



Full Length Research

Ethical Corporate Image Management on Organizational Profitability: A Study of Commercial Banks in Nigeria

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Abstract: Ethical consciousness cannot be overemphasized in present day globalization-driven and multidimensional environment with maddened excessive information before consumers who are highly socially conscious. The research examines ethical corporate image management on organizational profitability using two (2) commercial banks in Lagos, Nigeria. Data was gathered through questionnaire. One hundred and eighty-six (186) questionnaires were administered to employees of the selected branches of First Bank plc. and Guaranty Trust Bank Plc. but only One Hundred and Fifty-Eight (158) copies of the questionnaires were retrieved and analyzed. Hypotheses were tested with regression analysis. The study recommended that commercial banks are encouraged to incorporate public relations as a significant part of their brand strategy thereby improving customer satisfaction, banks should employ more aggressive advertisements as competitive tools for increasing and sustaining sales volume thereby increasing their market share, strategic efforts to make alliance with brands that share and promote their core organizational values and culture, and encouraged to engage in community programs such as educational programs as well as to regularly give back to the communities where their offices are located as part of their corporate social responsibility and to increase their market share in the sector.

Keywords: Ethical: Corporate Image: Management: Organizational Profitability: Banks.

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1.0 Background of the Study

Corporate identity of an organization is a significant component of the corporate image of an organization. According to Belasen (2008) a corporate identity is described as philosophies and values that the employees in the organization trust and credit. Furthermore, Perez & del Bosque (2014) defined corporate identity as a firm's self-image and a core tool which contributes to drive communication strategy and by that the external image. The corporate identity of an organization is a strict representation of its core values. Corporate Identity is what the employees believe to be its enduring, central and unique features (Dutton & Dukerich, 1991; Ravenswood, 2011). In the same vein, (Albert & Whetten, 1985; Yamashiro, 2015) defined corporate identity as the organization's personality and what builds its exclusive nature. In addition, it is described as a firm's distinctive features which are embedded in the conduct and attitudes of the employees in the firm. Therefore identity does not only deal with how employees view their organization, but an "innate and socially constructed phenomenon" (Gioia et al., 2000).

Amahian et al. (2022) stressed that much significance has not been placed on this by organisations by endorsing a good corporate image and this has had an effect in the organisation performance in the market. Public relations is a serious problem facing majority of the business organisations as many organisations loose customers on a daily basis because of negative public relations. Organisations face ethical issues like over-selling their products/services and the social media is also not helping matters, with all this public relations challenges, most organisations are in constant risk of losing their customers loyalties (Shu'ara, 2021; Jooda et al., 2022). A situation whereby an organisation wants to get a large audience, they engage in advertisement, but it is not a new thing that most advertisements we see today are "outrageous", customers no longer trust the media or any other advertisement tool, for information concerning products/services, that's why we see some organisations that spend heavy on advertisement and marketing but still experience low sales volume.

Another concern is that the management of corporate image is not all round radical as a result of below par managerial capabilities. Corporate Social Responsibility for example, which comprises of the image plans are not appreciated in several organisations. Some companies' lay more emphasis on profitability, disregarding modern practices of management including social responsibility which is essential to the forecast of the preferred corporate identity; this has in turn affected customer loyalty (Onakpa & Alfred, 2022; Shu'ara, 2021). The support given to sectors such as the productive sector, which includes manufacturing and small and medium enterprises is not adequate. Additionally, female bankers are sometimes used as individuals whose femininity is misused for commercial deliberation in the appearance of marketing banking products and services. Besides, the industry is seen as a domicile for fraudulent acts by the general public.

According to Richard & Zhang (2012) the public specifically the prime players in the other segments of the economy view the bank industry as a bother in the economy as a whole. They considered that persons with this kind of view, think the banks are present to take advantage through the means of high interest rates and high miscellaneous service charges from customers. This a problem of hoarding and not providing. According to Obiefule (2012) corporate identity is the typical and recognized behaviour, atmosphere, value, positions, business activities and thought process in a particular firm that makes it differ from the others. Corporate image management enhances organizational profitability through sound public relations, advertisement, corporate identity and corporate goodwill are significant predictors of organizational profitability in commercial banks in Nigeria. It is therefore important for commercial banks to improve on their public relations, advertisement, corporate identity and corporate goodwill thereby leading to improved organizational profitability (Ogbari et al., 2016; Malik & Malik, 2022).

2.0 Methodology of the Study

For this research, the quantitative survey design was adopted. The selected population for this study are the employees sourced from selected branches from the Human Resource department of First Bank Plc and Guaranty Trust Bank, Lagos State. The total population of employees in the selected branches are as follows; CMD Ikosi Road, Lagos, Nigeria, GTBank Plc: 52 employees, First Bank Plc: 44 employees, Ajao Estate, Lagos, Nigeria, GTBank Plc: 47 employees and First Bank Plc: 43 employees. However, due to the small amount of the population size, 186 questionnaires were administered to the commercial banks. The data collection of respondents from sampling techniques used includes; the non-probability method and probability method. The sample technique used is that of probability sampling methods. There is a chance of selection for each individual. Thus, this study puts into consideration each individual.

