawn from these cases is that there usually is no way back from a self-inflicted reputational damage.

5.2.2 How interviewees see the CRs of their banks

Asked to comment on views they hold regarding their banks' reputations, all interviewees said that the reputations of their respective banks are very good. A selection of their responses is given.

> "I would say the bank has a very good reputation for sure. Many of our stakeholders will attest to that (…) but ~~we~~ are still working day in day out to improve the reputation" (B1P1).

> "I believe ~~we~~ have a very good CR. It is not at the level where ~~we~~ can sit back and relax. […] That level may never be reached but ~~we~~ keep improving" (B2P1).

> "I think ~~we~~ have a very solid - a very good CR. It is said that self-praise has no recommendation, but I will say this. We have a good reputation, and we continue working on making it even better" (B3P1).

While it would have been naïve to have expected responses to the contrary, the views that banks have good CRs validate the researcher's belief that gave rise to this study. From the onset, we believed that South African banks have good CRs, and such reputations point to functioning CRM processes worth studying. Having functioning CRM processes is a 'big deal' given that the majority of some of the world's largest corporations struggle to operationalize CRM (Cole & Fleming, 2020; Griffin, 2015; Watson & Kitchin, 2010). Finding out and documenting how the banks have managed to implement viable CRM processes is thus a worthwhile endeavour.

5.2.3 Contextualizing findings with literature and practice

Although there is no consensus in literature with regards to the conceptualization of CR, the way banks define the construct ties in with the view of Barnett et al (2006) who see CR as a critical resource that enables the attainment of a firm's strategic objectives. The characterization of CR as an asset by banks is also in line with the definition of the construct proposed in this research (see Section 2.4). Defining CR as an asset compels the banks to view CR in line with all other assets. Regardless of the fact that CR is an intangible asset that is very difficult to quantify, "it is still an asset with an up-side and a down-side [just] like any other asset" (B1P2). As with all other assets, non-management or mismanagement of CR may limit an organisation's prospects.

5.3 RQ1: What are the key drivers of a bank's corporate reputations?

Literature tells us that an organisation's reputation is underwritten by a number of drivers that are context dependent (Bartikowski & Walsh, 2011; (Deephouse et al. 2016), industry dependent (Roberts & Dowling, 2002) and location dependent (Berry et al. 2010; Newburry et al. 2019). This

calls for organisations to be absolutely clear about drivers of their CRs considering their particular contexts, location, and industry. For the banking industry, studies conducted in Europe and the USA identified corporate governance, leadership, CSR, organisational culture, corporate disclosures, strategic positioning, financial performance, and risk management as the critical CR drivers (Buckley and Nixon, 2009; Gabbioneta et al. 2007; Stansfield, 2006; Watson, 2010). Noting that CRDs are context, industry, and national/location dependent, it was necessary to raise RQ1 to ascertain drivers critical for the SABI.

The following theme and sub-themes emerged from analyses of responses to research question 1.

Table 8: Saturation matrix for RQ1

RQ1	What are the key drivers of a bank's corporate reputation?									
Theme	Sub-Themes	Saturation					Unit of Observation		Unit of analysis	
		B1P1	B1P2	B2P1	B2P2	B3P1	Total	%	Total	%
Many CR Drivers	CRs not equally important	X	X	X	X	X	5	100	3	100
	Focus on Strategically important CRDs	X	X	X	X	X	5	100	3	100
	Costly to mishandle strategically important CRDs		X	X		X	3	60	3	100

5.3.1 There are many CR drivers

From the responses, it is clear that banks have to contend with a large number of CRDs. Asked whether they agreed with and/or would want to add to a list of 13 CRDs compiled by the researcher, all interviewees went along with the list but indicated that it was not exhaustive. Each one of them added at least half a dozen other drivers to the list. One interviewee, B1P2, listed as many as 24 CRDs (Appendix 10).

5.3.2 CRDs not equally important

The sheer number of CRDs that banks have to keep track of, makes it practically impossible to give the drivers equal management attention on daily basis. According to the interviewees, attempting to focus on all possible CR drivers is undesirable and counterproductive as doing that would thinly spread management time. A selection of quotes stresses the point:

> "… our guiding philosophy is not to do everything a bit okay – like oh it's alright kind of way. A good reputation is not built that way. So yes, we are aware of these drivers, but we only pay special attention on only a few of them" (B1P2).

> "… I need to hasten and say that it's not practical for the bank and any other organisation for that matter to give equal attention to all these drivers. They are all important – but not equally important. Some more so than others. There are 6 or so that are of major importance. These are the ones that warrant daily management attention" (B2P1).

> "… giving equal weight and attention to these aspects would be impossible and just counterproductive. We are selective in our focus but that is not to say we completely ignore the rest. We still keep an eye on them because we don't want to be taken by surprise" (B1P1).

5.3.3 Focus on Strategically important CRDs

Strategically important CRDs are the reputation drivers that underpin an organisation's CR agenda. According to the interviewees, these are a select CRDs that require concerted daily management attention. Asked to identify these strategically important CRDs, 4 interviewees, B1P1, B1P2, B2P1 and B3P1 gave more-or-else the same drivers as deserving critical attention. These are: products and services quality, corporate culture, relationship with key stakeholders, regulatory compliance, performance, transparency, proactive leadership, social responsibility. According to B1P1, these CRDs are the "Holy Grail" of CRM.

An interesting take on the drivers was given by B2P2 who appeared to have reservations on the whole listing. In reference to the list, they stated, "… after you decipher your work, you academics come up with such lists. You try to fit things into tight little compartments. That nearly doesn't work

in practice". Their take is that an organisation's CR is driven by its values. They go on to mention 4 of the bank's key values: delivering to stakeholders, upholding high levels of integrity, developing employees and being innovative as the bedrock of CR. This is collaborated by the bank's 2020 values and code of ethics report which gives the 4 drivers as: "working in harmoniously as a team, respecting all stakeholders, constantly challenging ourselves and serving our stakeholders with dignity". They further state that, "we uphold and adhere to these values every day and ~~we~~ keep trying to improve on them. Living our values is what builds our reputation". B2P2 however did not outright dismiss the list simply stating: "… as regards to the list, I'm sure these [their values] fit in somewhere on your list…" This might well be the case for if one critically looks at the value: "delivering to our stakeholders", it contains within it the drivers mentioned on the list: quality, financial performance, and regulatory compliance of instance.

There is almost complete unanimity with regards to the dangers of inappropriately handling the strategically important CRDs. The following quotes highlight this point.

> "Strategically important CRDs if mishandled have the potential to cause financial harm to the bank. You may find yourself at the wrong end of the stick, attracting legal, operational and compliance costs that negatively affect the bank's ability to engage in certain business activities, keep and attract customers and retain experienced staff (…)" (B1P2).
>
> "You see, CR is critical for the success of an organisation's strategic plans, business, and other prospects. Failing to realise the importance of a driver leads to reputational damage" (B2P1).
>
> "… some drivers are more important than others (…) [and] mishandling of important drivers has serious reputation repercussions. (…). That's the way it is, and every manager of reputation knows that" (B3P1).

It is however interesting to note that in spite of banks focussing management attention on only a few drivers, when asked to rate the importance of all CRDs (those listed by the researcher and those added by interviewees) on a 1–10 scale (where 10 means very important), interviewees assigned

high scores of between 7 and 10 to every one of the CRDs. With such high scoring on all drivers, it would appear (to the researcher at least) that picking one driver over any other for extra attention would not make much difference to CR. When asked to explain what determined the criticality of the 8 drivers that managers attended to daily, the interviewees gave short responses alluding to importance of a driver in relation to attaining business objectives. There was a general reluctance to explain further. For instance, interviewee B1P1 simply said "… the criticality [of a driver] is determined by materiality threshold tests that we conduct". Further probing on "materiality threshold tests" brought the following response:

> "You see, we are always running simulations, scenario tests to determine the reputational impact of a negative reputational event. We have complex models that our experts, our statisticians run all times to keep everyone informed. Unfortunately, that's all I can share with you about the materiality tests".

B1P2 responded in more-or-less the same manner stating the following as regards to materiality threshold tests:

> "That simply refers to simulations and scenario tests the bank carries to determine the reputational impact of a potential negative reputational event. The processes are privileged info".

A somewhat fuller explanation was given by B3P1, who stated that the criticality of a driver is determined:

> "… by the amount of influence a driver has on meeting bank objectives. Pick performance – financial performance. If we are doing well financially, we are more likely to able to expand, develop new products, hire more employees, or donate more to social causes".

What was, however striking was the non-inclusion of employee performance as a key driver of the banks' reputations by the majority of the interviewees. Only one interviewee (B2P2) had employees as one of the key drivers. The non-inclusion of employees is rather surprising, considering that employees are the primary interface between the organisation and its stakeholders (Cravens &

Olivier, 2006) and contribute to the formation of corporate reputations through their interactions with other stakeholders (Helm, 2007). Employees are an organisation's corporate ambassadors and their every interaction with stakeholders has the potential to affect corporate reputation. As the window through which most stakeholders perceive the character of an organisation, employees form the first step in the sequence of managing corporate reputation. Their omission from the top 8 CRDs is therefore surprising, especially considering that the banks spend a lot of resources providing CR and CRM training to employees. A discussion on the importance of training is in Section 5.5.1.1 below.

Even more interesting was the fact that all interviewees had leadership/management as a key driver of CR. One is left to wonder whether the omission could have been due to informant bias. All interviewees were managers after all.

According to B2P2, employees and employee relations are key drivers of CR deserving special attention. They said:

> "… staff relations … [and] having healthy relationships amongst co-employees makes for a happy workplace. It's important to be happy at work. Happiness in employees permeates into all aspect of their work. (…). The resultant social interactions are good for the bank's CR. (…) working harmoniously is important for our CR. You see, an organisation is a cohesive unit with various parts and many people. So, it's important that people uh employees get along with each other. Employees must not have nightmares about coming to work and meeting with fellow employees. NO. It shouldn't be the case (…) and it's up to management … to build or destroy teams. Without teams there is no teamwork and with no teamwork there is no reputation. Of course, you can have a reputation of being a dysfunctional organisation. It's still a reputation. But who likes such [a reputation]? As a bank, we are a team. Every employee is a valued member of our team".

Minor inconsistences with regards to strategically important CRDs were noted when the researcher triangulated between responses of B2P1 and B2P2 as well as between interview responses of B3P1 and their bank's (B3) 2020 annual report. B2P1 stated that they tracked on daily bases 8 CRDs (products and services quality, corporate culture, relationship with key stakeholders, regulatory

compliance, performance, transparency, proactive leadership, social responsibility) while B2P2 appeared to have misgivings about the whole listing stating instead that their bank's CR is based on their values. As for B3P1, they allude to the 8 CRDs but their 2020 annual report only mentions 5 (service excellence, employee engagement, behaviour and conduct, financial performance, and CSR). Interestingly the report includes employee engagement, a driver omitted by B3P1. There was no mention of leadership/management integrity, regulatory compliance, and transparency as critical drivers of the bank's CR. These aspects are however discussed in other sections of the report that are unrelated to CR and CRM.

The researcher would have liked to get clarification from interviewees to help reconcile the minor inconsistences but the nature of the interviewees' work/positions in the banks meant that multiple opportunities to access these officials were not available.

5.3.4 Contextualizing the findings with literature

To the best of our knowledge, only one South African study by Tlou & Govender (2015) looked at CRDs for local banks. The study used media data to ascertain CRDs for some of the country's top banks. They did not talk to the banks themselves. According to these authors, CRs of South African banks are driven by vision, leadership, emotional appeal, workplace, social responsibility, financial performance and products and service. Only four of the CRDs they identified are considered to be strategically important by participants in the present study who are all managers tasked with managing the CRs of their banks.

The other recent study found specifically focussing on ascertaining CRDs for banks is by Albassami & Mansour (2018). That study set to adapt and validate the Corporate Reputation Scale for application in the Saudi Arabian banking industry. The study identified 5 critical CRDs. These are customer orientation, good employer, reliable and financially strong, product and service quality, and CSR. Equating customer orientation (as per underlying aspects highlighted by the 2 authors) to employee engagement and good employer to leadership/management integrity, the researcher concludes that the CRDs in the Saudi study are in line with the CRDs identified in this study. The main difference being the number of drivers in the 2 studies. We can speculate and conclude that

the difference in the number of CRDs stems from the fact that the Saudi study intended to come up with drivers compliant with the Sharia Law. It should therefore be accepted that differences in defining the importance of CRDs are present given the differing legal contexts in the two countries.

While the researcher points out that no study was found looking at strategically important CRDs for South African banks, a number of studies (Buckley & Nixon, 2009; Gabbioneta et al. 2007; Stansfield, 2006; Walter, 2010; Watson, 2010) are however found in literature looking at influences of some individual CRDs on specific aspects of bank performances. Such literature confirms the empirical data on critical CRDs gathered in this study and vice versa. The present study therefore broke new ground in being the first to identify strategically important CRDs for South African banks based on evidence from people whose tasks are to manage bank reputations.

5.4 How does a bank to measure its corporate reputation?

Literature tells us that measuring an organisation's CR is not a mean feat. As an intangible asset, its imprecise nature, makes it very difficult to quantify. There are few guidelines for measuring CR and certainly no universal approach for measuring it exists. Models and tools such as benchmarks, league tables, reputation quotients, case studies, and psychometric measurements have emerged in scholarly literature. A few of the most common measures were discussed in Section 2.6. There also has been a proliferation of commercial organisations presenting themselves as experts in CR measuring and management. Their 'expert services' have however been questioned by some of the participants in this study. For instance, B1P1 holds the view that "many [of the] firms claim to be able to help [with CR measurement and CRM]. But that is mostly [a] marketing stance with no bearing on reality. Unfortunately, many businesses have found this the hard way". Literature also questions competences of many such firms opining that the services offered are mostly public relations (see Section 2.6). It is not unreasonable for one to surmise that organisations are left on their own to figure out how to measure the CRs. That is exactly what local banks have done.

Having convinced ourselves that South African banks have good CRM processes worth studying, asking RQ2 "How does a bank measure its CR?" was therefore deemed important. Analyzing

interviewee responses to the question and its subordinate questions led to the development of the theme and sub-themes listed in the table below.

Table 9: Saturation matrix for RQ2

RQ2	How does a bank to measure its corporate reputation?									
Theme	Sub-Themes	Saturation					Unit of Observation		Unit of analysis	
		B1P1	B1P2	B2P1	B2P2	B3P1	Total	%	Total	%
No 'one measure fits all' tool	Develop own tools	X	X	X	X	X	5	100	3	100
	Measuring not an exact science	X	X	X	X	X	5	100	3	100
	Reliance on internal and external expertise	X	X	X	X	X	5	100	3	100
	Tools are stakeholder specific	X	X	X	X	X	5	100	3	100
	Monitor CR continuously	X	X	X	X	X	5	100	3	100

5.4.1 There is no 'one measure fits all' CR measuring tool

Banks employ a variety of techniques to measure their CRs. Quantitative and qualitative measures are performed depending on whose sentiment banks are after. These measures aim to deliver strategic insights that enable banks to tackle current and future reputational challenges. Interview data and bank reports indicate that banks measure their CRs by way of stakeholder surveys, media analysis, online sentiment analysis, and interviews with hard-to-reach professional people such as government representatives, industry regulators, institutional investors, community leaders and other key opinion leaders. Neither interviewees nor bank reports however offered specifics with regards to what is entailed in these measurements. Only general statements were given as the following quotes show.

> "We conduct stakeholder surveys, we track social media and other internet metrics, check employee satisfaction levels, tone of media coverage, financial performance, employee attrition and many other things. Measuring CR can be a daunting task. But this a task we

undertake with the zeal. Ongoing research is critical to the bank's reputation management" (B1P1).

"We perform continuous stakeholder sentiment analysis by surveying the general public quarterly, employees annually, clients annually and opinion leader annually as well. A full media landscape analysis on daily basis. Print, electronic, broadcast and what not" (B2P2).

"We measure our corporate reputation using a series of quantitative and qualitative indicators which are aligned to key sources of reputational risks. The indicators are monitored on monthly bases via the bank's CRM framework and reporting structures. We are constantly scanning the business and social environment to keep abreast of stakeholder sentiments. We ask our stakeholders for their opinions. We monitor the bank's coverage in the media. All forms. All forms of media. That provides early warning signs on concerns and levels of satisfaction of our stakeholders" (B3P1).

Banks experiences with CR measuring highlight a number of key aspects. Effectively measuring CR can deliver concise and actionable stakeholder views on what drives an organisation's reputation. Statistical analyses of data generated then guide the design of actionable strategies that can allow organisations to proactively manage their CRs. Additionally, reputation measurement analytics should allow management to focus attention on where resources should be allocated and on how existing systems and processes should be refined to enhance stakeholder relationships more effectively. Ideally, measuring an organisation's reputation should not be done in a silo just as the management of CR cannot be confined to one department.

5.4.1.1 Develop own CR measuring tools

There is no lack of CR measuring tools and concepts in the literature (see Section 2.6). The measures are even more when the numerous media, as well as consultant indices, are considered. However, we note banks' general reluctance to use tools developed by outside entities. At worst, such tools are dismissed outright as being of limited use. Commenting on some measuring tools, B3P1 says "the usefulness [of the tools] outside the academic world in my opinion is questionable.

(…). These [measures/tools] are not designed for my customers, my investors, or my regulators" (B2P1). B3P1 has a similar take and states "my personal take is that many of your tools are sound theoretically and I'm sure they are useful in academic exercises". From these quotes, the insinuation that external measures/tools are of limited use to banks is hard to miss.

Time and time again, interviewees indicated that their banks mostly used internally developed CR measuring tools. Despite the preference for banks' own tools, what emerged early on in the interviews is the fact that measuring CR is fraught with difficulties. The following quotes attest to CR measuring challenges.

