The intervening effect of customer satisfaction in the relationship between corporate social responsibility and reputation and credibility: Case of Credit Departments of Taiwan's Farmer Association

by

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Submitted on 31st May 2016
for the partial requirement of the degree of Doctor of Business Administration
Faculty of Business and Law
The University of Newcastle, Australia
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Signature: ____________

Date: 31st May 2016

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Abstract

There has been a remarkable transformation in the business world over the last few decades with the concept of corporate social responsibility (CSR) having been universally embraced. CSR is prolific and paradoxical business applications, whereby businesses are made responsible for more than the products and services they produce but are also challenged to alleviate social problems in order to remain valued and competitive. As recent years have witnessed an increasing number of business frauds, the financial industry is being pressured to introduce innovative CSR programmes.

Service industries, such as banking and finance retailing, are different in many ways to industries that deal with a tangible product. Service is dictated by its inseparability, variability, intangibility and perishability characteristics, inherent characteristics that make it more difficult for an organisation to market and sustain its marketability. Therefore, in addition to the four fundamental marketing elements, service-marketing gurus emphasise 'process', 'people', and 'physical' elements to enable service providers to market themselves effectively. Although studies have revealed clear associations between overall CSR and customer perception, satisfaction and buying behaviour, as well as between overall CSR and corporate reputation and corporate credibility, there is a dearth of studies on the relationships between these dimensions as antecedents and behaviour consequences.

This study therefore examined the influence of CSR activities on the credibility and reputation of the Farmers' Association credit departments (FACDs) in Taiwan. The Farmers' Association (FA) in Taiwan is a multi-purpose organisation that provides a vast number of services to rural communities in Taiwan. As FACDs are credit
departments of an association, influenced by the government yet operating as private organisations, their function and services are rather intricate and ambiguous. The aim of this study was to determine the mediating role of customer satisfaction in the relationship between CSR activities and corporate credibility and reputation of FACDs in Taiwan.

The research adopted a positivism paradigm and quantitative cross-sectional approach to empirically examine customers’ views of CSR. Using purposive, judgemental, and convenience sampling techniques, a self-administered questionnaire was personally distributed to 400 members and customers outside FACD offices throughout Taiwan. A total of 334 fully completed questionnaires were received from participants. The questionnaire was designed using items from existing studies with a 5-point Likert measuring scale.

The outcome of data analyses using SEM in AMOS version 22, showed that the data was not normally distributed. However, due to the large sample of 334 and the robustness of SEM in relation to normality, hypothesis testing was nevertheless conducted resulting in support for six out of the nine hypotheses. Interestingly, the hypothesis developed for the mediating variable, 'customer satisfaction on the relationship between CSR and credibility', was not supported although it was shown to play a fully mediating role in relation to CSR and corporate reputation. The significant findings from this study are: the mediating effect of satisfaction on corporate reputation, the non-existence of the relationship between ethics dimension of CSR and corporate credibility, and the negative relationship between the environment dimension of CSR and corporate reputation and credibility.
Chapter 1

Introduction

1.0 Overview of the Study

There has been a remarkable transformation in the business sphere over the last decade, primarily due to the introduction of the Internet that has changed buying behaviour and produced a new generation of buyers. Along with online retailing, the concept of social marketing was introduced that embraced corporate social responsibility (CSR). CSR is prolific and paradoxical in business applications, whereby businesses are made responsible for more than the product and services they produced but are also challenged to alleviate social problems in order to remain valued and competitive (Wattanakamolchai, Singal and Murrmann, 2014; Poetz, Haas, and Balzarova, 2013; Mandhachitara and Poolthong, 2011; McDonald and Lai, 2011; Parkes, Scully, and Anson, 2010). Previous studies have found that CSR programmes influence customer perception and buying behaviour (Bouvain, Baumann, and Lundmark, 2013; Martinuzzi and Krumay, 2013; Costa and Menichini, 2013; Cheng, Ioannou, and Serafeim, 2014; Jose, Rugimbana, and Gatfield, 2012; Parkes et al., 2010). The financial industry is equally pressured to introduce innovative CSR programmes, as recent years have witnessed an increasing number of business frauds (Pérez and del Bosque, 2014; Nehme, Charbel, and Aline, 2013; McDonald and Lai, 2011; Prior and Argandona, 2009; Padgett, 2005).