Questionnaires structured for the purpose of getting data relevant to the hypothesis was administered to the respondents. The partitioning of the questionnaire was into three segments which are: A, B and C. Section A included bio-data; personal questions about the respondent for example, gender, age, marital status, educational background etc. Section B includes questions pertaining to questions on corporate image management and Section C deals with questions concerning organizational profitability. The

questionnaire made use of the 5-likert scale approach, where the respondents were requested to signify their responses via “Strongly Agree”, “Agree”, “Undecided”, “Disagree”, or “Strongly Disagree”. The hypothesis was tested with regression and correlation analysis to show the level of consequence that ethical corporate image management had on organizational profitability.

3.0 Data Presentation, Analysis and Interpretation

The preliminary analysis of the questionnaire are presented. It is discovered that male and female respondents were 80 (50.6%) and 78 (49.4%) respectively. Therefore, the total number of respondents for this study is 158. Its age distribution is given as 111 (70.3%) respondents are between age 20 -30, 35(22.2%) are between the ages of 31 - 40, 10 (6.3%) are between the age of 41-50 years, and 2 (1.3%) are above 51 years of age for this study. The educational attainment of the respondent are: 33 (20.9%) of the respondents were WAEC/O’LEVEL holders, 95 (60.1%) were HND/B.Sc./B. A holders, another 27 (17.1%) of the respondents had M.Sc./MBA/MA and 3 (1.9%) had P.HD/OTHER degree. Of the answerers’ working experience/patronage, 116 (73.4%) of them that worked below 5 years, 29 (18.4%) have worked between 6-10 years, 9(5.7%) have worked between 11-15 years,4 (2.5%) of them have experience for over 21 years. The responders’ position within the organization are 92 (58.2%) are in lower management level, 57 (36.1%) are middle management level and 9 (5.7%) in peak management level.

3.1 Hypothesis 1

H₀: public relation does not significantly influence customer satisfaction.

H₁: public relation significantly influences customer satisfaction.

3.1.1 Regression

The research shown that there is connection between public relation and customer satisfaction with $r=0.274$, R-Square is the amount of difference in the responding variable which is forecast via predictor variable. This showed difference of 7.5% exists between public relation and customer satisfaction.

Table 1: ANOVA^a

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|-----|-------------|--------|-------------------|
| 1 Regression | 3.901 | 1 | 3.901 | 12.708 | .000 ^b |
| Residual | 47.893 | 156 | .307 | | |
| Total | 51.795 | 157 | | | |

The F-value = 12.708, that is, Mean Square Regression (3.901) divided by Mean Square Residual (.307). From the table, this model has statistical significance at 0.000), so H_0 should be rejected. Hence, public relation significantly influences customer satisfaction. at $F_{(1,157)} = 12.708$. So, H_1 is accepted.

The correlation revealed the contributions of public and customer satisfaction and their level of significance. (PURE; $\beta = .382$; $t=3.565$; $p<.05$).

3.1.2:Decision

Given significant levels below 0.05, the rejection of H_0 and the acceptance of H_1 was further rationalized. It can therefore be concluded that public relation significantly influences customer satisfaction.

3.2 Hypothesis 2

H₀: there are no significant relationships among advertisement and sales volume

H₂: there are significant relationships among advertisement and sales volume

The correlation Coefficient revealed the nature of relationship that exists among advertisement, sales volume and market share. It was observed from the table that all the variable items from the three variables have significant correlations with one another. Consequently, the overall relationship between advertisement and sales volume is $r = .476$ @0.0001 significant level and overall relationship between advertisement and market share is $r = .315$ @0.0001 significant level.

Decision; since the significance level is below .05, then we reject H_0 and accept H_2 . The implication is that there are significant relationships among advertisement, sales volume and market share.

3.3 Hypothesis 3

H₀: corporate identity does not have significant outcomes on customer loyalty

H₃: corporate identity has significant outcomes on customer loyalty

The research shown that there is connection between corporate identity and customer loyalty with $r=.475$, R-Square is the portion of variation in the outcome variable that is envisaged from the predictor variable. The figure showed 22.6% variation between corporate identity and customer loyalty.

Table 2: ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 13.619 | 1 | 13.619 | 45.543 | .000 ^b |
| | Residual | 46.651 | 156 | .299 | | |
| | Total | 60.271 | 157 | | | |

The F-value =45.543 is division of the Mean Square Regression (13.619) by the Mean Square Residual (.299). The result shows statistical significance at .000 for the model, leading to the rejection of H_0 . So, corporate identity has significant impact on customer loyalty at $F_{(1,157)} = 45.543$, leading to the acceptance of H_1 . The coefficient of the study revealed the contributions of corporate identity and customer loyalty and their level of significance. (CORPIDENT; $\beta = .387$; $t=6.749$; $p<0.05$).