> "… there are a number of challenges one encounters when measuring reputation. For starters, it is not an exact science. There are hits and misses. Right! And then there is the issue of measuring attitudes or should I say measuring perceptions. You can't ask people direct questions about their perceptions of the banks, can you?" (B1P1).
>
> "Well, the are many challenges. The key one in my opinion is the concept itself: corporate reputation. What is it? Is it an asset? A set of relationships? Or mere perceptions? We manage it [CR is managed as an asset] but … the challenge is placing a value on the reputational asset. It is exceedingly difficult" (B2P1).
>
> "Measuring perceptions is always going to be difficult. There is no way of doing it directly. So, the measure of the bank's CR is as good as the aspects used to approximate perceptions" (B1P2).
>
> "There are many challenges, that's for sure. By its very nature, CR does not lend itself to easy measurement, it defies easy quantification. How do you measure reputation? There are no standard measures out there. Isn't that surprising considering that CR is the most important asset possessed by any business. Its value only becomes clear after you've lost it" (B3P1).

Difficulties notwithstanding, banks have developed tools and systems for measuring CR. They have invested and continue investing in the improvement of these system. We have no doubt that the

systems are working efficiently for them. This ~~we~~ can tell from B1P2 who declares, “our CRM processes function like a charm, like a well-oiled machine”. Perfection in any system happens incrementally with repeated use. We see banks doing this with their CR measuring tools.

5.4.1.2 Measuring CR is not an exact science

Interviewees were unanimous in having the view that measuring CR is not an exact science and that there exist no universal CR measuring tools/methods. There are no ‘plug and play’ sort of measures that an organisation can acquire from somewhere. Thus, it is “important to have a system that you keep improving on. [But note that] putting in place a viable CR measuring system is a long game. It needs patience and unwavering commitment from all within an organisation” (B3P1). A sobering view in respect of CR measuring challenges is given by B2P2 who says, “we always have and will always have challenges in measuring corporate reputation until someone designs a machine or something that will be able to predict in advance the changing of [stakeholders’] perceptions”. This view ties in with B1P1 who says:

> “What’s more crazy about measuring CR is the need to continuously keep on adjusting or amending any tools you develop. You see, the moment you feel you now have a perfect tool, perceptions change, and you have to go all over again with tool perfecting exercise”.

With measuring CR presenting itself as a ‘wicked problem’, responses of interviewees converged on the idea that organisations need to have CR measuring tools they could trust. While the majority view favours internally developed tools, interviewee B2P2 feels that “… the question is not so much about whether [measuring] tools are developed internally or not. That doesn’t matter. What’s important is that you have a system, a framework that you feel comfortable with to measure organisational reputation”. Still a strong preference for internally developed CR measuring tools is observed as underlined in the following quotes.

> “…we largely use our own in-house developed tools but the possibility of using proprietary and other tools cannot be denied. (...). The key feature is that they [measuring tools] are fit for purpose, they help in the identification of reputation opportunities and threats that the

bank should keep track of. And fitness of purpose is mostly found in internally developed tools" (B3P1).

"… the majority [external tools] do not adequately fit in with the bank's CR focus, nor our CR objectives and they don't even fit with our current work practices. I don't think it's us only, it's all banks, I mean it's the whole industry. I may be exaggerating here but I'm sure all firms encounter problems of misfit between what they want and what the [external] tools offer" (B1P1).

"The bank has its own measuring tools, developed internally. The beauty of in-house tools is their ease of use and their stakeholder specific nature" (B3P1).

Since the emergence of CR as a construct of interest in business literature, scholars and practitioners have been working on developing tools and models for measuring CR. That work is still on-going and is challenging due to the need to develop techniques that also capture the emotive nature of stakeholder perceptions. Capturing emotive aspects of stakeholder perceptions is more of an art that is informed by personal judgements and experience of managers. Through a number of training programmes banks appear to have managed to foster the requisite skills in their CR managers.

5.4.1.3 Reliance on internal and external expertise

Banks rely on internal and external expertise in developing their CR measuring tools. By so doing, they keep growing their own expertise while at the same time benefiting from any new ideas on CR measures that might be circulating outside of the banks. The following quote sheds light on interviewees' general sentiments regarding CR measuring and CRM instruments emanating from academic centres.

"You need to know that there is an incredibly wide range of theoretical approaches to CR measurement that are emerging in the international academic sphere, and ~~we~~ take note of them. We view each approach as having its own frames of reference, view of the organisation and its competitive environment, set of assumptions, and explanations for organisation-level strategic CRM dynamics. However, in practice, things are not so clear-cut. We believe there

is no one best theory or approach to measuring an organisation's reputation. There is no single or should I say a perfect metric for gauging an organisation's reputation as perceived by all stakeholders. As such, ~~we~~ use a wide range of tools depending on what ~~we~~ want to achieve as well as the stakeholders involved although ~~we~~ mostly inclined to use our internally developed measures" (B1P2).

Again, a subtle dig at academics can be noticed in B1P2's comment regarding CR measuring tools emerging in academia. They state that "… in practice, things are not so clear-cut" [as theory implies]. The insinuation ~~we~~ pick may portray a disconnect between tools produced by academics and the requirements of practitioners. A more dismissive attitude is noted when B3P1 says: "We do not necessarily rely on tools that you guys from institutions of higher learning are always coming up with". Interestingly enough, B3 is currently (in 2022) "working in collaboration with 2 local business schools on all matters management, and CRM is a MAJOR focus" (B3P1). With no recourse to second interviews to tie up loose ends, the researcher is left puzzling at apparent discrepancy in the interviewee's view that appears to dismiss tools produced by academics while at the same time relying on same academics for higher level training on 'all matters management and CRM'.

5.4.1.4 CR tools are stakeholder specific

From the banks' standpoints, the key attractions of internally developed tools are that they are specific and easy to use since they "… provide clear guidance on how to derive support from stakeholders" (B1P1). And considering the large number of key stakeholder groups that banks have, as well as the unique needs of each stakeholder group, the importance of having a specific CR measuring instrument becomes paramount. As a result, banks lean towards having their own in-house tools as the following quotes indicate:

> "So mostly ~~we~~ use tools designed internally to measure our reputation from specific stakeholders. The tools look at the who, the what and the how of measuring the bank's corporate reputation. Our tools are purpose specific and stakeholder specific as well. (…). The beauty of in-house tools is their ease of use …" (B2P1).

> “Our in-house tools are stakeholder specific. I’m 100% certain that’s what you have already gathered. Well, the tools have some commonalities, especially on the focus. But they are sufficiently focussed on particular stakeholders. So, they are stakeholder specific” (B2P2).

The attractions of internally developed tools are easy to see. A bank gets total control over the development processes and features of the tools. They determine that the capabilities of the tools meet their exact needs, and also competitors do not have exactly the same tools. The quality of the tools could thus give a bank the upper hand in reputation management. One dissenting opinion is noted despite the seemingly obvious benefits of internally developed CR measuring instruments. According to B2P2, it does not matter whether one uses an internally developed or externally sourced tool. They believe it is more important to have a system/tool that generates the information needed.

> “You see, the question is not so much about whether tools are developed internally or not. That doesn’t matter. What’s important is that you have a system, a framework that you feel comfortable with to measure organisational reputation” (B2P2).

A somewhat feeling was also expressed by B1P2 stating that:

> “… at the end of the day, it’s not about the measuring tool, you know. It’s never about the tool itself. It is about how you interpret results, how you use the information gathered to propel your CR forward. So, if the tools collect the information that enables you to take your corporate reputation to the next level, by all means go for it’’.

The majority of responses however point to the preference for in-house tools. Misgivings in using externally developed CR measuring tools can be noted in the following quotes:

> “Please don’t get me wrong. I am not dismissing the many measures that are available commercially. They may be good enough, but they will not be perfect for your needs. Remember I said you need to know the exact information you want. A good enough measure will give good enough information and not perfect information. With good enough information you end up with a good enough reputation. The question then is: is that reputation good

enough? Certainly, for us as a bank it is not. So as much as practically possible, ~~we~~ measure our reputation with tools ~~we~~ have designed, and ~~we~~ keep on improving on these" (B1P1).

"… I need to say that it is very important to have these [externally developed] tools adapted to suit each firms' specific needs. Failure to properly modify the tools will result in sub-optimal results" (B3P1).

B1P1 and B3P1 were kind enough to allow us to have a look at the banks' training manuals which had information on internally developed tools. The tools are functional area/stakeholder specific, and their applications are extensively covered in the manuals. We are however unable to delve deeper into the said tools in line with conditions agreed with the banks. In fact, B1P1 reminded us of the confidentiality pledge as indicated in the following quote:

"I have some CR focussed training material that you can look at - that you can take along. But remember the (the) what you call it? Confidentiality".

5.4.1.5 Monitor CR continuously

The need to monitor CR continuously was another sub-theme that emerged from the data analysis. A rigorous CR monitoring system is a prerequisite for collecting early warning signals of potential risks to CR. According to bank reports, such monitoring includes daily monitoring of media for reports covering the banks or some specific banking matters. It also involves keeping track of industry, market, political, regulatory, or social developments that may have implications for banks CRs. While much of this kind of monitoring may already be a part of everyday bank operations, giving it particular emphasis is in line with CRM objectives of the banks. The value of monitoring is increased when employees are fully aware of the reputational threats to watch out for and the channels for passing the information. Monitoring CR is seriously considered by banks to the extent that "everyone connected with the bank[s] is strongly encouraged and expected to speak up when they see something that might cause harm to [a] bank's reputation" (B1P1).

For all the banks, monitoring CR is a never-ending undertaking performed mostly by the banks themselves. Media monitoring is a particularly important component of the banks' CR monitoring processes as shown in the following quotes:

> "The media is also an important part of the mix. We monitor what is being said about us 24/7. That's important- gives the pulse of the bank's CR. Insights gleaned from media monitoring are essential for effective CRM" (B2P2).

> "We need to understand and be on top of the story the media are telling about the bank and the industry at large. The tone carried by the media whether positive, neutral, or negative informs an evaluation that reflects the level of alignment between media representation of the bank and the corporate story that we set as a goal for the bank" (B1P2).

> "We are constantly scanning the business and social environment to keep abreast of stakeholder sentiments. (…). We monitor the bank's coverage in the media. All forms. All forms of media. That provides early warning signs on concerns and levels of satisfaction of our stakeholders" (B2P1).

> "A full media landscape analysis [is performed] on daily basis. Print, electronic, broadcast and what not. Constantly monitoring the kind of narrative with traction in the media gives us a glimpse of prevailing stakeholder sentiments" (B1P2).

Media monitoring is a simple way of gathering market intelligence. It allows the banks to keep track of each other's reputation manoeuvrings and benchmark what others within the industry are doing to improve their CR. As the banks themselves say, monitoring the media provides them with early warning allowing for ample time to plan and/or adapt their CRM strategies. In fact, media monitoring gets more significance especially with new technologies allowing disparaging or false information to spread quickly on social media platforms. Because such information is very difficult to correct once it has gone viral. Firms are thus forced to monitor more sources of potential risks to their CRs.

5.4.2 Contextualizing the findings with literature and practice

That measuring CR is a challenging endeavour is well established in literature. The sheer number of tools/ instruments/measuring techniques available in literature attest to the challenges. In spite of some measuring instruments having been validated for efficacy in a number of countries, challenges still persist. Even considering that there are many commercially developed tools (Rep Trak Pulse; Reputation Quotient, the SPIRIT model, Tracking Merco, the African Reputation Index) as well as many businesses offering CR measuring services, reputation measuring still remains a challenge. The challenges extend to local banks even though ~~we~~ believe they have viable CR measuring systems. The banks themselves allude to difficulties in measuring CR. However, a key take-away is that banks have managed to develop systems that are working for them. We thus believe that other organisations should learn from experiences of banks. Sound words of advice are given by B3P1 who says:

> "There is a general perception, a general feeling out there that CR is a difficult concept to measure and therefore its measurement is not done or is done ad hoc. From experience, I would say that is only true at the initial stages of implementing a reputation measuring system. Like any other new process, there are bound to be teething problems. But that's no reason to throw out the baby with the bath water. Measuring systems improve incrementally with use. What is important is to have a system that you keep improving on. Putting in place a viable corporate reputation measuring system is a long game. It needs patience and unwavering commitment from all within an organisation".

We can only whole-heartedly agree with these sound words of advice and say that measuring CR is an indispensable part of a robust CRM system. As Peter Drucker would put it, you cannot manage what you cannot measure.

5.5 Where is responsibility for CRM located within banks?

That CRM is a challenge is widely acknowledged and many firms do not manage their CRs (Cole & Fleming, 2020; Griffin, 2015; Casado et al. 2014). In those firms where CR is managed, it is not clear

as to who is responsible for the day-to-day management of CR. Departments including public relations, marketing, brand management and risk management, are all seen engaged in some aspects of CRM. Fragmentation of CRM activities is however likely to invite problems especially in complex organisations like banks with their many sub-systems and departments. In fact, "… if reputation is managed in silos, departmental processes intended to improve on one dimension of CR may adversely affect some other dimension in another functional area with the net result being an overall fall in the reputation…" (B3P1). In light of potential problems from managing CR in silos, raising RQ3 is thus crucial in answering the overall research question. A systematic analysis of interviewees' responses to RQ3 led to the development of the following theme and sub-themes.

Table 10: Saturation matrix for RQ3

RQ3	Where is responsibility for CRM located within banks?									
Theme	Sub-Themes	Saturation					Unit of Observation		Unit of analysis	
		B1P1	B1P2	B2P1	B2P2	B3P1	Total	%	Total	%
CRM processes centrally coordinated	Everyone involved	X	X	X	X	X	5	100	3	100
	You manage your own CR	X		X	X	X	4	80	3	100
	CRM priority for the Boards	X		X		X	3	60	3	100
	A robust CRM system takes time	X	X	X		X	4	80	3	100
	Managed or not, you have a reputation					X	1	20	1	33,3

5.5.1 CRM processes centrally coordinated

An organisation's CR cuts across such a broad range of organisational activities to the extent that it is not feasible to allocate specific responsibility for managing CR to individual functional areas. Managing CR requires that many business processes and functional areas work in tandem. Because CR can be affected by essentially any activity performed by any functional area within an organisation, CRM activities of different functional areas need to be coordinated. CRM activities of such departments: corporate communications, public relations, marketing, investor relations, HRM and others need to be consistent with each other to avoid sending out conflicting signals to

stakeholders. Recognizing this important fact, local banks have a single department coordinating and overseeing the reputation management activities of all other departs. The department is variously named, and its functions are wide ranging encompassing CR and CRM strategy formulation, designing CR and CRM training and learning materials, providing guidance on CR and CRM to departments, coordinating the management of industry reputation with other banks, and many others. Asked the question: "which departments have the responsibility for managing the bank's CR?", the interviewees responded as follows:

> "So, the bank has a centralized CRM system in the sense that CRM processes of other departments are okayed by us [interviewee's department]. AND WE MONITOR THESE PROCESSES. In this way, senior management is in a position to monitor CR and CR risks within and across the many business functions. Centralization allows material issues to be detected early and be acted on and, if necessary be brought to the attention of the Board for appropriate action" (B1P1).

> "…we have a department dedicated to reputation management. That is my department. As you know it's headed by my boss, and he reports to the CEO. As a department, we are more or less responsible for coordinating reputation management activities of the bank. (…). But as I have said, we coordinate, oversee if you like the CRM processes of all other functional units" (B2P2).

> "Well CRM cut across such a broad area of the bank's activities that it is difficult to confine the responsibility for work on enhancing reputation to a single functional area. The management of reputation is the responsibility of every employee of the bank [and every department]. (…). Day to day reputation management activities are assigned to all stakeholder facing departments. (…). Activities of the other departments are coordinated and monitored by my department. We provide departments with the expertise they need to adequately meet their CRM obligations" (B3P1).

Going through the annual reports, CRM training manuals and other corporate reports of the banks, the full spectrum of activities performed by this department (Corporate Reputation and External

Relations in B1, Corporate Reputation, Legal and Regulatory Compliance in B2, and Corporate Reputation and Risk Management in B3) is revealed even more. The reports just mentioned state that coordination of the bank's CRM activities is a centralised function. For instance, B1's CRM training guide states that "the Corporate Reputation and External Relations department provides oversight and independent constructive challenge regarding the effectiveness of CRM processes and activities taken by departments and business units". It goes on to say that the department gives proactive advice and guidance, reviews and reports on the bank's CR, CRM systems and processes, and ensures that mitigating actions for reputational threats are appropriate. The department plays a crucial role in "promoting the implementation of a strategic approach to CRM throughout the bank". Some other specific functions of the departments include:

: - Overseeing the embedding of effective CRM processes in all functional areas.

: - Provision of transparent and focused CR monitoring and reporting.

: - Provision of professional and high-quality reputational advice and guidance to the Board, executives, and management

: - Provision of expert advice on strategic CR issues and horizon scanning for pending regulatory changes that might have a bearing on the bank's CR and CRM processes.

: - Provision of advice, development, and standardization of methodologies, understanding, education, and training on CR measurement and CRM.

: - Development of new CRM tools, processes, and systems.

Coordinating CRM activities of functional areas ensures that reputational issues presenting as opportunities or threats to the ability of a bank to achieve broader goals, are given high-level attention. The respective departments are given access to the higher offices and are supported at CEO and Board levels. To ensure that relevant reputational insights and information are regularly shared, these department have "open invitations to various departmental meetings and risk committees meetings" (B3P1). Reputational issues and their broader impact on overall business strategy are quickly identified during such interactions. This allows the banks to rethink and/or refine

their CRM processes. One interviewee expressed the following sentiment with regards to centralization of the coordination of CRM processes:

> "In this way, senior management is in a position to monitor CR and CR risks within and across the many business functions. Centralization allows material issues to be detected early and be acted on and, if necessary be brought to the attention of the Board for appropriate action" (B1P1).