The service industry is different in many ways compared to the product industry. Service is dictated by its inseparability, variability, intangibility and perishability characteristics. These inherent characteristics make it more difficult to market and sustain its marketability (Black,
Childers and Vincent, 2014; Lovelock, Patterson and Walker, 2007; Rust and Tuck, 2006; Vargo and Lusch, 2004; Lovelock and Wright, 2002). These innate characteristics play a more critical role in banking and finance retailing than many other services, as the business involves large amounts of money without a product (McDonald and Lai, 2011; Mandhachitara and Poolthong, 2011). Therefore, besides the four fundamental marketing elements, service-marketing gurus emphasise “process”, “people” and “physical” elements to enable the service providers to market themselves effectively and convince customers (Wirtz, Chew and Lovelock, 2012; Akroush, 2011; Lovelock et al., 2007).

These three service-marketing elements are crucial to combat the four special characteristics of service (CIM, 2015; Wirtz et al., 2012). To help with an understanding of these complicated and convoluted concepts, this study sought to examine the influence of CSR activities on the credibility and reputation of Farmers Association Credit Departments (FACDs) in Taiwan. As FACDs are credit departments of an association, influenced by the government yet operating as private organisations, their function and services are rather intricate and ambiguous. Therefore, the primary objective of this study was to examine the mediating role of customer satisfaction in the relationship between CSR activities and corporate credibility and reputation in the context of FACDs in Taiwan.

1.1 Background of the Study

Taiwan has an agricultural economy (Chen and Lu, 2015; Burmeister, Ranis and Wang, 2001; Lai, 1991; Wang, 1979; Kwoh, 1966). The Farmers Association (FA) in Taiwan is a multi-purpose organisation which provides a vast number of services to rural communities in Taiwan. The Taiwanese FA concept was started by landlords and rich farmers in 1900 and quickly spread to all the pertinent farming locations in Taiwan (Chen and Lu, 2015; Lai,
The Taiwanese government’s involvement in the 1970s witnessed the initiation of The Farmers Association Act, 1974 protecting farmers and their welfare, and turning it into a self-sufficient, multi-functional, privately run organisation. One new key function of this cooperative-like association is the provision of financial facilities via its credit departments (Bain, 2000). In many rural areas, the FACD is the only banking facility, functioning as a rural agro bank, lending monies for various farming developments, financing the association’s operation, and assisting farmers in funding their farming needs (Chen and Lu, 2015; Lee and Shen, 2014; Liu and Lin, 2007; Burmeister et al., 2001).

In recent years, FACDs in Taiwan have been dealing with deposits, loans, remittances, and government entrusted services, and keeping custody and accounts for the city/township treasury. As the FA provides intellectual and technical capabilities to farmers, a FACD finances marketing, supplies, processing, and warehousing for the FA enabling better productivity, improving standards of living, and concurrently improving the rural economy (Chen and Lu, 2015).

<table>
<thead>
<tr>
<th>Year</th>
<th>Deposit</th>
<th>Loan</th>
<th>Cosigned Business</th>
<th>Saver Rents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1,458,309</td>
<td>720,884</td>
<td>60,715</td>
<td>118</td>
</tr>
<tr>
<td>2011</td>
<td>1,481,947</td>
<td>743,557</td>
<td>51,391</td>
<td>81</td>
</tr>
<tr>
<td>2012</td>
<td>1,537,939</td>
<td>789,208</td>
<td>52,734</td>
<td>83</td>
</tr>
<tr>
<td>2013</td>
<td>1,596,991</td>
<td>860,957</td>
<td>58,979</td>
<td>85</td>
</tr>
<tr>
<td>2014</td>
<td>1,660,081</td>
<td>928,195</td>
<td>67,867</td>
<td>90</td>
</tr>
</tbody>
</table>

Source: Taiwanese National Farmers' Association, 2015
The importance of FACDs in Taiwan's growing economy is depicted in Table 1.1 above, where over the last five years, deposits, loans and consigned business have grown significantly. In fact, FACDs' commitment to their business is reflected by their number of head offices, as around 70% of the total number of head offices of all financial institutions are FACD head offices as shown in Table 1.2 below. Thus FACDs are in close proximity to their customers, making available many head offices where all credit facilities are available, empowering quick decision making.