Decision

Here, significance level of below .05 justifies the rejection of H_0 and acceptance of H_1 . So, we conclude that corporate identity has substantial impact effect on sales volume.

3.4 Hypothesis 4

H_0 : No significant interrelationship exists between corporate goodwill and market share

H_4 : Significant interrelationship exists between corporate goodwill and market share

The correlation Coefficient Matrix revealed the nature of relationship that exists between corporate goodwill and market share. It was observed from the table that all the variable items from the two variables have significant correlations with one another. Consequently, the overall relationship between corporate goodwill and market share is $r = .290$ @0.0001 significant level.

Decision; since the significance level is less than .05, H_0 is rejected and H_1 is accepted the alternate hypothesis. The implication is that significant relationship exists between corporate goodwill and market share

3.5 Hypothesis 5

H_0 : corporate image management has no significant effect on organizational profitability.

H_5 : corporate image management has significant effect on organizational profitability.

The research revealed that there is connection between corporate image management and organizational profitability with $r = .598$, R-Square is the percentage difference in the outcome variable that the predictor variable accounts for. This figure showed that 35.8% difference of between corporate image management and organizational profitability.

Table 3: ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 12.541 | 1 | 12.541 | 86.805 | .000 ^b |
| | Residual | 22.538 | 156 | .144 | | |
| | Total | 35.079 | 157 | | | |

The F-value =86.805 is the division of Mean Square Regression (12.541) by the Mean Square Residual (.144). Here, the outcome of the model has substantial significance at .000, resulting in the rejection of H_0 . Hence, corporate image management has significant effect on organizational profitability at $F_{(1,157)} = 45.543$, leading to the acceptance of H_1 . The coefficient of the study revealed the contributions of corporate image management and organizational profitability and their level of importance. (CORPIMAGE; $\beta = .603$; $t=9.317$; $p<0.05$).

4.0 Results and Discussions

The significance level of below .05 for this item, further substantiated that H_0 be disregarded while the substitute hypothesis is acknowledged. Hence, the conclusion that corporate image management has significant effect on organizational profitability.

5.0 Conclusions and Recommendation

The first hypothesis is “public relation significantly influences customer satisfaction”. Responses to questions relating to the variables in particular were analysed using the linear regression, public relation was found to be a significant influencer of customer satisfaction at .000 significant level. H_0 is then rejected and H_1 is then accepted confirming the with the view of Aamer et al. (2016) who states that public relations plays a role in satisfying the needs of the public. The second hypothesis is “There are significant relationships among advertisement and sales”. Responses to questions relating specifically to advertisement and sales volume were analyzed and following the statistical test, a significant relationship between the three concepts was discovered at a 0.01 significance level, leading to the rejection of H_0 and acceptance of H_1 which is consistent with findings of empirical studies (Ivanovic & Collin,

2003; Harris & Seldon, 1959; Roberts & Pettigrew, 2007). Thus, inferring advertising as a trigger of incredible trade persuasion tool for customers goods and services which influences business and in turn develops image and nurtures goodwill (Pressey, 2016).

The third hypothesis; “corporate identity has significant effect on customer loyalty” Responses to questions relating to the variables in particular were analyzed using the linear regression, it was discovered that corporate identity has a significant effect on sales volume at .000 significant level, hence, the rejection of H_0 and acceptance of H_1 . This correspond with the view of Waithaka (2014), who claimed that operations of corporate identity management mediates characteristics of firms in terms of corporate image and brand performance. The fourth hypothesis is substantial association exists between corporate goodwill and market share. Responses to questions relating specifically to between corporate goodwill and market share were analyzed and following the statistical test, a significant relationship between the two concepts was discovered at a .01 significant level, resulting in the rejection of H_0 and acceptance of H_1 as consistent with the view of Tretyakov (2013) who examined the role of goodwill in understanding the financial position of the company in playing amendment yardsticks for other elements of the organization.

The fifth hypothesis is “corporate image management has significant effect on organizational profitability” Responses to questions relating to the variables in particular were analyzed using the linear regression, it was discovered that corporate image management has a substantial impact on firms’ profitableness at .000 significant level, leading to the rejection of H_0 and acceptance of H_1 . The null hypothesis is then rejected and the alternative hypothesis is then accepted. This study is consistent with the view of Ijabadeniyi (2018). They argued that corporate pointers, which includes corporate reputation and corporate image, are possibly applicable and efficient instruments used to reduce consumer uncertainty regarding brands in developing markets and hence, potentially cause an increase in the product brand equity. Following the findings of this study, it is therefore imperative to conclude that the adoption of corporate image management play significant role in enhancing organizational profitability. Specifically, this study concludes that public relations, advertisement, corporate identity and corporate goodwill are significant predictors of organizational profitability in commercial banks in Nigeria. It is therefore important for commercial banks to improve on their public relations, advertisement, corporate identity and corporate goodwill thereby leading to improved organizational profitability.

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