It is through the actions of departments such as the Corporate Reputation and External Relations department in B1, Corporate Reputation, Legal and Regulatory Compliance department in B2, and Corporate Reputation and Risk Management department in B3 that CRM processes come to life. It has worked wonderfully for local banks and the results are there for all to see.

5.5.2 Everyone is involved in CRM

The pervasive nature of CR and an understanding that a bank's reputation is a sum of many 'moving parts' lead banks to see CRM as a task to be carried out by everyone internal to them. At every touchpoint between a bank and its stakeholders, CR is affected. The effect depends not only on the conduct of bank staff at the touchpoints but also on the support structures behind them. Thus, having everyone conscious of their contribution to CR is an important component in CRM. That CRM involves all bank members is brought out in the following quotes:

> ".. it's every employee's responsibility to manage the bank's reputation. Any employee's conduct, misconduct if you like, any misbehaviour, whether at work or in private can damage the bank's reputation. How many times have you seen or read about firms issuing disclaimers following cynical or unpalatable statements uttered by their employees in private? Managing reputation means believing in company's values and (…) is therefore everyone's business" (B2P1).

> "… all employees have to contribute to the management of the bank's reputation. The bank's reputation is built by everyone connected with it. We therefore spend enough resources

instilling an appropriate reputation awareness amongst all employees. That's a strategic necessity. I'm sure all banks recognize that" (B1P1).

"The management of reputation is the responsibility of every employee of the bank. From the CEO right to cleaners. It's all our responsibility. Behind the public faces of the bank's leaders that you see on TVs and newspapers are all the employees whose everyday conduct and communication play significant roles in the bank's reputation" (B3P1).

The role of employees in CR creation is well established in the literature (Cravens & Oliver, 2006; Gross, et al. 2022; Helm, 2010). Employees' reputation-building behaviours are critical for influencing an organisation's reputation, especially in the context of the services. Local banks recognize this important fact and spend large amounts on employee training. A deeper discussion on training follows on Section 5.6.1.2.

We conclude the discussion on the importance of people in managing CR by quoting B3P1 who says: "An organisation's reputation starts and stops with its people. Employees, managers, and all. Quality products or service, exemplary behaviour, compliance and all other important drivers of reputation are people dependent. People drive CR". For every business, having a good CR requires that its people: directors, managers, management team and its wider base of employees, be pro-active about reputation management. An organisation's HR practices are therefore seen to play important roles in CRM by instilling CR awareness through all stages of employee experiences: from orientation, onboarding, and further skills development all the way to retention or separation.

5.5.3 You manage your own reputation

Despite there being tons of books on CR and CRM, there are firms that still do not fully appreciate the importance of CR and many that do, only have fuzzy ideas of how they can manage it. The majority simply do not manage their CRs. Compounding the CRM challenges is the seemingly unending debate in academia about whether CR can actually be managed. Added to that, is the emergence of some firms offering what they term 'reputation management services' while in actual fact what they are offering could be more accurately termed public relations (Griffin, 2015).

Regardless of all this, local banks have found ways of overcoming CRM challenges and have come with processes that are working for them. Banks carry the conviction that CRM is an undertaking that an organisation does by itself as the following quotes show:

> "So, you will hear about this everywhere and you will read about it a lot. Getting a CRM system up and running is an extremely demanding undertaking. It is not a task that you go into half-heartedly. The challenges you encounter on the way will put you off. You have to go all in or don't even bother. And by the way, no one and I repeat no one can manage your reputation for you. Managing your reputation is a task you do by yourself as a business as a firm" (B1P1).

> "… and no one will do [manage CR] this on your behalf. Not even the so-called reputation management firms out there. And there are no short-cuts. A robust CRM system is built gradually, and bumps will be met on the way" (B2P1).

> "But remember I told you that ~~we~~ sparingly use external parties for our CRM activities. The whole spectrum of CRM is something ~~we~~ feel more comfortable doing ourselves. We don't believe anyone can manage our reputation better than us. Not a chance" (B3P1).

5.5.4 CRM a priority for the Board

The point that CRM is a Board priority is frequently referred to in interview responses. Interviewees variously referred to the Boards assigning accountability for CR to the CEOs, having Board committees oversight on CRM activities as well as receiving CR and CRM reports directly. The seriousness that Boards accord CRM is seen in that in all the banks, the CRM strategy is integrated into the overall business strategies. The following responses highlight the point:

> "… CRM is a strategic management function, and it is treated as that at Board level. The CRM strategy is closely linked with the business strategy and aligned with the strategies for the management of other business activities" (B3P1).

"Yes, it [CRM strategy] is integrated into the overall strategy. With integration, it easier for data on the bank's reputation to flow between departments and business units. As a result, decision makers have a single view of where our reputation is, what actions are being taken to protect and promote the bank's CR. Keeping track of all reputation related matters and actions being taken throughout the bank is simplified by this integration" (B1P1).

"Yes, it is [integrated into overall strategy]. It has to be for any business. With a major chunk of a business' valuation being made up of intangible things, intangible assets, and CR being THE major component of such assets, not integrating CRM strategy into the business strategy will be plain unwise. In fact, the move towards reporting on non-financial indicators of performance makes it absolutely necessary that CRM is integrated into a business' overall strategy. That's how it is for us" (B2P2).

"Our CRM strategy is integrated with the overall business strategy. Integrating the CRM strategy allows policies, processes, systems, control measures and data to seamlessly flow to, from, or between various departments of the bank. This allows complete and accurate data giving a complete picture of the bank's CR to be readily available" (B2P1).

As indicated above, the researcher finds within the banks Board committees providing oversight on CRM activities. Quotes from interviewees highlight this:

"We have a corporate reputation and reputation risk management committee composed of heads of those functional areas directly interacting with stakeholders. The committee is chaired by a board member and meets twice a year to among other things review the bank's CRM strategic plan, consider internal and external reputation audits and measures of reputational capital" (B1P1).

"We have at the Board level a Corporate Reputation and Reputational Risk Committee which has primary oversight responsibility for the bank's reputation. At the same time, all of the Board's committees have corporate reputation oversight responsibilities related to their

primary oversight responsibilities. They receive reports from management that assist them in monitoring how effectively the bank is managing its corporate reputation" (B2P1).

"At the Board level various committees have oversight responsibilities centred on the bank's CR …" (B3P1).

Placing CRM as a Board priority has been critical in bringing management of CR 'out of the shadows' ensuring adequate funding for CRM activities even though returns to CR are not easily quantifiable. With reputational concerns guiding organisational behaviour, from Board level down to the floor level, local banks are showing the way as to how effective CRM processes can be operationalized.

5.5.5 A robust CRM system takes time to put in place

Putting in place an effective CRM system takes time and many other resources. Human resources may need sourcing both from within or outside of the organisation, existing operations may need to be looked at and/or realigned with the organisation's CR orientation, the organisation's strategic architecture may need refocussing, and procedures, processes, tools, and instruments for CRM (see Section 555) may need to be developed from a very low base. The researcher repeats here the words of B1P1 who says that getting a CRM system up and running is an extremely demanding undertaking that cannot be done half-heartedly. B1P1 further adds that in building such a system, bumps will be encountered on the way but that is no cause to give up. The way might have been bumpier for the banks considering that they had what seemed to be a preference of developing their own CRM systems in their own ways because of misgivings regarding CRM systems originating outside of banks. The followings quotes seem to indicate the misgivings:

"From reading books on reputation management and academic articles, one is left with a feeling that CRM … can I continue using that? Wonderful. One is left with a feeling that CRM is about manipulating well that might be a strong word. I rephrase. You are left with a feeling that CRM is about changing perceptions. Sounds much better. (…) For us and I believe for any organisation serious about its reputation, CRM is more than that. Way more. Our CRM activities aim to address reality (…) ours as well as our stakeholders'" (B3P1).

> "We view each approach as having its own frames of reference, its own view of the organisation and its competitive environment, its own set of assumptions, and explanations for organisation-level strategic CRM dynamics. However, in practice, things are not so clear-cut" (B1P2).

> "There are sentiments out there especially in academic circles that CRM is about winning hearts and minds of stakeholders. Actually, it is much much more than simply winning the hearts and minds of stakeholders" (B1P1).

Bank managers may not necessarily or deliberately rely on 'academic theory' in identifying, developing, or implementing CRM strategies for their banks. They may believe that "theories are useful for academic exercises only" (B3P1). It is not clear nor is it within the scope of this study to ascertain whether the managers' scepticisms only centre on CRM or apply to other management functions. Be that as it may, local banks have managed to come up with CRM systems that are working for them. The researcher therefore retains the conviction that there is a lot that other organisations can learn from the banks' experiences. However, we and others interested in CR and its management are warned to curtail our expectations regarding lessons that might be learnt from the banks' experiences. B2P2 warns:

> "Only a few words of advice to all concerned with CR and CRM including yourself. You have a vested interest. That's why you are here talking to me. What I would like to say is reputation management requires an openness of the mind, an ability or an acceptance or realization that some western systems may not be appropriate for local conditions. After all CRM is not rocket science or physics. A system that applies and work in one context may be completely useless in a different context. What I'm driving at is this, you are going to come up with some findings of what is happening in our industry. What we are doing as banks that is working for our reputations. This naturally raises the question: will the systems being used by banks work in other industries? Ourselves as a bank we have looked and keep looking at our context, our operating environment. We then design our CRM systems with an eye on what our key stakeholders expect of us given the context or the environment they are in. What is important

to them as stakeholders in the country's banking industry. So, I would say our CRM processes are tailored for the banking industry. Not sure they will apply in another industry, in a different setting. I think every firm must seriously look at its surrounding. That's the only way you will come up with a solid CRM system" (B2P2).

The warning is quite sobering. It reinforces the idea that CRM is a challenging undertaking. Still the banks' experiences have lessons that can be learnt by others. For instance, organisations are advised that the efficacy of CRM systems they develop increases with use. Adjustments and refinements are to be made throughout the process and "you learn what works as you go" (B2P2). In doing so, familiarity with systems develop. However, B2P2 gives further caution saying that the "development of reputation management systems is not one of those things you do once and forget. It is not static. It's a continuous cycle. When you think you have finished you start again". These are sound words of advice in our opinion.

5.5.6 Managed or not, you have a reputation

According to B1P1, "… you [an organisation or a person] have the reputation you deserve" and it is there whether it is managed or not. They go on to ask whether "… you have the reputation you want?" Now considering CR is estimated to be worth anywhere between 40% to 75% of the market capitalization (Cole & Fleming, 2019), it is a dereliction of duty (Diermeier, 2011) not to manage it. But if the management of reputation was a simple task, every entity would have been doing it and CRM would have been seen as a business norm. In such a case, maybe CR would not have carried as much value as it does. In the present, there is no alternative than to find ways of putting in place CRM processes that work of each organisation. For better or for worse, an organisation's CR has a big impact on market value thus it must be managed. South African banks have found ways of managing CR.

5.5.7 Contextualizing the findings with literature

The lack of a single officer or department taking overall responsibility for CRM is well covered in the literature. The literature study (see Section 2.9.1) revealed that even within organisations that take

CRM seriously, it is unusual to find a single department that is directly responsible for managing CR. For that reason, Shamma (2012) calls on organisations to hire managers who would take overall responsibility for CR management. He proposes that such managers be given the title Corporate Reputation Manager. Despite the call by Shamma, the question "who takes responsibility for managing reputation?" (B2P1) is still being asked and we still find responsibility for managing reputation spread across a number of functional areas: public relations, marketing, investor relations, corporate communication, or institutional relations. Managing CR in silos is however bound to create challenges if the various departments end up 'stepping on each other's toes'. Consequently, B2P1 advises that, "addressing this seemingly innocuous issue takes care of many CRM problems that befell businesses". Likewise, B1P2 gives the following recommendation:

> "… CRM strategy must be owned. Someone, some department must spearhead reputation management. A focal point is required to check on reputation bearing activities of all else. You see, sometime ago before my department was formalized as it is now, there used to be tensions between departments with regards to who needed to do what in terms of managing the bank's CR. PR, internal communications, marketing all were involved. It created unnecessary friction".

What the researcher sees in the SABI is the existence of single departments having overall responsibility for CRM. These departments are headed by senior managers who report to the CEOs, the Boards or to Board committees overseeing CR. These departments/managers however do not claim sole responsibility for managing CR but rather state their roles aim to:

> "… coordinate and oversee reputation building and maintenance activities of all other departments" (B1P2).

> "As a department, ~~we~~ are more or less responsible for coordinating reputation management activities of the bank [because] CR building or protection is not a role that can be left to a single person or department" (B2P2).

> “Activities of the other departments are coordinated and monitored by my department [and] we provide departments with the expertise they need to adequately meet their CRM obligations” (B3P1).

Coordinate, oversee and monitor, are words used by interviewees to describe their roles in relation to CR management within their banks. They state, and they are backed by bank reports, that CRM is the responsibility of every employee. We do not dispute these contentions. However, our view (which may be biased) is that the buck stops with these bank officials and their departments when it comes to building and protecting bank reputations. They are responsible for defining CRM strategies (B1P1; B3P1), designing CRM policies, codes of conduct, guidelines, and procedures (B2P1), coordinating the implementation and monitoring of CRM processes (B1P2; B2P2; B3P1), and their departments “have employees whose duties are exclusively reputation centred” (B2P2). The interviewees may not define these activities as reputation management, but from where ~~we~~ stand, these activities are the crux of CRM and the fact that they are performed by one department means that CRM activities of banks are centralized. Literature calls for this centralization.

5.6 RQ4: How does a bank ensure consistent translation of CRM processes?

Translation involves selecting an idea, removing it from one setting, and placing it in another. By its very nature, the process of translation involves subjecting the selected idea to context-specific modifications. In raising RQ4, ~~we~~ wanted to understand how the centrally designed CRM processes are being brought to life in the different contexts/locations that banks operate in. In particular ~~we~~ wanted to find out if standard rules/procedures governed the application of CRM processes throughout the banks’ areas of operations.

Going through responses to RQ4, the following theme and sub-themes emerged:

Table 11: Saturation matrix for RQ4

RQ4	How does a bank ensure consistent translation of CRM processes?									
Theme	Sub-Themes	Saturation					Unit of Observation		Unit of analysis	
		B1P1	B1P2	B2P1	B2P2	B3P1	Total	%	Total	%
CRM processes allow for flexibility	CRM processes are context dependent	X		X	X	X	4	80	3	100
	CRM centred training important	X	X	X	X	X	5	100	3	100
	Mgmt of CR not clear-cut	X		X		X	6	60	3	100

5.6.1 CRM processes allow for flexibility

Our analyses of interviews and documentary evidence reveal that CRM processes are framed considering the fact that adjustments to these processes may be called for. In implementing CRM plans/processes, managers are given room to adjust the processes if such actions lead to better outcomes. The following quotes illustrate this point:

> "… managers have enough latitude in implementing the bank's CRM plans. But whatever changes they make have to be line with the spirit of the bank's overall CRM plan. So, when a process, a system is formalized in writing, it may seem that it has to be followed to the tee. However, system and procedures are in actual fact flexible enough to allow for reasonable adjustments that make implementation smoother. The training and expertise our people have allows them to discern when a process might need to be adjusted. Managers do have that discretion" (B1P1).

> "… within the confinements of the banks overall CRM strategy, managers have room to wiggle, they may twist here and there to achieve best results. There is slack, there is flexibility built into CRM processes and procedures" (B2P2).

> "They [CRM processes] need adjusting to better suit differing situations. And our managers have a level of discretion on how to operationalize the processes. Of course, there is enough slack built-in into the bank's CRM strategies to allow for minor adjustment" (B3P1).

Having flexibility built into CRM processes seem to be an industry-wide phenomenon. As the above quotes show, interviewees from the 3 banks all point to flexibility in processes allowing for managers to add to or omit procedures in pursuit of better reputational outcomes. Similarities in processes may stem from the fact that banks meet formally and informally to discuss reputational matters. It is therefore possible that banks are learning from each other. If fact, one interviewee states that banks "mimic each other's reputation enhancing actions especially when they have one on you in terms of reputation. Happens every day" (B3P1).

The flexibility observed in CRM processes is underpinned by the three sub-themes listed in the table above: an understanding on the part of banks that (1) effectiveness of processes is context dependent and that what might produce exceptional CR results in one area or with one stakeholder group may be completely useless when applied in a different setting, (2) CRM centred training is a key aspect that supports and empowers managers to correctly read situations and use their discretion for better results, and (3) management of CR is not clear-cut.

5.6.2 CRM processes are context dependent

'When in Rome, do as Romans do', is an adage that aptly brings to the fore the fact that CRM processes must be context dependent. As the researcher stated above, a procedure producing very good results in one location might produce poor results in a different location. While the classification of stakeholders is largely the same regardless of location, the needs and expectations of stakeholders may be influenced by their physical locations. Dis-embedding CRM processes and ideas from one setting, and re-embedding them after appropriate modifications, in other settings is called for. Our analyses of interviews and the banks' CRM strategy reports lend credence to this observation as the following quotes indicate:

> "As you can expect, the needs of stakeholders in deep rural Eastern Cape for instance are not necessarily the same as those of stakeholders in Sandton. In that sense, processes need to be aware and allow for suitable adjustments whenever necessary" (B2P2).

> "… let's take the HSBC New York's CRM template, I mean, if they have one. Taking that template and using it here, in its raw form, will result in serious reputation challenges. It will not work. It will need to be extensively adjusted. Same with our CRM processes. They need adjusting to better suit differing situations" (B3P1).