### Table 1.2: Number of Financial Institutions in Taiwan

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>FACDs</th>
<th>Domestic Banks</th>
<th>% of FACDs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Head offices</td>
<td>Branches</td>
<td>Head offices</td>
<td>Branches</td>
</tr>
<tr>
<td>2010</td>
<td>425</td>
<td>5,989</td>
<td>276</td>
<td>810</td>
</tr>
<tr>
<td>2011</td>
<td>425</td>
<td>6,016</td>
<td>277</td>
<td>815</td>
</tr>
<tr>
<td>2012</td>
<td>427</td>
<td>6,034</td>
<td>277</td>
<td>817</td>
</tr>
<tr>
<td>2013</td>
<td>428</td>
<td>6,050</td>
<td>278</td>
<td>823</td>
</tr>
<tr>
<td>2014</td>
<td>428</td>
<td>6,055</td>
<td>281</td>
<td>820</td>
</tr>
</tbody>
</table>

Source: Central Bank of Taiwan, 2015

Though increasing, FACD deposits and loans are still far below their competitive domestic banks as shown in Table 1.3 and Table 1.4 below. As FA in each city/township is independent and self-financing, it is responsible for its own growth and its members and customers, while its failure to manage and satisfy its customers can affect the rural economic development in Taiwan. Therefore, as FACDs affect a large group of stakeholders they are closely monitored by the government, specifically the Council of Agriculture (COA), Taiwan.
Table 1.3: Deposits of Financial Institutions in Taiwan (Unit: NT$ billion, %)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Domestic Banks</th>
<th>FACDs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Amount</td>
<td>%</td>
</tr>
<tr>
<td>2010</td>
<td>33,857</td>
<td>31,196</td>
<td>92</td>
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<td>2011</td>
<td>35,368</td>
<td>32,608</td>
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<td>2013</td>
<td>39,076</td>
<td>36,271</td>
<td>93</td>
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<tr>
<td>2014</td>
<td>41,477</td>
<td>38,473</td>
<td>93</td>
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</tbody>
</table>

Source: Central Bank of Taiwan, 2015

Table 1.4: Loans of Financial Institutions in Taiwan (Unit: NTS Billion, %)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Domestic Banks</th>
<th>Insurance Companies</th>
<th>FACDs</th>
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<td>2014</td>
<td>29,220</td>
<td>25,159</td>
<td>86</td>
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Source: Central Bank of Taiwan, 2015

FACDs operate in a similar manner to private financial institutions. As such, they are bound by macro and micro environmental changes with the primary objective to efficiently and effectively provide financial assistance for Taiwanese farmers. Conversely, previous studies report that FACD employees lack trained financial expertise in efficiently managing its costs.
and assisting its customers effectively and efficiently (Lee and Shen, 2014; Lin, 2002; Bain, 2000). The Taiwanese are also conservative workers and so adapting to modern business structures such as customer and social oriented marketing can be challenging. Therefore CSR is a difficult notion for both employees and customers to accept and could be misinterpreted as an obligation and duty that FACDs owe to farmers. Nevertheless, FACDs need to sustain growth and remain competitive in the Taiwanese banking industry.

1.2 Service Marketing and Corporate Social Responsibility

The service industry is unique due to its inherent nature. Its heterogeneity, inseparability, intangibility and perishability characteristics are applicable in all services, including retail banking (Hutchinson, Singh and Walker, 2012; Wirtz et al., 2012; Lovelock et al., 2007; Lovelock and Wirtz, 2005). The heterogeneity characteristic shows that service is different when received from one individual or retail compared to another. It may also be different when received at a different time and from a different person; this characteristic is likely to trigger a customer to be cautious when seeking the service again. Therefore, reviews on the service are pertinent for customers to evaluate prior to purchase decisions. Meanwhile, the inseparability of a service indicates that the production and consumption of a service cannot be separated, it is consumed when it is produced, hence it is difficult to control and predict what is produced and what is received. Moreover there is no opportunity for the recipient to return the service nor can the provider take it back.

The intangibility characteristic of service is that service is not visible and as such convincing customers can be a difficult task. With something that is not visible, it cannot be tasted nor touched thereby wavering customers’ confidence. Furthermore, once delivered, the service cannot be kept for later consumption and as such it is perishable. Therefore, customers may
be apprehensive since once purchased returning is not possible. These characteristics are the underlying reasons for the difficulty of marketing services, and building credibility and reputation. Although the service industry is growing tremendously and product marketing uses services to establish positive brand image, there is a lack of research on service marketing (Wirtz et al., 2012; Rust and Tuck, 2006; Lovelock and Wirtz, 2005).