From bank reports and interview responses, it is evident that a lot of thinking goes into the design of CRM processes to allow these to work seamlessly in all areas. While neither the reports nor the interviewees would get into specifics of how they go about the process, they make it clear that they consider the different social, economic, and cultural contexts existing in the areas they operate in during the crafting of CRM plans. Interviewees were equivocal in expressing this point as the following quotes show.

> "… ~~we~~ often encounter problems with language and cultural barriers. Yeah, even in South Africa. Multilingualism and multiculturalism naturally create communication problems that can get very nasty. These are facts managers on the ground contend with. Our CRM processes take differences existing in communities into account and they provide enough flexibility without interfering with the core objective of the plan" (B1P1).

> "We do recognize the socio-economic and cultural differences in our areas of operations. These are complex issues and fully appreciating their influence on reputation and reputation management takes significant amounts of time, effort, and expertise. (…). In our CRM processes ~~we~~ take note of these and have measures in place to mitigate" (B2P1).

> "Well, for effective CRM it is essential to thoroughly understand many of the systemic drivers: economic, legal, political, cultural, religious even, to name but a few (…) that impact reputation on daily bases. Some of these drivers are characterized by high social complexity and uncertainty of results. So, in managing reputation, the practicability of using centrally

designed processes need to be evaluated. Some processes need to be context or location specific" (B3P1).

The researcher's reading of the interview responses, the banks' CRM strategy plans and other bank reports indicates that banks have broader CRM strategies and general guidelines for their managers. Managers in their own operational areas consider their unique contexts and implement the CRM strategies in ways best suited to their environments. "A one size fits all approach to dealing with stakeholders will not work for any organisation" (B2P1) whether looking at different stakeholder groups or same stakeholders but in different locations. Processes need adjusting by managers on the ground. The training that managers get and the support from the central office allows them to fine-tune their reputation management actions whilst remaining within the confinements of overall CRM strategies. Accordingly, B1P1 states: "the training and expertise our people have allow them to discern when a [CRM] process might need to be adjusted".

5.6.3 CRM centred training is important

Training meant to improve employees' competences in managing reputation is a theme that resonated with all interviewees. Training is widely covered in CRM training manuals. The manuals cover general CRM as well as function-specific CRM training. In their responses, interviewees alluded to the importance of training in CRM. All bank personnel: the Board members, senior management, mid-Level management and all other employees receive -centred training in one form or another yearly. The following quotes highlight the importance of training in reputation management:

> "… because managing reputation is everyone's job, all employees must be exposed to regular reputation management training" (B1P1).

> "… training and development to support the bank's reputation agenda is an ongoing process. Various training activities are available for example, training may be instructor-led, computer-based, or self-directed. At the beginning of every year, every employee receives an information package outlining the bank's reputation objectives for the year. We call the

package an ambassador's tool kit. The bank's training plans are regularly revised and updated considering emergent thinking with regards to global trends in reputation management" (B1P2).

"There is no substitute for training in CRM. We recognize this important fact. Our training and development programs are thus designed taking this in mind. (…) training contributes to both employee engagement and productivity, [both] aspects critical for reputation. (…). With this in mind, the bank supports a culture of continuous development in all aspects our people's professional lives. (…). For example, in the past year, for every 92 hours each employee spent on training, 35 hours centred on reputation training" (B2P1).

Training is provided by the banks' own training schools/centres, external consultancies as well as universities. It is the same with the designing of CR and CRM learning materials wherein the banks utilize their own experts but also rope-in outside experts. The logic behind is that "the dynamic balance between internally developed and externally sourced materials allows the bank to keep what is already working but add onto it in small steps" (B1P1). CRM training is premised on stakeholders' expectations on a bank are not static and thus CRM processes must keep changing. According to B3P1, "training and workshops are conducted for specific purposes [such] as refreshers for skills, as means to up-skill or to fill in skills and knowledge gaps identified from [CR] survey feedback".

The training is segmented in that there are programs for management and others for general staff. Managers are allowed to attend lower-level training if they so wish. Managers also have access to specialized reputation training, as can be seen from the following two quotes:

"Senior and mid-level managers are also sent for training and attend seminars conducted by universities" B2P2.

"… senior executives and managers have access to other specialized reputation training opportunities that include virtual and in person attendance conferences, thought-leader masterclasses, and local and international business school programmes" (B3P1).

Again, the researcher could not help but notice the apparent paradox in the near dismissal of institutions of higher learning as sources of CR measuring instruments (see Section 5.5.5) and the same institutions being seen as places to send senior executives and managers so that they can have access to specialized reputation training. In fact, universities are seen as sources of "emergent thinking with regards to global trends in reputation management" (B1P2). Since the researcher cannot shade any light on the seeming inconsistence at the present moment, maybe a future study can be taken to address the paradox.

5.6.4 Management of CR is not clear-cut

"The principles of CRM are being written as we speak. And while they are being written, within businesses there are tensions between departments regarding overall responsibility for organisational reputation" B2P1. This quote highlights a key challenge manager of CR encounter. Tried and tested processes are still unavailable 20 years after Hutton et al. (2001) called for CRM to be viewed as a new paradigm for an entirely new field in business management. According to B2P1, "CR is still a budding concept, and it's management is not [yet] clear-cut", and therefore processes must be "updated regularly with the latest thinking on CRM".

Building the necessary competences for CRM takes time and requires buy-in from all within an organisation. Because "it [CRM] is about building a kind of equity that will sustain an organisation over time" (B2P1), CRM calls on managers to take a long-term outlook. Clarity on what an organisation wants to be known for some years into the future makes CRM much simpler. A systemic view of the organisation and its competitive environment must be taken to ensure that CRM systems put in place are fit for purpose. Accordingly, B3P1 states that:

> "Our CRM processes take cognisance of the changing environment. They are dynamic. What's relevant today might not be useful tomorrow. So, enough flexibility must be built into CRM systems and processes. Any organisation serious about its reputation must take this obvious fact seriously. As a bank, ~~we~~ can never stop looking and relooking at our CRM processes, questioning the way ~~we~~ manage our reputation and improving on our processes to enable our people to deliver excellence to all our stakeholders".

As daunting as it may appear, developing a viable CRM system can be done. South African banks have done it. Bumps were met on the way and are still being met (e.g., the Standard Bank fictitious accounts scandal). With support from all levels of hierarchy, CR managers have developed processes that are working for the banks. Key CRDs have been identified and are tracked constantly, measuring tools continue to be perfected, internal and external training is offered to all employee, CR and CRM are Board matters, and CRM strategies are part and parcel of overall business strategies of the banks.

While banks have managed to come up with CRM processes that are working for them, they warn that "getting a CRM system up and running is an extremely demanding undertaking. It is not a task that you go into half-heartedly" (B1P1). Bank experiences tell businesses to develop their CRM systems gradually. From the onset, businesses need to know that "CRM demands a complete shift in the business mind-set to ensure all-hands are on deck. Not easy but it can be done" (B1P2). Once systems that give some levels of comfort are in place, businesses are advised to stick with them, and use them regularly while making necessary adjustments to improve on the systems. Through trial and error, a system is perfected and actually, "you learn what works as you go" (B2P2).

Although lessons can be learnt from the experiences of banks, B2P2 cautions that:

> "… our CRM processes are tailored for the banking industry. Not sure they will apply in another industry, in a different setting. I think every firm must seriously look at its surrounding. That's the only way you will come up with a solid CRM system"

Organisations must therefore understand that there is need to "dirt your hands to get a good CR (…) [as] no-one is going to manage your reputation for you" B1P1. Daunting or not, processes clear-cut or not, there is no alternative to CRM. Treating CRM as an afterthought only given attention when a problem arises often results in rushed reactive actions capable of further upsetting and alienating stakeholders. Banks have come a long way in developing their CRM processes that are functioning for them and have thus shown the way.

5.6.5 Contextualizing the findings with literature and practice

Literature offering ideas on how CR can be managed abound (Brønn & Buhmann, 2018; Griffin, 2015; Schwaiger & Cannon, 2011; Shamma, 2012), and yet management of CR within organisations is not the norm, but rather the exception (Cole & Fleming, 2019; Griffin, 2015; Rayner, 2003; Wiedmann, 2005). We are yet to come across literature that looks at factors causing the persistence of CR non-management. Following Bartikowski & Walsh (2011): CR is impacted by national/cultural norms; Roberts & Dowling (2002):CR is impacted by institutional factors; and Berry et al. (2010): CR is impacted by cross-national distance variables, part of our academic argument was that CRM processes needed to be context specific. The researcher thus raised RQ4 to validate or rebut this part of the argument.

As the researcher has already highlighted in this section, interviewees were categorical when responding to RQ4 all indicating that CRM systems and processes of banks are framed taking into account possible impacts of contextual factors. While CRM processes are centrally developed and expected to be implemented consistently in all locations of bank operations, enough flexibility is built in to allow minor adjustments. The built-in flexibility plays significant part in ensuring processes are effective in all contexts.

5.7 How does a bank manage industry reputational interdependences?

A firm's CR is not only dependent on its own actions, but also on the actions and reputations of other firms within the same industry. In what Barnett (2007) calls being tarred with the same brush, reputation transgressions by one or a few firms are enough to induce stakeholders to revise their perceptions about an entire industry negatively. Strategic management of reputation, therefore, entail monitoring and/or responding to other firms' reputational manoeuvrings (or lack thereof). This particularly applies to firms that are perceived to be structurally equivalent by stakeholders: banks for instance.

Banks offer products that are perfect substitutes, tend to utilize similar resources, employ similar technologies, and adopt similar management practices and organisational structures. Because of

this structural equivalence, the researcher carried into the research a belief that reputational interdependences are more pronounced in banking industries. Raising RQ6 was therefore aimed at ascertaining the validity of such a belief.

A systematic reading of some bank reports and interview responses to RQ6 led to the development of the following theme and sub-themes.

Table 12: Saturation matrix for RQ5

RQ5	How does a bank manage industry reputational interdependences?									
Theme	Sub-Themes	Saturation					Unit of Observation		Unit of analysis	
		B1P1	B1P2	B2P1	B2P2	B3P1	Total	%	Total	%
Management of reputational interdependence is dynamic	Scan the CR horizon	X	X	X	X	X	5	100	3	100
	Compete	X	X	X	X	X	5	100	3	100
	Cooperate	X	X	X	X	X	5	100	3	100
	Coopete	X	X	X	X	X	5	100	3	100
	Co-exist	X	X	X	X	X	5	100	3	100
	Symbiotic CR relationships with the SARB	X		X	X		3	100	3	100

5.7.1 Management of reputational interdependence is dynamic

As with many other aspects of CRM, the are no clear guidelines of how to manage reputation spillovers. Literature suggests that reputation interdependence can be managed by competing, cooperating, co-existing or by coopeting. We see banks employing these 4 different strategies in managing the interdependence. Depending on how they perceive threats to their CRs from actions of others, banks may employ one or more of these strategies at a point in time. The way banks employ the techniques is brought out in the following quotes:

> "… the way ~~we~~ manage reputation spill-over [interdependence] is case dependent. It all depends [on] what actions have been taken by others" (B1P1).

"So, interdependences are managed on issue-by-issue basis. We may work together as the banking industry on some issues to do with our joint reputation" (B1P2).

"We work with other banks when it's good for the industry reputation and ours of course" (B3P1).

5.7.2 Scanning the CR horizon

By their nature, banks exhibit similar key attributes: e.g., they have similar organisational structures (all are headed by a CEO who is supported by a number executive directors), have similar divisions/departments (retail banking, investment banking, international banking, treasury, information technology, corporate communications, etc), offer products that are perfect substitutes (personal & corporate banking services) and are all regulated by the same regulatory bodies. As ~~we~~ stated earlier, the similarity comes with significant reputational challenges. To protect their CRs, banks are always looking at what is happening within their industry with an eye to spot reputation opportunities or threats. Collecting 'intelligence' on each other's CRM actions is the norm and is acknowledged by interviewees. A selection of their responses highlights this:

"So, we look at what other banks are doing and ascertain the impact of their actions on our CR. (…). You see, there is a tendency [by stakeholders] to view banks as the same. [Thus] every time one bank is in the news for a bad reason, it casts a shadow on all of us. I mean negative news is projected to the whole industry" (B1P1).

"Of course, of course we do monitor strategic [reputation] moves by other banks. We try as much as possible to stay abreast of what our competitors are doing reputation wise … We do not want to be taken by surprise or to be left behind. That will not be good for our reputation" (B3P1).

"Our reputation is affected by the actions and reputations other banks. To some extent even actions of global banks can affect our reputation. The global financial crisis comes to mind. So, again we actively monitor events happening within the industry with an eye to see how ~~we~~ may be impacted" (B2P1).

Scanning the industry reputation landscape and collecting intelligence keeps banks abreast of stakeholders' expectations and as well as moves to bolster reputations taken by other banks. In addition, regular scanning allows banks to explore any reputational opportunities that may arise from missteps of other banks. Scanning the horizon for threats to CR is an important aspect of banks' proactive CRM processes and makes possible early detection of potential challenges. Appropriate action plans are then activated to ensure that bank reputation is not compromised.

5.7.2 Managing reputation interdependence by competing

Managing reputation interdependence by competing may be viewed as ongoing, zero-sum battles between banks, aimed at gaining stakeholders' favour at the expense of other banks. It is seen by B2P2 as "those activities we take as a single bank to improve our own reputation". Such activities may result in banks "pinching [off] other banks' customers but the key objective is to keep safe our reputation" (ibid). While banks do not necessarily prey on each other, any weaknesses in one bank's CRM activities are perceived as opportunities to be exploited by other banks. Accordingly, B1P2 states, "if an unfortunate reputational event befalls a competitor and an opportunity presents itself, why not, we will seize it". Mention is made in many of the banks' reports as to the kinds of activities engaged in to protect CR from damaged originating from other banks. Activities undertaken by the banks include continuous product/service improvement, public relations, advertising, voluntarily disclosing information, engaging in community support programs and many others. Banks are also involved in many voluntary activities as the following quote shows:

> "… are you aware that all the big banks are involved in CSI initiatives in a big way? They are also involved in sports sponsorships in a big way. We are providing thousands of bursaries every year. Business incubation programs. No-one can afford to be left out of these reputation building activities. As a bank ~~we~~ only choose in which lane we want to run. But run we must" (B1P1).

As B1P1 highlights, every bank must run, or risk being left behind and "actually get a reputation of being a market laggard. And (…) that won't be good for any business" (B3P1). In face of competitor

actions designed to improve CR at the expense of others, we see banks aggressively acting to protect their turfs.

5.7.3 Managing reputation interdependence by cooperation

Managing reputation interdependence by cooperation is a strategy that seeks to manage CR interdependence by neutralizing sources of problems in a specific environment/industry. In this regard, banks either individually or collectively take strategic actions that are designed to promote the reputation of the whole banking industry. This may involve a single bank spending its own resources performing some activity that benefits the industry's reputation. It may also involve all banks jointly mobilizing resources, planning, and coordinating their actions as a collective to improve the reputation of the banking industry. The nature of the banking industry is such that cooperative reputation management activities are performed frequently. The following quotes highlight the perspectives of banks vis-à-vis cooperative reputation management.

> "Our ability to succeed as an industry and to maintain the good industry reputation that we have depends also on cooperative relationships. As a responsible bank we invest in these relationships and strive to work effectively with all other banks to improve the industry's good reputation. We have many platforms to cooperate on, for instance the Bank Manager's forum, the BASA, and even the SARB provides platforms for bank cooperation" (B2P2).

> "… we do work together with other banks, a lot of the times. A good reputation for the industry translates to a good reputation for the bank. Actually, working together for the good of the industry is a fairly widespread practice" (B3P1).

> "… we work together as the banking industry on issues to do with our joint reputation. We have forums both formal and informal where we meet and have discussions on matters impacting the reputation of the industry" (B1P2).

Evidence gathered during interviews and documentary research indicate that banks engage in the following areas to manage industry reputation: cyber-security, regulatory compliance, credit monitoring and evaluation, business intelligence sharing, and in many other areas. Despite

cooperation in managing reputation interdependence being a daily occurrence, the banks always have an eye on the own CRs. Consequently, B2P1 states that:

> "… we never lose sight of the fact that our priority is the protection of our own reputation. That comes first. So, we will cooperate with anyone as long as it is not to the detriment of our reputation".

Because of contagion effects, loss of reputation by even a single bank is an industry-wide concern. Banks therefore "maintain regular exchanges regarding actual reputational events, potential reputational events and even past reputational events" (B2P2). At the individual [employee] counterpart level, mitigation actions are discussed. Banks have dedicated desks/employees working on a bank's cooperative management activities. These activities are separated from competitive reputation management activities because "it can be disconcerting to have these opposing activities done by the same employee" (ibid).

Cooperative reputation management will persist depending on its effectiveness (how easily objectives are met) and efficiency (how satisfied a bank is regarding the attainment of its motives for engaging in a cooperative relationship) of the process. "If either of these are not met, a bank will consider competitively managing reputational interdependence" (B1P2). By cooperatively managing industry reputation, banks overcome resource constraints, reduce uncertainties about the actions of peers, learn from one other, and take advantage of reputational opportunities that may arise due to cooperative relationships. In fact, cooperation gives the banks opportunities to "mimic each other's reputation-enhancing actions especially when they have one on you in terms of reputation" (B3P1).

5.7.4 Managing reputation by co-existing occurs

Managing reputation by co-existing occurs when banks largely ignore CR enhancing moves of other banks. Banks may choose not to interfere with each other's competitive actions because they are aware of their relative positions within the industry. With their positions largely unchallenged, banks may simply note reputation actions by others but then decide to do nothing. The following quotes highlight this:

"… not every [CR enhancing] action by other players in the industry requires a response from us. At other times we may do nothing. Not every battle is worth fighting. We strategically deploy our resources in defending our reputation" (B2P1).

"However, at other times doing nothing, not responding to reputation enhancing measures of others is the best course of action. Not every competitor's move requires a response from us. We may choose to do nothing and let others do what they deem necessary for their own reputations" (B2P2).

"We do recognize that not every reputation enhancing action by others is threatening. Some actions are actually beneficial (…) some others demand that we just observe and be aware but do nothing but mind our own reputation actions. It's the nature of the industry" (B1P2).

While banks may choose not to interfere with each other's competitive reputation actions, they still impose some level of dependence upon each other. As a result, there are high levels of informal reciprocal trust between the banks, an understanding that each bank will 'keep to its lane'. Thus, by co-existing, banks are able to carry out their business activities and build their reputations without infringing on each other's CR building initiatives.

5.7.5 Symbiotic CR relationships with the SARB

That the SARB has a splendid reputation is a well-known fact. It is well regarded nationally and internationally and is held in high regard especially by the banking industry. Asked about their views on the reputation of the SARB, interviewees responded as follows:

"It [the SARB] has a splendid reputation which of course filters to the whole [banking] industry. I believe as an industry we benefit immensely from the good reputation of the SARB" (B2P1).

"On its own right the SARB has a very good reputation. It has a very good reputation. One of the best central banks in the world. Certainly, the best in Africa" (B2P2).

> I believe the SARB plays a very important role in shaping and maintaining the reputation of the country's banking industry (…) [and] I strongly believe that without a reputable central bank, the banking industry's reputation will be on very shacky ground" (B1P2).

What is not clear however is the level of influence the SARB's CR has on the CRs of local banks. There is literature (Crone & Vetsch, 2009; Hill, 2020; Macey, 2013) that suggests that the reputation of a regulator (SARB in this case) underpins the reputation of the regulated industry. That literature asserts that the good reputation of the regulator rubs onto the regulated entities which become reputation free-riders and survive thorough scrutiny by stakeholders. Some scholars (Hsu & Bahar, 2019) even go further and suggest that regulation is a prerequisite condition for the establishment and maintenance of positive bank CRs. Local banks however see things differently believing instead that their CRs are largely the result of their own actions or at the very least there is a mutual dependence of the banks CRs and that of the SARB. The following quotes are noteworthy:

> "… there is a symbiotic reputational relationship between the SARB and the banking industry. The industry's own good reputation also feed into the reputation of the SARB. The central bank positively impacts our reputation, but we also positively impact the reputation of the central bank. The level of the SARB's impact on our reputation may be up for debate but I can DEFINITELY assure you, most of our reputation is due to our actions as a bank" (B1P1).

> "I believe as an industry we benefit immensely from the good reputation of the SARB. But we also play our part. We are not free riders on the reputation of the SARB. Our actions as banks in the industry contribute to the SARB's own reputation. I would therefore say reputation benefits flow both ways.

> "The Reserve Bank has a very important role in shaping the industry's reputation (…) that's for sure. Absolutely no question about that. There is no debate on that but what is the level of that role? I'm not too sure about that. [But] our reputation is largely in our hands. Definitely 80% of our reputation stems from our own actions" (B3P1).

While the banks themselves all agree that the reputation of the SARB has some important effects on their CRs, one stakeholder group, private banking customers, see a very minimal role for the SARB in shaping banks' reputations. A 2021 study by this researcher finds that private banking customers see bank reputations as emanating from the banks' own initiatives and engagements with them as the banking public. The study goes on to advise banks that the impetus for maintaining and growing their reputations falls on the banks themselves. The study's recommendations tie-in with B3P1's view with regards to management of CR interdependence. B3P1 says:

> "… it is fact that corporate reputations are interdependent. There is no running away from that fact. But my personal feeling is that being fixated on managing the interdependence is counterproductive. After all, more than 80% of our reputation is due to what we do as a bank. I would rather advise businesses to first have robust CRM systems, processes and procedures that are internally focussed. Only when these are optimally working for their reputations must they worry about managing reputation interdependence" (B3P1).

5.7.2 Contextualizing the findings with literature and practice

Literature indicates that organisational CRs are interdependent. It is thus important for organisations to look beyond their own actions and assess how their CRs can be affected by reputations of organisations operating within their industry. From the said assessments, necessary plans for managing reputation interdependence must be devised. However, with CRM being a recent arrival in the management world, whose principles are "being written as ~~we~~ speak" (B2P1), there are only a few ideas, models, and procedures to successfully manage reputation interdependence. Literature suggests a number of ways to manage reputation interdependence. A few empirical studies: Fernandez & Chiambaretto, (2016), Ritala et al. (2014), Shaker, (2015) and Veil et al. (2016) look at how firms manage reputation interdependence. In all these studies, firms investigated selected only one strategy to manage reputational spill overs. In the present study, we see that banks employ all four strategies to deal with CR interdependence. At times these will be happening at the same time.

That banks take seriously to the management of CR interdependence is beyond doubt. They have gone to the extent of having dedicated desks/officials solely working on coordinating with other banks

activities meant to manage CR interdependence. Such seriousness gives credence to the literature's call on organisations to take context-wide views when deciding on CRM processes. While the researcher cannot say, nor was it ever the researcher's intention to determine the level of importance of CR interdependence to overall bank CRs, findings indicate that banks are fully invested in managing CR spill overs. As stated above, how important this is for overall reputations maybe up for debate or for another study to find.

5.8 How does a bank evaluate the adequacy of its CRM activities?

The rapidly changing banking landscape is rendering many processes redundant, including some that once defined the essence of banking itself. Even some "recently off the shelf" systems are becoming redundant before they are fully implemented. Therefore, it is important to periodically check the effectiveness of systems to ascertain the degree to which they still remain fit for purpose. This is especially true for such systems as banks' CRM systems which are designed manage fluid concepts like perceptions and expectations. We therefore raised RQ6 in order to understand how banks ensure that their CRM processes remain effective. The table below lists the theme and sub-themes that emerged from our analyses of interview responses.

Table 13: Saturation matrix for RQ6

RQ6	How does a bank evaluate the adequacy of its CRM activities?									
Theme	Sub-Themes	Saturation					Unit of Observation		Unit of analysis	
		B1P1	B1P2	B2P1	B2P2	B3P1	Total	%	Total	%
Regularly review of CR KPIs	Regular stakeholder surveys	X	X	X	X	X	5	100	3	100
	Periodic audits of CRM processes	X	X	X	X	X	5	100	3	100
	Transparent communication with stakeholders		X				1	20	1	33,3

5.8.1 Regular Review of CR KPIs

CRM is identified as strategic priorities by all banks. A perusal of bank reports reveal that CRM is elevated and broadened to apply across all bank structures. In all banks ~~we~~ see various committees at Board level that have oversight responsibilities centred on the bank's CR. The Boards have delegated the responsibility for their banks' CR to the CEOs, who in turn lay down the broad parameters for the desired reputations. From these parameters, the CR strategies, policies, procedures,

and systems are developed, and these are supported by wide ranging systems, reporting requirements as well as by internal and external auditing. Commenting on the adequacy of these systems, the interviewees say:

> "I would say our systems are adequate for our needs. Of course, no system is perfect, but we are confidently okay. We collect real-time data on reputation bearing issues through pulse surveys and other crowdsourcing tools. We are always scanning the horizon, we are learning from others, functional areas maintain reputation risk registers, we do scenario planning and updating our management systems" (B2P2).

> "The effectiveness of our CRM processes and systems is reviewed regularly by the Board and the Audit Committee. CR reviews are also undertaken by my department as well as the Group Internal Audit. The process for identification, evaluation and management of reputation and associated risks is integrated into the bank's overall corporate strategy" (B3P1).

> "We regularly monitor CRM activities of departments to ascertain the levels at which they are meeting or missing set CR targets. We perform statistical operations on the data gathered and produce scores that represent synthetic assessments of our CR" (B2P1).

Banks have developed more-or-less similar internal reputation indices/scorecards that have elements which can be modified slightly to better suit the needs of different departments. The elements give predicted reputation scores based on what banks expect particular stakeholders to rate the banks' CR in an activity of interest to them. The expected scores are based on internal and

external research. Periodically actual scores are compared to expected scores and deviations are investigated. Various remedial actions are implemented in cases of underperformance. And if a department's score is more than the predicted level, the department has performed above expectations. Commenting on the important KPIs, B1P2 says:

> "We have a number of KPIs that ~~we~~ track throughout the year. Key metrics for evaluating the effectiveness of our CRM activities are drawn from stakeholder experience survey results, customer complaints and customer retention rates. For each strategically important CR driver, one or more KPIs are identified to qualitatively or quantitatively track the driver in either absolute values, ratios or sensitivities to defined parameters".

Interview and documentary evidence in all cases indicate that banks have predefined CR thresholds that act as early warning indicators of potential reputational situations. When these thresholds are reached, issues will be escalated to relevant management levels for further attention and planning for resolution.

5.8.2 Regular Stakeholder Surveys

The CR of an organisation is ultimately what stakeholders perceive to be the core attributes of the organisation. Since perceptions are dynamic, an organisation must keep tabs on the reality of its CR. To this end, ~~we~~ see banks carrying out regular surveys of key stakeholders. The surveys provide banks with valuable insights that help them assess their processes and engage with stakeholders. Information generated inform accurate measuring of CR, the designing/updating of CRM processes, policies and procedures, and the nature of future engagements between banks and their stakeholders. A selection of quotes from interviews provides more insights:

> "To understand how satisfied our stakeholders are with our services, a number of internally facilitated stakeholder surveys are conducted in phases throughout the year. These are stakeholder specific surveys that generate information we can use to gauge our reputational performance" (B1P1).

> "We carry out regular surveys focussing on all key stakeholders. Insights from the surveys are reported to EXCOM and the Board. We regularly monitor CRM activities of departments to ascertain the levels at which they are meeting or missing set CR targets. We perform statistical operations on the data gathered and produce scores that represent synthetic assessments of our CR. Significant deviations from targets are brought to the attention senior executives as I have said. Appropriate courses of action are then implemented" (B2P1).

> "We collect real-time data on reputation bearing issues through pulse surveys and other business intelligence sourcing tools. We are always scanning the horizon [and] we are learning from others (…) and updating our management systems. Regular monitoring of stakeholder perceptions allows us to keep abreast of events with potential to give rise to reputation problems" (B2P2).

Using the qualitative and quantitative data gathered during stakeholder surveys, bank ascertain the effectiveness of their CRM initiatives. With changes in the technological sphere which are blurring the once clear demarcations of industrial sectors present in yesteryears, carrying out regular surveys of stakeholders' sentiments becomes critical for keeping CRM processes relevant and up to date. As technology opens up opportunities for fintech firms, which are increasing getting involved in activities that used to be a preserve of the banking industry, clear understanding of stakeholders' perceptions and how they are being impacted by technology becomes important. According to B3P1, the changing banking landscape is impacting current CRM processes in many ways. B2P1 concurs stating, "… we are in the initial stages of a technological revolution which is disrupting some of the tried and tested CRM systems we used to have".

The impact of the changing banking environment on bank reputations are yet to be understood but banks are remaining vigilant. Through regular surveys, they are keeping track of changing banking attitudes and adapting their CRM processes accordingly. Surveys enable banks to gauge expectations around technology. They are thus able to mitigate any adverse impacts such advancements may have on their CR and the bottom line.

5.8.3 Periodic Audits of CRM processes

The CRM processes of banks and the outcomes of these processes are subjected to periodic audits by internal auditors and various committees of the Boards. Audits have three core aims: identification of potential shortcomings in CRM processes, assessing possible impacts of noted deficiencies and reporting these for further monitoring and management by appropriate officials. The audit results directly influence the continued refinement of CRM processes. For instance, the 2020 annual report of B3 states that:

> The bank's CRM processes are subjected to periodic audits by the Group Internal Audit, an independent internal audit function that reports to the Audit Committee of the Board. Apart from helping executive management and the Board in protecting and sustaining the bank's CR assets, the Group Internal Audit also engages with departments and heads of functional areas on reputational issues, provides reputational risk assurance, expert opinion and, informal advice on the bank's CRM processes.

Similar information is found in B2's 2019 Corporate Social Responsibility Report which says:

> The Group's Internal Audit, which operates unobstructed and independently from operational management, periodically appraises and evaluates the bank's reputation and reputation risks management systems. It provides tertiary inspection of all reputation management systems and, where necessary, provides recommends for improvements to the systems.

While some mature and well-established management systems within banks are audited once a year or every other year, CRM processes are subjected to more frequent audits. Within all banks, CR is considered a high risk but critical asset; therefore, processes for managing it are frequently audited. According to bank reports these processes are audited regularly at such intervals as monthly, quarterly, or twice a year until they are stable. Regular auditing of CRM processes is also mentioned by interviewees who state:

> "… we monitor our CRM processes periodically. All key processes and controls systems are assessed on a regular basis. Full CR audits are however conducted either in response to

triggers or at a minimum annually. In situations where systems are not adequately effective, even more frequent audits are performed, root causes are determined, and action plans drawn and implemented to improve on the reputational performance" (B3P1).

"So, CR audits are carried out continuously. The frequency depends on the stakeholder whose sentiments ~~we~~ are after e.g., employees, shareholders, investors, general communities or regulators." (B1P1).

"The frequency of the audits depends on what ~~we~~ want to know and from which stakeholders. Remember these are stakeholder specific audits. So, we may have an audit every month, half yearly or once a year. It all depends really" (B2P1).

Because "the principles of CRM are being written as ~~we~~ speak" (B3P1), having frequent audits of CRM processes allow banks to determine the strengths and vulnerabilities of these processes. In actual fact, through regular audits, banks check and ascertain the extent to which their CRM processes remain able to control and provide protection for their reputations. In that way any deficiencies are detected and early remedial actions taken to improve the systems. Performing regular audits of CRM processes and the continual improvement of these processes ties in with B2P2's advice to the effect that the "development of reputation management systems is not one of those things you do once and forget about. (…) it's not static (…) [and] when you think you have finished you start again".

5.8.4 Transparent communications with stakeholders

Transparency is a key component in strategic CRM. Having transparent communication with stakeholders is key in building, maintaining, and protecting an organisation's CR (see Section 2.10.1). It enhances an organisation's credibility by making it possible for stakeholders' access information that makes them understand an organisation's past, its present as well as its planned future and how these relate with their expectations. This improves stakeholders' confidence in the organisation thus reinforcing a positive reputation. That being the case, banks are seen maintaining "regular and transparent communication with stakeholders" (B3P1) to help them (banks) understand

the specific needs and expectations of stakeholders. Engaging with stakeholders provide banks with opportunities to “feel the pulse of various stakeholders” (B1P1) which guides them in formulating robust CRM strategies.

Banks use a variety of platforms to engage with stakeholders. Among these are: e-mail, text-massaging, phone calls, in-person meetings, virtual meetings, and brainstorming sessions. Through bank websites, stakeholders can access some of the more important documents such as annual reports, mission statements, codes of conduct, sustainability reports and many more. When engaging with stakeholders, organisations are warned not to over-promise as this may create expectations that an organisation might not have the capability to deliver on. B1P1 warns:

> “… businesses frequently run the risk of over-promising by de-coupling public relations or marketing communications from the firm’s capabilities. Firms sometimes base their communications on what they believe stakeholders want to hear. Promises are then made without any grounding in the firm’s ability to deliver on expectations created. Such behaviour breeds mistrust and is not good for reputation”.

Having transparent communication with stakeholders regarding aspects such as general business operations, goals, performance, and organisational history helps reveal the human side of a business. Transparency is about sharing information and acting in an open manner while not disclosing every operational aspect of a business. It is about being truthful in disclosures. Operating with transparency makes it easy for stakeholders to understand what a business is doing and why. can lead to more trust.

> “As a bank we have an obligation to satisfactorily explain our actions to our stakeholders (…). They [stakeholders] have platforms on which to question and to pass judgements on our commitments to them. We communicate with them using the usual means (…) [and] the feedback they give during our interactions is priceless. [We] learn so much from our stakeholders” (B2P1).

> "We strive to maintain open and transparent communication with all stakeholders: regulators, employees, customers, investors, civil society, and community leaders to name a few. (…). The interactions, and the issues arising thereof help inform the bank's CRM strategy" (B1P2).

> "… we have regular and open communication with our stakeholders. We attach great importance to communicating with our stakeholders. We actively engage with them so as to systematically consider their interests, points of view and expectations. (…). Hearing their opinions provides us with opportunities to be a more inclusive bank in every aspect. Regular feedback from our stakeholders permits us to have full understanding of their expectations and this allows us to meet their needs more precisely …" (B3P1).

Being adequately transparent has served the banking industry well. Transparency has allowed banks to gain operational efficiencies by among others improving the alignment of broader organisational cultures and values, increasing employee engagement, and building on many process efficiencies. This the researcher believes has had positive impacts on the reputations of banks, especially in the present times when the industry is undergoing tremendous transformation due to financial regulatory reforms, technological advancements, increased stakeholder scrutiny and general current economic conditions.

While the value of transparent and honest communication in CR maintenance is widely covered in literature, B2P1 cautions firms saying:

> "… a corporate reputation is not built on what a business communicates by way of public relations or marketing promotions, but on what it actually does. You can have all the blue-eyed communication and marketing guys in your organisation, but they will not dig you out of a hole if you don't meet the business fundamentals'.

5.8.2 Contextualizing the findings with literature and practice

The idea behind frequently going back to review and evaluate processes is to systematically check the performance of systems, their continuing suitability, adequacy, and effectiveness. This results in refinement of processes. Checking the adequacy of systems is particularly important when looking

at systems designed for addressing fluid and constantly evolving concepts such as CR and CRM. With such systems, the most efficient way today, may not be that efficient tomorrow. For that reason alone, the literature calls on organisations to periodically evaluate their processes. Processes evaluation is a key component in most CRM models available in literature.