Service marketing tenets suggest three additional marketing elements, namely “people”, “physical” and “process” to the four product marketing mix, helping marketers to overcome the difficulty faced due to service’s inherent characteristics (CIM, 2015; Wirtz et al., 2012; Akroush, 2011). Expressing “people” as those who provide the service such as front-liners or those who come into contact with the customer, this element suggests people are important in marketing service as goods, therefore qualified sales person, customer service person and front-liners are necessary (CIM, 2015; Wattanakamolchai et al., 2014; Gruber, 2011; Lovelock and Wirtz, 2005). The person dealing with customers ought to be trained, knowledgeable, experienced and with an appropriate personality. Meanwhile, the “physical” element of marketing suggests that having a physical entity that is pleasant, clean and in some cases majestic, helps customers' experience and overcome the intangibility of service. In recent years, the retail industry has advanced to provide its goods in clean and organised outlets, which allows customers to better experience its hospitality and build positive attitude towards it (Akroush, 2011; Rust and Tuck, 2006; Vargo and Lusch, 2004).

The “process” element refers to the processes a customer has to go through to obtain the service. The shorter and faster the process of obtaining the service is, the more appreciative the customers are, especially in the current environment where time is of essence (CIM, 2015; Wirtz et al., 2012; Akroush, 2011). Moreover, computerised systems provide precise
information and faster service to customers, which can result in a multitude of positive buyer behaviour such as repeat purchase and positive word of mouth (CIM, 2015; Wattanakamolchaei et al., 2014; Lovelock and Wirtz, 2005).

1.2.1 Service Marketing in Commercial Banking

Prior studies show commercial banking as part of the service industry and as needing to take a more ethical approach to business (Pérez and del Bosque, 2015b; Pérez and del Bosque, 2014; Chomvilailuk and Butcher, 2013; McDonald and Lai, 2011; Mandhachitara and Poolthong, 2011; Pomering and Dolnicar, 2009). The financial industry has been a target since a decade of unethical conduct by many within the industry lead to major financial damage to the world economy. As service is highly pertinent in today's business world, research on service predominantly focuses on quality of service and enlarging business offerings with tangible product that would satisfy customers (Wagner, Bicen and Hall, 2008; De Chernatony and Segal-Horn, 2003). Meanwhile, products are marketed with promises of better customer service.

Research on banking show less importance to the 21st century issues such as unethical business conduct, irresponsibility of businesses, proliferating disasters involving diminishing natural resources (Pérez and del Bosque, 2014; Mandhachitara and Poolthong, 2011). Recognising the effect the service industry has on the world economy, the need for the industry to take its responsibilities seriously has amplified in recent years (McDonald and Lai, 2011; Enquist, Johnson and Skalen, 2006; Peattie and Crane, 2005). These days, information on corporate social responsibility is widely available, encouraging competitiveness in the type of CSR activities offered (Baden and Harwood, 2013; Cheng et al., 2014; Luo and Bhattacharya, 2006; Maignan and Ferrell, 2004; Moir, 2001).
1.2.2 Corporate Social Responsibility (CSR) and Customer Satisfaction

Corporate social responsibility (CSR) has been around since the 1950s and has evolved into what it is today in order to accommodate various stakeholder interests and other arising issues (Bourdeau, Graf and Marie-France, 2013; Choi and La, 2013). The framework commonly used for CSR is based on Carroll’s (1979) work, where it is recommended to examine four dimensions: economy, ethics, legal, and philanthropic. However, with increasing social problems, Carroll (1999) altered the CSR dimensions to fit the current business standing by introducing discretionary at top of the pyramid, suggesting that businesses need to be compassionate toward society and the environment at their own discretion (Carroll and Shabana, 2010; Carroll, 1999; Pinkston and Carroll, 1996). Newer research involving CSR argues on the similarity in jargons such as triple bottom line, green business, and sustainability that have arisen in the last decade, while the definition of CSR has grown to be more convoluted (Esen, 2013; Singh and Agarwal, 2013; Skinner and Mersham, 2008; Wagner et al., 2008; Enquist et al., 2006).