The reading of bank reports and interview responses reveals that banks have embraced the literature call for regular evaluations of processes. CRM processes are regularly reviewed, lessons are learnt, and possible improvements are implemented. Where shortcomings are identified CRM processes are redesigned.

The researcher did not come across any literature specifically focussing on how an evaluation of CRM processes should be done. Literature on general management evaluation is, however available and some parallels can be seen in the ways banks evaluate their CRM processes and the recommendations for effective strategy and management action evaluation put forward by literature.

5.9 Conclusion to Chapter 5

The present chapter presented the key findings. Banks, through seconded officials, provided valuable insights into their CRM process. The insights progressed this study and served as the basis for answering the research questions. In supporting the data analysis, ~~we~~ provided illustrative tables showing themes, sub-themes, saturation, and percentages. While bringing the researcher's own voice, quotations from the interviews are regularly used to reinforcement the authenticity interpretations. This will enable other organisations to draw lessons from the banks' experiences as they embark on their own CRM journeys.

The researcher closes off the chapter by reiterating that banks define CR as an asset, they identify critical CRDs that impact this asset, they constantly measure their CRs mostly using techniques they have designed themselves, they have assigned responsibility for coordinating CRM activities to senior managers who have access to bank CEOs and Boards, they have designed their CRM processes with enough flexibility for managers to exercise discretion and they regularly carry out

audits to ascertain the adequacy of CRM processes. As a result, the CRM processes of banks are functioning like charms or like well-oiled machines, to paraphrase a statement by B1P2.

Chapter 6: Conclusion

6.1 Introduction

This chapter starts by highlighting the significance of the study. The research objectives are the revisited and a summary of the findings is given. The emergent theoretical framework follows. The researcher then gives managerial recommendations for organisations on how they can design their CRM processes. The recommendations are made based primarily on the findings generated in Chapter 5. The recommendations are rather prescriptive, unlike the descriptive analyses in the previous chapter. Contributions, limitations, and areas for further research then follow, and lastly the final concluding remarks.

6.2 Significance of the study

In 2019 Cole & Fleming (2020) surveyed the state of reputation management in some of the top corporations in the USA. Of the CEOs they surveyed, 95% stated that CR was important to their organisations. However, only 19% indicated that their organisations actively managed CR. The findings are almost the same as those of a study done 2 decades earlier. That study by Hill and Knowlton, finds that "96% of surveyed CEOs acknowledged the importance of CR but only 20% managed it" (Nakra, 2000: 41). Considering the period between the two studies, a conclusion that CRM, as a business function is not progressing, is inevitable. Naturally, the question what is going wrong with CRM arises. That would have been a viable research question. In this study, however, the researcher only focuses on what is going right in terms of CRM in the SABI.

The present study is the first to examine how CRM processes are made operational in the South African business context. Particularly significant is that information was provided by CR managers themselves. Considering the topical nature of the construct under investigation, this study provides invaluable information to organisations still coming to grips with CRM. With CR estimated to contribute 68% to the market value of South African companies (KRC Research, 2020), actively managing CR must not be an option but a business imperative. Literature however indicates that the majority of firms have little understanding of how CR can be managed. Firms struggle to put in place

viable CRM systems, and many do not manage their reputations. As already mentioned, determining the causes of non-management of CR would have been a viable research project. However, the researcher decided to focus on investigating the CRM processes of South African banks based on a belief that banks have in place operational CRM systems. The researcher intended to develop a framework that other organisations can draw upon in their CRM endeavours. The researcher believed that providing managers with information detailing how organisations with viable CRM processes have managed to operationalize them was more valuable than determining the causes of the non-management of CR.

6.3 Research Objectives

We set out in this study to find answers to the following research question:

"**How do South African banks manage their corporate reputations?"**

The study raised six subordinate questions to fully explore the question, as presented in Section 1.4. During interviews and subsequent data analysis, the introduction question (see Appendix 5), which was merely meant to serve as an 'ice breaker' to begin interviews, became topical. We, therefore, incorporated the question bringing the number of subordinate questions to seven. We restate the objectives that guided the research below:

1. To determine the key drivers of a bank's corporate reputation.

2. To find out how banks measure their corporate reputations.

3. To ascertain where responsibility for CRM is located within banks.

4. To determine how banks ensure consistent translation of CRM processes.

5. To investigate how banks manage industry reputational interdependence.

6. To assess how banks evaluate the adequacy of their CRM activities.

Using a qualitative, multiple-case study design (see Section 4.4.1.2), the CRM processes of local banks were investigated. Through in-depth interviews with bank officials as well as the reading of bank reports, a clear picture of how banks have been able to implement viable CRM processes emerged. The findings (see Chapter 5) are summarized in the following section.

6.4 Summary of the key findings

6.4.1 Answering the introduction question

Banks view CR as an asset: an asset that must be jealously protected (B1), a very important asset (B3), and an asset that drives the bank's successes (B2). All interviewees hold views that their banks have very good CRs. These views validated the researcher's belief, that banks have functioning CRM processes worth studying. That belief gave rise to this research project.

6.4.2 Answering RQ1

There are many CRDs that banks have to contend with. Banks are selective and only concentrate on a handful of CRDs that are actively managed in line with reputational objectives. Organisations are implored to be self-aware, with all members knowing the kind of reputation the organisation aspires for, what actions and behaviours are consistent with the desired reputation, and how to navigate the minefield of often competing stakeholder needs. Only after a thorough self-assessment can an organisation pick the drivers that best meet its CR objectives. Accordingly, B2P1 advises that the "key to good reputations is to realize that the same drivers may not have the same reputational impact in every industry, (…) and maybe even to firms in the same industry. Every firm must ascertain what works for it considering its strategic orientation". Findings from this research lead us to believe that for South African banks, the strategically essential CRDs are management integrity, employees/employee competence, financial performance, quality of services and products, corporate governance, corporate culture, transparency and accountability, regulatory and legal compliance, and corporate social responsibility.

6.4.3 Answering RQ2

Banks are employing a variety of quantitative and qualitative techniques to measure their CRs. The measures aim to generate strategic insights that enable banks to tackle current and future reputational challenges. Techniques employed include stakeholder surveys, media analysis, online sentiment analysis, and interviews with professional people such as government representatives, industry regulators, institutional investors, community leaders, and other key opinion leaders. Banks have developed their own CR measuring systems.

Responses to RQ2 clearly show an inclination towards the use of internally developed tools and instruments. Banks have realized early on that measuring CR is not an exact science and that there are bound to be hit and misses with measuring systems. As the experiences of banks show, developing CR measures, techniques, tools, and processes is not a sprint but rather a marathon. It takes time for an organisation to develop and perfect measuring instruments. The beauty of the resultant instruments is that they are stakeholder specific and therefore meet an organisation's exact needs.

6.4.4 Answering RQ3

The ultimate responsibility for bank CRs lies with the CEOs and the Boards of Directors. These have delegated the actual management of CR to single departments led by senior managers (Head: Reputation & Risk Management in B1, Executive Manager-Corporate Reputation in B2, Chief Reputation Strategist in B3) with direct access to the highest offices. Having senior managers with authority to guide the full spectrum of CRM activities of banks may be key to the banks' superior reputations. So, in answering RQ3 the researcher once again reiterates that South African banks have centralized the CRM function and the departments responsible are being led by senior bank managers who have access to the CEOs and the Boards.

6.4.5 Answering RQ4

Within permissible limits, bank managers exercise discretion in implementing CRM systems. The systems themselves allow for this leeway and bank managers have the requisite competencies and

expertise that allow them to discern when a process might need to be adjusted. A micro-level focus on the implementation of CRM processes will therefore reveal minor variations. However, at a macro-level, processes are seen as being translated in the same way throughout all functional areas.

6.4.6 Answering RQ5

Banks respond to the issue of reputation interdependence in four different ways. They may choose to compete, cooperate, coopete, or coexist. Their responses to each other's reputation moves are premised on their threat perceptions. The answer to RQ5 is encapsulated in the following quote by B1P1:

> "At times we fight fire by fire (compete). At times we work together (cooperate). We can also work together in other areas while fighting fire by fire in other areas (coopete). And also, when it suits us, we might just do nothing (co-exist).

There is complete consensus in banks' responses to RQ5 even considering B3P1's personal reservations regarding the importance of managing interdependence. We believe it will be interesting to have a study that will look at the importance/effect of CR interdependence on overall bank reputations.

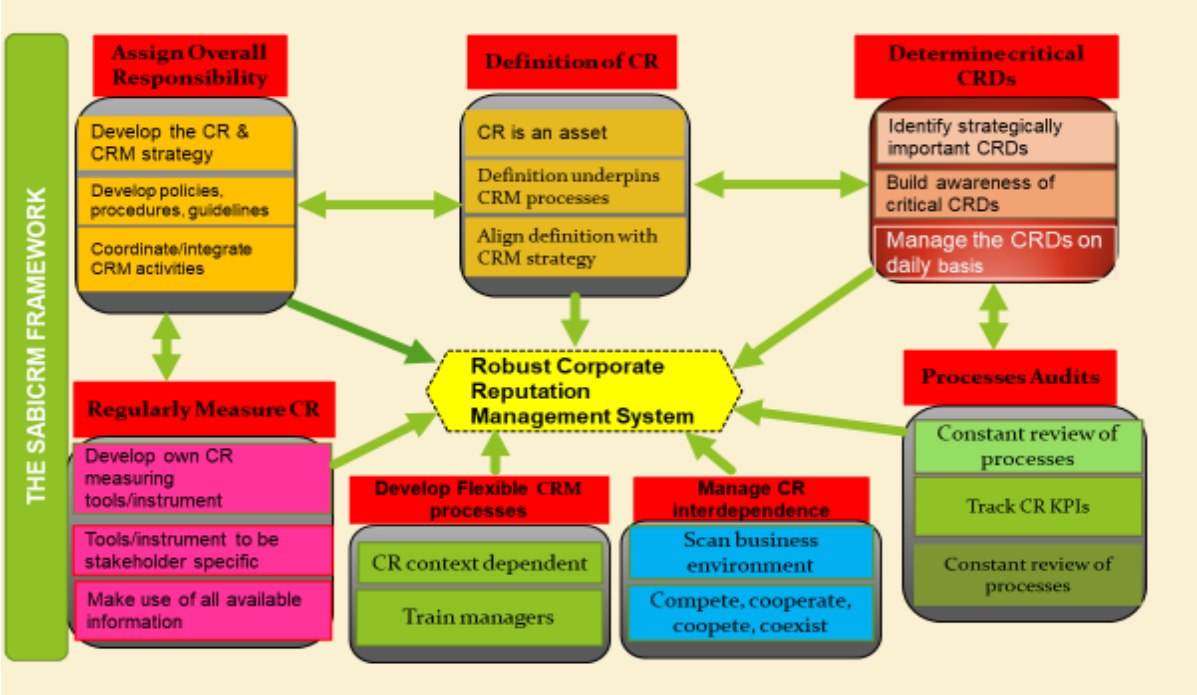
6.4.7 Answering RQ6

Banks carry out periodic reviews of their CRM processes. During such reviews, the whole spectrum of CRM activities is looked at. For instance, CRDs and their strengths are looked at, CR KPIs are updated in line with any changes in the banking environment, stakeholder surveys are carried out to ascertain levels of satisfaction, and CR audits are performed to assess the attainment of reputational goals. Even the CRM strategies themselves are looked at and adjusted as necessary during the evaluation exercises. At the end of the evaluations, banks come out with improved CRM processes that in our view are helping them to remain at the forefront of the CRM curve.

6.5 The Emergent CRM Framework: The South African Banking Industry CRM (SABICRM) framework

A key goal of this study was to explore the CRM processes of banks. The goal culminated in the development of the SABICRM framework. This is a framework that can guide firms in implementing a CRM system.

Figure 3: SABICRM Framework



Source: researcher (2022)

The very first step in establishing and implementing a robust CRM system is for top management (the Boards) to acknowledge the importance of CR. With that done, responsibility for managing CR can be assigned. That responsibility comes with the duty to define CR in a language understood by all members of an organisation, developing guidelines, policies, procedures, CR strategy, etc. Following the SABICRM framework, the researcher can state that local banks have assigned responsibility for coordinating CRM activities to senior managers who have access to the CEOs and the Boards. They have defined CR as an important asset. By so doing, they have been able to identify critical CRDs that impact this asset, given the contexts in which they operate (see Section 4.6.1.2). Banks constantly measure their CRs mostly using techniques they have designed

themselves. They have designed their CRM processes with enough flexibility for managers to exercise discretion when required. Banks are regularly carrying out audits to ascertain the adequacy of their CRM processes. As a result, the CRM processes of banks are functioning like charms or like well-oiled machines, to paraphrase a statement by B1P2.

6.6 Managerial implications/Recommendations for management practice

In making the following recommendations, the researcher took note of Salminen et al. (no date) who advise that managerial implications should be stated explicitly as recommendations and that they must be numbered, and if possible, they must be targeted at particular managers. (The researcher is targeting CR managers, senior executives, and Boards). This, according to these scholars will ensure the implications are readily identifiable and easy to read for managers. The scholars also raise the concern that some of the recommendations in academic articles on management are not relevant enough to practitioners or managers. Taking note of the advice and the concern, the researcher makes the recommendation with a conviction that they are pragmatic, and managers will find them useful.

6.6.1 Assign responsibility for the CRM function to a single department/person

Literature continues to call on organisations to incorporate a new executive whose specific role is to look after CR (Fombrun, 1996; Casado et al. 2014; Corporate Excellence, 2014; Perez et al. 2019; Shamma, 2012). The extent to which this call is embraced by organisations both those that competently manage their CR and those that don't, is unclear. What is clear from the evidence gathered in this study is the indispensability of the roles played by the managers spearheading CRM in banks. With the appointment of these officials, ownership of the CRM function is well-defined and unambiguous, and reporting lines and responsibilities of everyone else are clear. It will be a brave soul who argues against appointing such officials and thus the call for their appointment is repeated. Among other duties, their core functions will include: (1) defining a CRM strategy that is consistent with the requirements and expectations of stakeholders and aligning it with overall business strategy; (2) leading the development of appropriate policies, codes of conduct, guidelines, and procedures

to support the implementation of an organisation's reputation vision; (3) inculcating 'reputational thinking' as part of an organisation's culture and ensuring that departments abide by it; (4) setting up effective systems and processes to manage CR and its risks as well as to monitor compliance with all applicable laws, regulatory standards, and internal guidelines; (5) providing adequate training to all employees in CR centred matters to enable them to discharge their CRM responsibilities competently; (6) directing the measuring of perceptions of those stakeholders who exert the greatest levels of impact on the business outcomes; (7) constant scanning the horizon for reputational threats and opportunities; (8) developing dashboards for tracking levels of reputational goals attainment, changing stakeholder expectations, and to measure CR so as to ensure internal and external consistence: promises are based on business abilities; (9) giving general guidance to functional areas to ensure consistent performance and strategic alignment; and (10) taking overall responsibility for an organisation's CR.

The full spectrum of CRM activities can never be accomplished by a single person/department but jointly by employees from different departments and hierarchical levels. Participants in this study repeatedly raised this point stating that complexities in CRM call for buy-in from everyone within an organisation, both at operational as well as executive levels. We are not arguing here that the good reputations of local banks are entirely due to having this role in their ranks. But still, it is undeniable that the role plays an immense part in the management of CRs. We, therefore, join the call by literature for organisations to create the role equivalent to Chief Reputation Officer. Such a role is found missing in many of the big global corporations (Casado, 2014; Perez et al. 2019).

Again, organisations might not need to look externally for candidates to fill the role. The skill sets and personality traits required might already exist internally. Corporate communication managers, marketing managers, CSR managers, HR managers, and institutional relations managers are some of the officials who can be considered for this role. As with any other manager, these officials are already engaged in aspects of CRM, though in siloed fashions. Given their broad organisational knowledge, these managers can easily transition to the CRO role and help develop systems and processes for protecting a valuable corporate asset.

6.6.2 Define CR as an ASSET

As a business concept, CR is a familiar 'buzzword' in corporate corridors (Brønn & Buhmann, 2018) known to everyone but understood by a few (Rayner, 2014). The familiarity with CR deceptively leads many businesspeople to believe that they have an intuitive understanding of CR. One only needs to look at the ever-expanding list of definitions of CR to realize the complex nature of the construct. A clear (mis)understanding of CR and what it entails has major implications on how it can be (mis)managed. While the definition of CR is still being debated, local banks have defined it as an asset. The clarity brought by defining CR in simple everyday business language has worked for the banking industry. Based on how they have defined CR, banks have established a full spectrum of principles through which they manage their CRs.

Defining CR as an asset is a critical step in ensuring that all members of an organisation become aware of its importance. Like any other asset, the value of CR changes during the lifetime of a business. As such, all processes that are applied in managing tangible assets can also be applied in managing CR: regular checks on the reputational asset to ascertain the state of CR; checks to identify potential opportunities as well risks; assigning responsibility for CR; leveraging CR to attain business objectives; etc. Thus, the essential building blocks for managing CR are already present in organisations and there is no need to reinvent the wheel. By defining reputation as an asset, senior management and Boards can take the fundamental steps of setting clear priorities for CRM. As evidence from banks shows, the CRM strategy becomes embedded in the overall business strategy empowering organisations to manage CR perpetually.

6.6.3 Identify CRDs for own organisation

Local bank experiences tell organisations to identify critical drivers of their CRs as dictated by their unique operating environments. Every organisation has tens of CRDs of varying levels of importance, but only a few can be given daily management attention. Considering its internal (mission, vision, culture, capabilities, strategic orientation) and external (competitive, regulatory, social, economic) environment, an organisation must decide on drivers to give undivided attention. At the centre of a good CR is a clear understanding of what drives that reputation and then focussing

management attention on the respective drivers. Long lists of CRDs (proposed by literature) need evaluation so that a viable number is selected for concerted attention by managers. Focussing on a few critical CRDs allows for a deeper understanding of the relative significance of drivers to organisational CR. Banks have identified the critical drivers of their CRs.

To accurately identify critical CRDs, it will be necessary to go back one step and consider the overall corporate strategy of an organisation. Revisiting the corporate strategy will provide information that enables key stakeholder groups to be identified and prioritized in line with organisational competencies. The ability to meet the expectations of key stakeholder constituents with respect to what they perceive as important drives an organisation's CR. Once the critical CRDs have been located, it becomes possible to manage them more effectively. As discussed in Section 5.3.4, a 2015 study by Tlou & Govender that looked at CRDs for local banks using only publicly available data has 50% of drivers considered critical by managers. Using such lists as they are will produce sub-optimal CR results. Again, ~~we~~ can learn from the experiences of banks that every organisation must take steps to identify critical drivers of its CR.

6.6.4 Develop your own tools and have an action plan for measuring CR

By its very nature, CR is a fluid construct and thus, when dealing with it, it is necessary to have an action plan that guides processes. The plan must be adhered to over time. Such a plan will guide how CR will be measured and how the requisite measuring tools can be accessed. Half the battle with measuring CR is won by having the right tools for the right job. This entails having tools that are specific to a particular stakeholder. The required specificity comes from internally developed CR measuring instruments and being consistent in using them. Banks have gone to great lengths in internalizing the development of relevant CR measuring tools e.g., hiring people with the required skills, offering the necessary training to employees, and engaging the services of external consultants. Admittedly, they take note of external measuring tools, and such behaviour has allowed them to develop more robust measuring tools. Also, when it suits them, banks engage external entities to conduct stakeholder surveys on their behalf.

While it might not be practical especially for smaller organisations to develop CR measuring instruments for each of their stakeholders, an organisation must have a systematic approach to identifying and assessing the sentiments of key stakeholders. Any instruments an organisation employs should be relevant for their business and tailored to their circumstances and needs. Granted, the instruments may have some similar core questions but will ultimately differ along the line. However, what can be seen from bank experiences is that the ideal situation is to have stakeholder-specific measuring instruments. Such instruments can capture stakeholder sentiments without introducing unintended biases associated with the use of a common tool for all stakeholders. Different stakeholders have different expectations, and these cannot be thoroughly investigated using a common tool. Evidence gathered during this study indicates that banks tend to sparingly use external consultancies because of their use of generic tools. Therefore, an organisation must consider how each stakeholder is affecting its CR and then develop measures/strategies appropriate for each group. What matters to one group of stakeholders may prove to be completely irrelevant to another group. “For the [measuring] tools to be fit for purpose, they have to be stakeholder specific, (…) a one size fits all tool doesn’t work” (B1P1). Measurements of CR must allow for variability in the weighting of stakeholder influence.

6.6.5 Build Flexibility into systems

Just as it is important to have stakeholder-specific CRM processes, it would be ideal to have location-specific processes as well seeing that local norms largely shape perceptions and expectations of stakeholders. According to one participant in the study, “… the needs [expectations] of stakeholders in deep rural Eastern Cape for instance are not necessarily the same as those of stakeholders in Sandton” (B2P2). Logically, it would therefore be necessary to have different processes to address the differing requirements of the stakeholders. However, it is infeasible for large organisations such as banks to have processes designed for each stakeholder according to their specific locations. What banks have done instead is to develop stakeholder-specific CRM processes that allow for minor adjustments to be done to suit local expectations better.

Developing CRM processes that allow for flexibility gives managers room to exercise some level of discretion and adjust a process when situations demand it. The ability to discern when a process should be adjusted stems from the managers' clear understanding of the visions, values, goals, and strategies of their banks as they relate to CR. The requisite competencies have been built through training that exposes managers to the latest ideas in CRM. Going by bank experiences, it can be seen that CR-centred training maximizes the employees' understanding of the complexities and changing nature of CR, increases the effectiveness of CRM procedures, and reinforces the reputation culture of an organisation. All bank officials are regularly exposed to CR training, and ~~we~~ believe this is one key determinant of the banks' positive CRs. We, therefore, call on organisations to ensure that training and development programs that build staff competencies to support an organisation's reputation endeavours are put in place. With the right training, the staff is empowered to discharge their CRM responsibilities competently.

We close off this sub-section by repeating that flexible CRM systems make it easier for an organisation to recalibrate its processes to keep pace with evolving stakeholder requirements. The flexibilities must however be wide enough to allow for meaningful adjustments to processes but narrow enough to remain within the confinements of the overall business strategy.

6.6.6 Perform regular audits of CR

The ultimate responsibility for protecting an organisation's CR rests with senior management and the Board. This responsibility calls on them to satisfy themselves at all times that CRM processes remain sufficiently effective. To that end, regular audits should be conducted to enable businesses to anticipate and manage emerging CR risks as well as to seize any reputational opportunities that might present themselves.

Management teams may implement layered processes audit regimes as they exist in banks. In banks, the CR management departments, internal auditors, and external auditors provide multiple assurances that the CRM processes are operating as intended. The audits pick up any threats to CR before they take root, assess the appropriateness and implementation of processes for managing CR and its associated risks, and verify the adequacy of systems designed to give early

warning of potential reputation problems. In short, reputation audits and process reviews ensure that CRM processes are dynamic and remain capable of meeting the changing expectations of stakeholders.

The form and frequency of audits should be dictated by an organisation's overall business orientation, size, complexity, and reputational risks inherent in its line of business. The same goes for the party to conduct the audits e.g., compliance officers, internal auditors, or some other independent external party. Outcomes of reviews and audits should guide further refinement of CRM processes. Should major shortcomings be revealed, they must be promptly brought to the attention of senior management and the Board for suitable remedial actions to be taken.

A few words of caution before the end this sub-section. For the effective application of CR audit results, management teams need to understand the degree of variability of CR across functional areas. Function-specific attributes within departments may call for management actions to vary across the organisation. It is, therefore, necessary to evaluate CR and CRM at the functional as well as stakeholder levels.

6.7 Limitations and recommendations for further research

6.7.1 Participant Selection

Given the descriptive nature of this study, the method used to select participant organisations was purposive sampling instead of the more statistically robust random sampling method. Admittedly the pool of potential participants (19 banks) would not have generated a meaningful random sample. Added to that, the condition that a bank had to have a wider footprint within the country to be considered for participation virtually excluded all the smaller banks. This left only the Big Six. We however repeat the point ~~we~~ raised in section 4.6.3.2 that the sample considered accounted for 92% of the banking industry's assets and over 98% of the banking clients. Nevertheless, limiting the participation to the big banks excluded perspectives of smaller banks who may have contributed unique ideas to the research. There is therefore scope here for other studies to investigate how CRM

is executed in smaller banks. Better still, other studies can focus on completely different industries and perform comparative analysis using the SABICRM framework proposed in this study.

6.7.2 Type of informant

Related to the above-mentioned limitation, all informants were senior managers directly responsible for their respective banks' well-functioning CRM processes. While the researcher is absolutely convinced these were the right people to speak with given the focus of the study, it is possible that they gave from a manager's vantage point, more inside-out perspectives on the study topic. Through training (MBA, executive development programs, management seminars, and conferences), managers develop advanced business skills, knowledge of 'mind games', social 'rituals', and social experiences, which they may use to make the desired impression. It is possible that they may have given the right answers, i.e., stating how things should be instead of expressing facts on the ground. Extending the pool of informants to include ordinary workers, the foot soldiers whose daily activities involve interacting with stakeholders, would have enriched the findings. Not including ordinary employees may have introduced top-down biases to the results. A case in point is the omission of employees from aspects considered to be key CRDs by the informants. However, the researcher maintains the view, steeped in literature, that CRM is a strategic issue, and therefore the best people to offer insights into how CRM processes are framed and operationalized are managers. The informants were such people. That being said, there is scope here for other researchers to focus on CRM perspectives of employees, be it in banking or any other industry. We also see an opportunity for a study that focusses on the outside-in perspective on CRM processes of banks. Such a study can look at how stakeholders view the banks' CRM endeavours.

6.7.3 Nature of industry

The study also focussed on a unique industry category, namely the banking industry. Because of the nature of the industry: a large services industry with many regulators (local and international), it may be that managing CR is not an option. In fact, the Basel 3 banking regulatory framework requires that banks spend significant amounts of time managing risks to their reputations. Managing

reputation may therefore be an industry imperative driven by the need to satisfy regulations. Therefore, the results of this study may not apply to other types of institutions that do not have the same kinds of pressures. Even disregarding the issue of regulations, smaller organisations will be hard-pressed to follow in the footsteps of the banking industry in implementing their own CRM systems. Such organisations might lack the resources to design systems and processes from scratch, regularly conduct stakeholder surveys, provide constant training to personnel, or dismiss, more or less, the services of reputation consultants as the banks seem to have done.

6.7.4 Access to informants

Another limitation and source of personal regret for the researcher was the limited time and access to informants. We were only given one chance to interview these extremely busy officials. At one point, the study was left in a quandary when one bank that had initially indicated willingness to participate decided to pull out a week before the scheduled interview date. The situation was only rescued through the intervention of a participant (B3P1) who secured the participation of his colleagues from a bank that had originally declined the invitation. Access to informants for a second time would have helped to clarify some contradictory issues that became apparent during data analysis. With no second access, the issues were left hanging. We would have particularly wanted to follow up on issues of near dismissal of academics as people who are more concerned with theorizing. To make the point, ~~we~~ repeat quotes from 3 informants:

> "… after you decipher your work, you academics come up with such lists. You try to fit things into tight little compartments. That nearly doesn't work in practice" (B2P2).

> "… the usefulness [of CR measuring tools developed by academics] outside the academic world in my opinion is questionable. (…). These [measures/tools] are not designed for my customers, my investors, or my regulators" (B2P1).

> "…, my personal take is that many of your tools are sound theoretically and I'm sure they are useful in academic exercises" (B3P1).

We, therefore, see an opportunity for a study that interrogates these sentiments deeper as it appears there is a theory-to-practice gap that needs addressing. In particular, such a study can look at whether the negative sentiments apply to CRM processes only, whether they are held by CR managers or all managers within banks, or whether the sentiments are generally held by South African business managers. Such a study may shed light on why many organisations still do not manage their CRs despite the availability of books and other resources on CRM.

6.7.5 Similarity of responses

Given that CRM is a discipline that is still maturing, the researcher felt it was wise to furnish informants with the interview guide in advance of the interviews. In our view, this would have allowed the informants to prepare for the interviews. However, during the data analyses, the researcher could not help but feel that the informants, especially those from the same bank may have discussed their responses prior to the interviews. Some of the responses are remarkably similar. While this may not be a problem in itself, the possibility that responses could have been conditioned to give a particular perspective exists. This is a possibility that could have been lessened by including ordinary employees as informants.

6.8 Contributions of the study

6.8.1 Scholarly Contribution

This study contributes to the scholarship on CRM by demonstrating how an industry (the SABI) located in a developing country (South Africa) has managed to develop and implement a viable CRM regime. This is noteworthy, considering that some large organisations in the developed world struggle to manage their CRs and many do not. Some literature even expresses reservations regarding the manageability of CR (Section 2.3). In fact, there is no shortage of prior research that looks at the ‘what’ and the ‘why’ of CRM. However, less attention has been given to the ‘how’ aspect of CRM. We, therefore, set out to address the ‘how’ aspect of CRM. This study advances scholarship on the CRM construct by providing a detailed account of how a viable CRM system is operationalized. The proposed theoretical framework was developed entirely based on empirical

findings. The framework was inductively developed in line with the adopted research methodology, and it shows a clear path towards a robust CRM system. We thus believe that this qualitative study achieved its intended objectives by tapping into the minds of professionals whose daily working activities concern CRM.

The research did not result in a new theory of CRM. It was never intended to generate theory. Instead, ~~we~~ specifically set out to find out what is working, and what systems or models are employed by the local banking industry in managing their CRs. We were guided by the belief that bank experiences in CRM can be used as blueprints by other organisations still struggling to implement sound CRM systems. This research sheds light on this aspect. In particular, our findings support the notion that CR can be managed. At the same time, ~~we~~ also extend existing scholarship by investigating and documenting the experiences of organisations that have managed to come up with working CRM systems.

The near dismissal of some outputs of academics by bank managers was surprising and disconcerting. The researcher, as an aspiring academic, never expected such reaction. We were made aware in no flattering terms that critical mismatches exist between business demands and some theoretical and organisational knowledge produced by academics. Thus, by highlighting the disdain of CR managers in their consideration of CRM processes emanating from academia, the researcher believes this study will further stimulate scholars of CR and CRM to relook at themselves and/or their processes. There is an urgent need to understand the sources of managers' discomfort to close the theory-to-practice gaps. In fact, introspection on the part of (local) scholars may be long overdue (or progressing slowly), given that local industry leaders have complained about the quality of some graduates produced by institutions of higher learning. Maybe, ironic as it may seem, the academic fraternity may also need to learn reputation management from the local banking industry.

6.8.2 Contribution to management practice

The key contribution of this study is the development of the SABICRM framework. The framework provides a basis for answering a question frequently raised in literature i.e., can CR be managed (see Section 2.2.1)? The results of this study are categorical in showing that CR can be managed.

Of course, there is no running away from the fact that getting a CRM system up and running may still present challenges. However, what ~~we~~ have shown in this study that a viable CRM system can be built with the right people in place and supported by all organisational members. Like any new system, teething problems will be encountered, and perfection will be achieved gradually with repeated use. As ~~we~~ have indicated earlier, the key strength of the SABICRM framework derives from the fact that it is entirely based on lived experiences of CR managers.

CR building and CRM are business activities that are omnipresent in every facet and every function of an organisation, be it the culture, behaviour, communication, production, HRM, regulatory compliance, CSR, and many others. Permeation of CRM into all facets of business functions makes it absolutely clear that an organisation must not outsource on whatever pretext (e.g., lack of skills or that it is expensive), the CRM function to the "so-called reputation management firms" (B2P1). There is no justification for outsourcing the management of 68% of a firm's value. Senior management and Boards of firms must be aware that no one can manage their CRs for them whatever skills are necessary to enable an organisation to manage 68% of its value must be found and internalized. Whatever process must be developed and certainly there is no cost too high for developing CRM competencies to allow organisations to manage from within 68% of their values. This study thus offers pragmatic contributions with regards to how a robust CRM system can be put in place. It captures bank managers' conceptualizations of reputation and describes the current CRM practices working effectively for local banks. This research helps to advance the fundamental need for organisations to take CRM as a strategic necessity and offers valuable insights into the experiences of banks about CRM: insights that can help organisations overcome inertia and start implementing their own CRM systems.

The results of this research may help to support management actions in the area of CRM. As noted by research participants, CRM is a challenging undertaking that requires unwavering commitment, especially from the top echelons of an organisation. With no universal CRM system, this work was an attempt to identify key components of a robust CRM system. To that end, the SABICRM framework was developed. This framework shows clear steps to follow in building up a viable CRM

system, and thus, it can be used as a guide in the development and/or refinement of CRM processes. The development of the SABICRM framework makes it clear that CR can be managed.

The study also came up with a list of critical CRDs specific to the local banking industry. The list is unique in that it was developed and is composed of drivers deemed critical by CR managers. It is the first of its kind in South Africa to be developed using input from people directly involved in CRM. While the list may be of little relevance to organisations outside the financial sector, its real value derives from the information it conveys. Its existence tells other organisations to develop their own lists of critical CRDs considering their own unique circumstances.

6.9 Concluding Remarks

That a good CR gives an organisation substantial benefits is long established. However, to reap the full benefits, CR must be actively managed. No stone should be left unturned in implementing a robust CRM system and no cost should be considered too great. Executive management and Boards should lead the way. Resources to give guidance on developing CRM systems are available. While these may not be fully effective or adequate for the needs of organisations, more are being developed. The SABICRM is one such resource. These resources point the way and organisations need to get their hands dirty to get CRM systems up and running. This is the advice given by B1P1 when they say:

> "So, as I have been saying, CRM is a hands-on undertaking. No one is going to manage your reputation for you. You dirty your hands to get a good corporate reputation. There is no other way. Of course, many businesses are not prepared to do that. They do nothing. But whether you measure your reputation or not, you have it. Whether you manage it or not you still have it. I may also add that you have the reputation you deserve. The question then is do you have the reputation you want? If you do nothing about your corporate reputation, it will do nothing for you. Talk to your stakeholders. Find out what they want from you. All they want is quality in whatever way they define it. Customers want quality products: give them quality products. Investors want quality returns: give them quality returns, employees want meaningful jobs:

> give them that. You manage your CR by giving quality to your stakeholders. Nothing more nothing less. And I have said it before, no one will do this for you. No amount of public relations or communication will cover for this simple fact" (B1P1).

In wrapping up, the researcher refers again to the 2019 study by Cole & Fleming (2020) and the 2000 study by Hill and Knowlton (Nakra, 2000) that was mentioned at the beginning of this chapter. Looking at the findings of the two studies, the Cole & Fleming study paints a gloomy picture with regards to the progression of CRM as a management function. The researcher sincerely hopes that two decades from now, no one will use the results of this study to show non-progression in CRM as this researcher has just done. The SABICRM is there to provide guidance.

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APPENDICES

APPENDIX 1: ETHICAL CLEARANCE CERTIFICATE

NORTH-WEST UNIVERSITY
YUNIBESITI YA BOKONE-BOPHIRIMA
NOORDWES-UNIVERSITEIT

Private Bag X6001, Potchefstroom
South Africa 2520

Tel: 018 299-1111/2222
Web: http://www.nwu.ac.za

Economic and Management Sciences Research
Ethics Committee (EMS-REC)

11 August 2021

Dr P Pretorius and Prof J Meyer
Per e-mail
Dear Dr Pretorius and Prof Meyer,

EMS-REC FEEDBACK: 25062021 (Round Robin)
Student: Murimbika, S (37203843)(NWU-00892-21-A4)
Applicant: Dr P Pretorius and Prof J Meyer – PhD in Business Administration

Your ethics application on, ***Exploring Corporate Reputation Management (CRM) processes used by South African banks: Towards the development of a theoretical framework of CRM,*** which served Round Robin, refers.