Though convoluted and often paradoxical, CSR remains a worthy tool to help build the overall image of an organisation (Pérez, 2015; Esen, 2013; Cretu and Brodie, 2009; Enquist et al., 2006). However, the CSR activities undertaken need careful consideration as they may be misconstrued as mere marketing or public relations (Marquina and Morales, 2012; Parkes et al., 2010), which could result in the loss of CSR’s quintessential nature and threaten the development of a strong positive image (Pérez and del Bosque, 2015b; Ferrell, Fraedrich and Ferrell, 2011).

Some organisations have initiated CSR activities that cover a large scope of stakeholders,
while others focus on primary stakeholders such as employees and customers (Mattila, 2009; Zain and Mohammad, 2007). Organisations’ primary motive in developing CSR activities is to show that they are responsible, anticipating that customers will be satisfied to be associated with them. Nevertheless, customers are end-users, expecting satisfaction with the core product or service they pay for (Chomvilailuk and Butcher, 2013; Bhattacharya, Korschun and Sen, 2009; McDonald and Rundle-Thiele, 2008; Wagner, et al., 2008; Silberhorn and Warren, 2007; De Chernatony and Segal-Horn, 2003), hence CSR is an advanced tool to enhance loyalty, reputation, and credibility (Mandhachitara and Poolthong, 2011; McDonald and Lai, 2011; Cretu and Brodie, 2009; Mattila, 2009).

Organisations with more cash to spare work concomitantly in CSR activities that could positively build their own economy (Bhattacharya et al., 2009; Auger, Devinney and Louviere, 2006), whereas others tend to follow haphazardly to temporarily win customer confidence (Choi and La, 2013; Green Jr., Zelbst, Meacham and Bhadouria, 2012; Jose et al., 2012). Based on the CSR pyramid, organisations primarily build their own economy first. Though a strong economic foundation is essential to enable the organisation to strategically develop CSR activities within the aspects of ethics and discretionary and cover a large scope of stakeholders, many fail to move beyond their economic growth and meeting required legal aspects. Moreover embarking on CSR activities can be costly, so that in order to reap economic gain it is necessary to plan and execute future activities that would positively impact society and the environment (Bhattacharya et al., 2009; Auger et al., 2006).

Some studies claim that CSR is the 'icing on the cake' and as such customers should feel proud to be associated with the organisation due to its ethical behaviour and involvement in CSR activities that help society and the environment (Choi and La, 2013; Devinney, Auger
Marketing studies suggest that customer satisfaction is a necessity for organisations to gain a positive perception from customers and hence strengthen their reputation and credibility (Walsh and Beatty, 2007; Riley and de Chernatony, 2000; Herbig and Milewicz, 1993). Contradicting this, some studies indicate customers may be satisfied with the organisation due to its CSR activities (Elliott, Rundle-Thiele and Waller, 2012; McDonald and Lai, 2011; Devinney et al., 2010; Kotler, Adam, Denize and Armstrong, 2008), while others claim that customers could also be satisfied with the organisation due to its legal and ethical conduct of business (Pérez and del Bosque, 2015; Bouvain et al., 2013; Limbu, Wolf and Lunsford, 2011; McDonald and Rundle-Thiele, 2008). Moreover, some studies suggest that customers favour CSR activities that are closely linked to their interest or those causes that they are fighting for (Tong, Wong and Leung, 2013; Auger et al., 2006). From the foregoing it can be concluded that there is confusion over the benefits of CSR to corporate reputation and credibility.

Different industries and organisations may use different dimensions and aspects of CSR to suit the type of product and service they produce and sell. It is critical to develop economically viable and worthwhile CSR activities that attract, satisfy, and gain positive perception and behaviour from customers; as such, it is important to recognise suitable CSR activities. The present study recognises CSR-ethics, CSR-social, and CSR-environment as aspects FACDs embark upon in building their image as a cooperative responsible for rural development of Taiwanese farmers’ economy (Choi and La, 2013; Chomvilailuk and Butcher, 2013; Pomering and Dolnicar, 2006; Lepoutre, Dentechev and Heene, 2007; Spickett-Jones, Kitchen and Reast, 2004; Hoeffler and Keller, 2002).
1.3 Corporate Reputation and Credibility

Corporate reputation and credibility are similar yet are two unique notions. Though several older studies claimed that credibility and reputation are alike and interrelated (Parker, 2007; Herbig and Milewicz, 1995; Herbig and Milewicz, 1993), many newer studies have managed to isolate the differences, measuring them using different multidimensional measures (Hur, Kim and Woo, 2014; Chun, 2005; Newell and Goldsmith, 2001). Credibility may be appraised using trust related measures such as company’s honesty and expertise (Keller, 2008; Hair, Bush and Ortinau, 2006; Riley and de Chernatony, 2000; Herbig and Milewicz, 1993). Reputation, however, is primarily associated with the organisation’s efficiency in delivering its products and its innovativeness (Souiden, Kassim and Hong, 2006; Flavian, Guinaliu and Torres, 2005; Riley and de Chernatony, 2000; Herbig and Milewicz, 1993).