Outcome:

Approved as a minimal risk study. A number **NWU-00892-21-A4** is given for one year of ethics clearance.

Please note that the ethics approval of this application is subject to the Covid-19 protocols.

Kind regards,

Mark Rathbone

Digitally signed by Mark Rathbone
DN: cn=Mark Rathbone, o=North-West University, ou=Business management, email=mark.rathbone@nwu.ac.za, c=ZA
Date: 2021.08.12 07:35:18 +02'00'

Prof Mark Rathbone
Chairperson: Economic and Management Sciences Research Ethics Committee (EMS-REC)

APPENDIX 2: INVITATION TO PARTICIPATE

NWU Business School
North-West University
Private Bag x6001
Potchefstroom, 2520
http://commerce.nwu.ac.za/business-school

28 September 2021

To whom it may concern,

RE: Invitation to participate in a research project

You are invited to participate in a research project being conducted by Samson Murimbika, a PhD Student at NWU Business School. The research project is being conducted under the supervision of Dr. Piet Pretorius and Professor Jan Meyer. This information sheet describes the project in straightforward language, or 'plain English'. Please read it carefully and be confident that you understand its contents before deciding on your participation. The study topic is:

EXPLORING CORPORATE REPUTATION MANAGEMENT (CRM) PROCESSES USED BY SOUTH AFRICAN BANKS: TOWARDS THE DEVELOPMENT OF A THEORETICAL FRAMEWORK OF CRM

The purpose of this study is to investigate corporate reputation management processes. You have been invited to take part in this study because we believe that South African banks have effective CRM processes that may provide valuable insights for organisations still coming to terms with reputation management. We believe that the results of this research will provide valuable information and guidance regarding CRM.

Your participation in the study is voluntary. This invite also contains information that may assist your decision making with regards to accepting or declining the invitation. Please read through and should you have any questions or issues that need clarification, raise them with the researcher or his supervisors. If you agree to take part in the study, we will ask you to sign a consent form. You are free to withdraw from the study at any time, without giving a reason. However, should you wish to withdraw after we have collected any data from you, the data may still remain part of the study.

The study will involve one-on-one interviews (face-to-face or videoconferencing) lasting between 1 hour and 1,5 hours. You will be asked questions related to bank's corporate reputation management activities. A guide to the questions is provided with this invite to enable you to consider them in advance. We will request your permission to electronically record all interviews to ensure accuracy and allow for use of verbatim quotes. Interviews will be conducted at your convenience, at a time and location agreed with the researcher.

All data collected will be kept strictly confidential, stored securely in password protected computer files or in a locked cabinet in case of paper or audio files. Codes will be assigned to protect individual and bank identities and ensure anonymity. Such codes will only be understood by the researcher and the research supervisors. Data will be kept in line with the university's rules and regulations, and will be used for a doctoral thesis, and in publications stemming from the doctoral thesis.

There are no foreseen risks associated with your participation in this research project. There may be no direct benefit to you but the findings of this research might provide invaluable information for South African corporate organizations struggling to manage their reputations. Should you have any questions or concerns about any part of this study, feel free to contact any of the undersigned.

If you agree to participate, please complete the attached consent form and return it to the researcher.

Yours sincerely

Samson Murimbika

PhD Student
NWU Business School
Cell: 0833148145 Email: r0020807@yahoo.com

APPENDIX 3: ORGANIZATION CONSENT FORM

NWU Business School
North-West University
Private Bag x6001
Potchefstroom, 2520
http://commerce.nwu.ac.za/business-school

Organisational Consent Form

11 June 2021

To whom it may concern,

Project: Exploring Corporate Reputation Management (CRM) processes used by South African banks: Towards the development of a theoretical model of CRM

Name of researcher: Samson Murimbika, NWU Business School

_____ gives permission for Samson Murimbika to undertake research within the bank as part of his PhD in Economic and Management Sciences with Business Administration at the NWU Business School, the purpose of which is to investigate corporate reputation management processes used by the bank.

The research will involve one-on-one interviews with senior bank managers, the use of bank documents and other archival records. Data collected will be used in the PhD thesis, and in publications such as academic journals. A summary of the key findings will be provided to the bank the form of a report. The bank and its employees will remain anonymous in all publications of the research. Any information that might threaten the anonymity of the bank or its employees will not be included in publications. Any information deemed sensitive, collected as part of the study will not be included in any publications.

Collected data will be kept in password protected electronic files, or in a locked cabinet. Data will only be accessed by the researcher and his supervisors. No third parties will be given access to data. Data will be kept in line with the university's rules and regulations. Any concerns regarding the research will be addressed by the researcher, Samson Murimbika contact details: email r0020807@yahoo.com cell: 0833148145.

We agree to the above terms of the research, and regard all the research to be ethically acceptable.

Signed on behalf of _____

Signature: _____ Date: _____

Name: _____

Designation: _____

APPENDIX 4: INDIVIDUAL CONSENT FORM

NWU Business School
North-West University
Private Bag x6001
Potchefstroom, 2520
http://commerce.nwu.ac.za/business-school

Individual Consent Form

11 June 2021

To whom it may concern,

Project: Exploring corporate reputation management (CRM) processes used by South African banks: Towards the development of a theoretical framework of CRM

Name of Researcher: Samson Murimbika

Please tick the boxes:

1. I confirm that I have read and understood the participant information sheet for the above study. I have had the opportunity to consider the information and ask questions, and these have been answered satisfactorily. ☐
2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving any reason, and understand that data already collected may remain part of the study. ☐
3. I agree to electronic recording of all interviews to ensure accuracy and allow the use of verbatim quotes. ☐
4. I agree to take part in the above study. ☐

Name of participant: _____ (please print)

Signature: _____

Date: _____

Name of person taking consent: _____ (please print)

Signature: _____

Date: _____

APPENDIX 5: INTERVIEW

NWU Business School
North-West University
Private Bag x6001
Potchefstroom, 2520
http://commerce.nwu.ac.za/business-school

Interview Guide Proposed questions

Interview Number: _____

Date: _____

Time: _____

Location: _____

This interview will look at corporate reputation management processes of the bank. Please answer the questions in your own words. Should you need any clarification, do not hesitate to ask.

Introductory part

a. What is your understanding of Corporate Reputation (CR)?

b. How do you conceptualize/see CR (is it an asset/relationships/assessment)?

1. What are the key drivers of a bank's corporate reputations?

1.1 I have a list of CR drivers compiled from literature that I would like you to look at:

1.2 Would you say they also apply to the bank?

1.3 Would you add or remove some?

2. How does a bank to measure its corporate reputations?

2.1 Which CR measuring tools are you familiar with?

2.2 Which tools does the bank use? Why?

2.3 Does the bank have its own in-house CR measuring tools?

3. What are the roles of different business functions in CRM?

3.1 What is the primary aim of CRM for the bank? Please explain.

3.2 Which departments have the responsibility for managing the bank's CR?

3.3 Where do the heads of these departments report to on CR matters?

4. How does a bank ensure consistent translation of CRM processes?

4.1 In crafting CRM plans, does the bank take into account the different socio-economic and cultural contexts existing in the areas it operates in?

4.2 Are managers given discretion in implementing CRM in light of the differences referred to in 4.1?

4.3 Does the bank have regular workshops for all employees focussing exclusively on CR?

5. How does a bank manage industry reputational inter-dependences?

5.1 Do you monitor the CR enhancing actions of other banks? Why?

5.2 As an industry do you work together to improve the reputation on the industry? Can you cite examples?

5.3 How is the bank's reputation affected by the reputations of other banks?

6. How does a bank evaluate the adequacy of its CRM activities?

6.1 Is CRM integrated into the bank's overall business strategy?

6.2 How does the bank benchmark its CR? Nationally/Internationally?

6.3 Does the bank conduct CR audits? How often? Yearly/quarterly targets?

APPENDIX 7 Codebook of QDAProj

Introduction
- Asset
- Consistantly meeting stakeholder expectations
- CR must be protected
- CR is good
- Important aspects of CR
- CR important for survival
- Cr an asset witk long maturity
- CR a fragile asset
- CR is broad and transitory
- Underpinned by behaviour
- Stkhldr interests dynamic
- Takes time to build a CR
- You build your own reputation
- Damage to CR is costly
- Meeting stkhldr needs build CR
- Trust underpin CR
- Transparency is import

Question 1
- There are many CR drivers
- Track some CR drivers
- Focus on select few CRDs
- Strat import CRDs
- Criticality of CRDs
- Determining criticality
- Costly to mishandle strt imp CRDs
- Cannot focus on all drivers

Question 2
- Measuring CR is always on
- Method to measure
- CR not easy to measure
- Continuously imroving measuring
- Common measures
- Challenges with measure
- Measure need to be specific
- Use of in house tools
- Also uses external tools
- Limited use of externals
- Need to develop skills to measure CR
- Somewhat familiar with external tools
- Consulants use generic tools
- Not convinced of external tools
- Monitoring media sentiments
- CR measured by monitoring KPIs
- Must measure CR
- Takes time to perfect a mezharing tool
- HAve a measuring system your trust
- Measuring CR not a science
- Tool need to be fit for purpose
- CR threats frm evrywhere

Question 3
- CRM is protecting an asset
- CRM has tangible benefits
- CRM is centralized
- Centralization allows easy monitoring
- Everyone involved
- CRM comttee made of HODS
- CEO ultimately responsible
- Some employees only work on CRM
- CRM priority for the Board
- CRM is challenging
- You manage your own CR
- CRM is meeting expectations
- A robust CRM system takes time
- Skepticism about academics
- Assign responsibility for CRM
- Outside tools need modification
- Difficult to put value on CR
- People import in CRM
- PR and comm cannt manage CR
- 3 lines of defence of CR
- CRM cannot be done in silos
- Listen to stkhldrs

Question 4
- Social diffs taken into acct in CRM
- Flexible CRM porcesses
- Training important
- Mgrs atten at least one training
- Training material designed internally most
- Material design informed by sthlr feedback
- External consultants involved
- Balance on materials needed
- Stkhlr expectations are dynamic
- Expensive to fix a broken CR
- Vigilence is required
- Mgrs have discretion
- Segmented training
- CR a key issue in perf mgmt
- Import to understand envrmt
- Mgrs have guidelines
- Training always on-going
- CR objective inform learning material dev
- Mgmt of CR not clear-cut
- Internal and externa l expert 4 training
- Special orientation for new employees
- All employees atteng CR training
- Complexity of operations can affect CR

Question 5
- Scan the CR horizon
- Responses to CR threat depend
- CRs affected by actions of other
- Each bank must act accordingly
- Work together when required
- Meet to discuss CR matters at times
- Working together and also competing
- Areas of coop hidden fom sthldrs
- May benefit from another's CR misfortune
- Always watching each other
- Watching others keeps you prepared
- CRM demands that you keep watch
- Reputation of SABI is good
- No interest in affecting reg
- Rub off effect on reputations
- Symbiotic rep relationship
- Good CR due to own actions
- Roles separated
- Balance bank need and SABI needs
- CR damage is costly
- SARB plays a big role and had a good CR
- Competitive CRM
- Cooperative CRM
- Painted by the same brush
- Conform as well as different
  - *When it suits the bank, it wants to be seen af different from those experiencing problems. But it doesnt want to bee seen as too different.Not to be too unique*
- Mimic each other
- Not import to manage interdpend
- Focus on internal systems first
- Adapting to meet new threats

Question 6
- Surveys of stkhldrs

APPENDIX 8: INITIAL CODING EXAMPLE

Category	Code	Case	Text	Coder	Date	Words	% Words	Variable
Introduction	Consistantly meeting stakeholder e	B1P1	Alright. Well, corporate reputation is an asset that accrues to the b	Admin	2022/05/18	32	0,50%	DOCUMENT
Introduction	Asset	B1P1	corporate reputation is an asset	Admin	2022/05/18	5	0,10%	DOCUMENT
Introduction	CR must be protected	B1P1	Like any other corporate asset CR must be monitored, enhanced a	Admin	2022/05/18	12	0,20%	DOCUMENT
Introduction	CR important for survival	B1P1	But more importantly (…) in our line of business CR is a prerequisit	Admin	2022/05/18	14	0,20%	DOCUMENT
Introduction	CR is good	B1P1	I would say our reputation is very good.	Admin	2022/05/18	8	0,10%	DOCUMENT
Introduction	CR is good	B1P1	So, I would say the has a very good reputation for sure. Many of ou	Admin	2022/05/18	21	0,40%	DOCUMENT
Introduction	Important aspects of CR	B1P1	We have built our reputation on three important pillars: what people	Admin	2022/05/18	89	1,50%	DOCUMENT
Introduction	CR is good	B1P1	So I will once again say that we have a solid CR but we are still wo	Admin	2022/05/18	25	0,40%	DOCUMENT
Question 1	There are many CR drivers	B1P1	That's about right (…). I have also listed other drivers of CR that w	Admin	2022/05/18	20	0,30%	DOCUMENT
Question 1	Track some CR drivers	B1P1	But here's a few words of advice to any manager of corporate repu	Admin	2022/05/18	27	0,50%	DOCUMENT
Question 1	Focus on select few CRDs	B1P1	For us, we are selective in our focus but that is not to say we comp	Admin	2022/05/18	19	0,30%	DOCUMENT
Question 1	Strat import CRDs	B1P1	For us, these are: management integrity, financial performance, qu	Admin	2022/05/18	34	0,60%	DOCUMENT
Question 1	Criticality of CRDs	B1P1	So, the importance of a CR driver depends on how critical a particu	Admin	2022/05/18	23	0,40%	DOCUMENT
Question 1	Determining criticality	B1P1	For all the drivers, criticality is determined by the materiality thresh	Admin	2022/05/18	17	0,30%	DOCUMENT
Question 1	Determining criticality	B1P1	Sure. You see, we are always running simulation, scenario tests to	Admin	2022/05/18	49	0,80%	DOCUMENT
Question 2	Measuring CR is always on	B1P1	So, we are constantly designing and evaluating programs and activ	Admin	2022/05/18	15	0,30%	DOCUMENT
Question 2	Method to measure	B1P1	We conduct stakeholder surveys, we track social media and other	Admin	2022/05/18	28	0,50%	DOCUMENT
Question 2	CR not easy to measure	B1P1	Measuring CR can be a daunting task. But this a task we undertak	Admin	2022/05/18	16	0,30%	DOCUMENT
Question 2	Continuously imroving measuring	B1P1	Ongoing research is critical to the bank's reputation management.	Admin	2022/05/18	10	0,20%	DOCUMENT
Question 2	Common measures	B1P1	Well a few of the international ones come to mind (…) uhm the WM	Admin	2022/05/18	39	0,70%	DOCUMENT
Question 2	Challenges with measure	B1P1	the majority do not adequately fit in with the bank's CR focus, nor c	Admin	2022/05/18	28	0,50%	DOCUMENT
Question 2	Measure need to be specific	B1P1	I may be exaggerating here (…) but I'm sure all firms encounter pr	Admin	2022/05/18	51	0,90%	DOCUMENT
Question 2	Challenges with measure	B1P1	Using available tools as is creates gaps between their functionalitie	Admin	2022/05/18	15	0,30%	DOCUMENT
Question 2	Use of in house tools	B1P1	Well, we customize as much as feasible. We have also developed	Admin	2022/05/18	30	0,50%	DOCUMENT
Question 2	Measure need to be specific	B1P1	For the tools to be fit for purpose, they have to be stakeholder spec	Admin	2022/05/18	26	0,40%	DOCUMENT
Question 2	Use of in house tools	B1P1	Yes, the bank has its own internally developed CR measuring tools	Admin	2022/05/18	14	0,20%	DOCUMENT
Question 2	Also uses external tools	B1P1	We make use of both internally and externally developed tools.	Admin	2022/05/18	10	0,20%	DOCUMENT
Question 2	Limited use of externals	B1P1	Although we mostly lean towards our own measuring tools, choices	Admin	2022/05/18	21	0,40%	DOCUMENT
Question 2	CR not easy to measure	B1P1	I would say there are a number of challenges one encounters wher	Admin	2022/05/18	27	0,50%	DOCUMENT
Question 2	Need to develop skills to measure	B1P1	What's more crazy about measuring CR is the need to continuousl	Admin	2022/05/18	47	0,80%	DOCUMENT
Question 2	Also uses external tools	B1P1	Yes, we do. That will be on once off issues that we do not have int	Admin	2022/05/18	22	0,40%	DOCUMENT
Question 2	Need to develop skills to measure	B1P1	You see, CR measurement is not something you completely leave	Admin	2022/05/18	38	0,60%	DOCUMENT
Question 2	Somewhat familiar with external to	B1P1	Well, familiar to the extent that the tools employed will produce the	Admin	2022/05/18	14	0,20%	DOCUMENT
Question 2	Consulants use generic tools	B1P1	Right! So maybe, just a little maybe, the tools are more generic tha	Admin	2022/05/18	15	0,30%	DOCUMENT
Question 2	Not convinced of external tools	B1P1	Remember I have already told you that this is not an easy task. Ma	Admin	2022/05/18	41	0,70%	DOCUMENT
Question 2	CR not easy to measure	B1P1	Measuring CR is not an easy undertaking especially at the early st	Admin	2022/05/18	18	0,30%	DOCUMENT
Question 2	Need to develop skills to measure	B1P1	Chances are slim that you will get that framework from someone o	Admin	2022/05/18	17	0,30%	DOCUMENT