Studies throughout the past decade have suggested that the credibility and reputation of an organisation is vulnerable to service quality such that loyalty and repeat purchases could be eventually affected (Bouvain et al., 2013; McDonald and Rundle-Thiele, 2008). However, as service quality is somewhat expected from all organisations due to the proliferation of advanced technology and the precision that accompanies it, CSR provides new opportunities for organisations to initiate competitive strategies and gain an advantage. Several proponents of CSR argue for organisation-developed CSR programmes that have the ability to enhance credibility and reputation of the organisation (Choi and La, 2013; Chomvilailuk and Butcher, 2013; Pomering and Dolnicar, 2006; Lepoutre et al., 2007; Spickett-Jones et al., 2004; Hoeffler and Keller, 2002) thereby allowing customers to confidently buy a product or service (Pérez and del Bosque, 2015a; McDonald and Lai, 2011).
1.4 Research Gap, Research Questions, and Hypotheses

The literature review above reveals clear associations between overall CSR and customer satisfaction, as well as overall CSR and corporate reputation and corporate credibility. As most constructs are multidimensional, there is a lack of clear knowledge on the relationships between these dimensions as antecedents and behaviour consequences. Moreover, there is a dearth of empirical studies dedicated to understanding the relationship between specific CSR aspects of ethical and discretionary (social and environment) and corporate reputation and credibility. Thus, this study amalgamates the various associations in the theoretical frameworks above, examining the mediating role of customer satisfaction in the established relationship between overall CSR and corporate reputation and credibility in the context of a unique service industry in Taiwan.

As explained in section 1.1, the unique service industry that is the context of this study is the FACDs that offer banking facilities to member-customers of the association with the help of the government. As FACDs function as independent private retail banks, they are subjected to the competitive market at both micro and macro levels. There is a plethora of studies on CSR and retail banking but there is still a lack of knowledge in certain context of business, such as FACDs in Taiwan (Chen and Lu, 2015; Lee and Shen, 2014; Liu and Lin, 2007; Chen, 2002; Lai, 1991; Kwoh, 1966). This study therefore examined the relationship between CSR (CSR-social, CSR-ethics, CSR-environment) and corporate reputation and credibility, with customer satisfaction as the mediator of these relationships. To facilitate this examination, the following research questions were formulated:

RQ1: Do CSR initiatives (social, ethics, environment) influence the satisfaction of customers of FACDs in Taiwan?
RQ2: Do CSR initiatives have a direct relationship with credibility of FACDs in Taiwan?

SubRQ2: Does satisfaction mediate the relationship between CSR initiatives and credibility of FACDs in Taiwan?

RQ3: Do CSR initiatives have a direct relationship with reputation of FACDs in Taiwan?

SubRQ3: Does satisfaction mediate the relationship between CSR initiatives and reputation of FACDs in Taiwan?

The conceptual framework presented in Figure 2.1 draws the hypotheses based on arguments presented in Chapter 2. Most past studies indicate the use of CSR in business development (Mandhachitara and Poolthong, 2011; McDonald and Lai, 2011; Mattila, 2009). Although CSR can be perplexing, its consequences are entirely apparent (Elliott et al., 2012; McDonald and Lai, 2011; Devinney et al., 2010; Kotler et al., 2008).

Ethical behaviour of an organisation leads to customers’ feeling happy to be associated with them (Balvers, Gaski and McDonald, 2015; Baden and Harwood, 2013; Bourdeau et al., 2013; Arinaitwe, 2009; Bejou, Ennew and Palmer, 1998). Thus the satisfaction that one has dealt with a reliable organisation, and as such, received a quality product and/or service, is somewhat guaranteed (Silberhorn and Warren, 2007; Luo and Bhattacharya, 2006; McWilliams, Siegel and Wright, 2006; Moir, 2001). An organisation’s contribution to social activity and environmental aspects of CSR is discretionary. Social related CSR involves the organisation’s contribution to underprivileged society, while environmental related CSR
involves contributions to saving the environment. As such it is unclear if customer satisfaction is brought about by the organisation’s participation in CSR activities or the fact that the organisation has fulfilled its obligation (Ferrell et al., 2011; Powell, 2011; Shaw and Barry, 2010). Thus RQ1 is addressed by the following hypotheses:

H1: CSR-social initiatives positively relate to customer satisfaction of FACDs in Taiwan

H2: CSR-ethics initiatives positively relate to customer satisfaction of FACDs in Taiwan

H3: CSR-environment initiatives positively relate to customer satisfaction of FACDs in Taiwan

Though previous studies indicate that CSR initiatives increase the company’s reputation and credibility (Choi and La, 2013; Chomvilailuk and Butcher, 2013; Valax, 2012; Kantsperger and Kunz, 2010; Cretu and Brodie, 2009), production of quality products and services are a company’s core obligations expected by customers (Valax, 2012; Cretu and Brodie, 2009; Sternthal, Dholakia and Leavitt, 1978). Similarly, these organisations are trusted as they act responsibly, consequently increasing their credibility (Choi and La, 2013; Chomvilailuk and Butcher, 2013; Kantsperger and Kunz, 2010; Lepoutre et al., 2007; Spickett-Jones et al., 2004; Hoeffler and Keller, 2002). However, it is unsure if this is the same for all CSR initiatives, as organisations tend to carry out initiatives that directly relate to their products and services. As the context of this study is unique, the following hypotheses were developed to address RQ2 and RQ3:

H4: CSR initiatives positively relate to corporate reputation of FACDs in Taiwan
H5: CSR initiatives positively relate to corporate credibility of FACDs in Taiwan

Previous research involving customer satisfaction in various types of companies and industries suggest that a positive attitude towards an organisation transcends into credibility and reputability of the organisation (Walsh and Beatty, 2007; Riley and de Chernatony, 2000; Herbig and Milewicz, 1995; Herbig and Milewicz, 1993). However, these studies are direct relationship between satisfaction and organisation image, while satisfaction is measured as customer satisfaction of the product or service. However, there are also studies indicating that CSR enhances customers’ positive behaviour (Pérez and del Bosque, 2015a; Pérez and del Bosque, 2015b; Luo and Bhattacharya, 2009). Regardless of the CSR activity, product or service the organisation is involved in, ultimately customer satisfaction, which transcends into loyalty, repeat purchase, and word of mouth recommendation, is the key to strengthening credibility and reputation (Bouvain et al., 2013; McDonald and Rundle-Thiele, 2008). Therefore, the following hypotheses were developed to address sub-RQ2 and sub-RQ3:

H6: Customer satisfaction positively relates to corporate reputation of FACDs in Taiwan

H7: Customer satisfaction positively relates to corporate credibility of FACDs in Taiwan

H8: Customer satisfaction significantly mediates the relationship between CSR initiatives and corporate reputation of FACDs in Taiwan

H9: Customer satisfaction significantly mediates the relationship between CSR initiatives and corporate credibility of FACDs in Taiwan
1.5 Research Design

As generalisability was pertinent to this study, an epistemological approach was taken with a positivism paradigm to empirically examine customers’ views of CSR. Hence, the discernment of the customers of FACDs in Taiwan were sought to examine their perception of FACDs' CSR activities, their satisfaction with their FACDs and their perception of FACDs' reputation and credibility. The present study used a cross sectional research design to capture perception at a single period of time as the study was not designed to observe a trend nor a change in perception due to limited time and resources.

The self-administered questionnaire for this study was distributed to a sample of 400 members of FACDs in Taiwan. The sample size was determined based on recommendations from Malhotra, (2014); Bryman and Bell (2011); Bonett (2002); Lenth (2001) and Cavana, Delahaye and Sekaran (2001). The sampling frame for this study was identified as the members’ or customers’ list available from FACDs in Taiwan. Similarly, the locations of FACD offices were identified to prepare for questionnaire distribution. A structured, close-ended questionnaire was designed with items borrowed from existing studies and a 5-point likert scale to measure them. The statements were adapted from well-respected published research papers. A total of six items for CSR-social were derived from Pérez and del Bosque, 2014; McDonald and Lai, 2011; Chomvilailuk and Butcher, 2013; and Lacey, Close and Finney, 2012. The six items for CSR-ethics were adapted from Pérez and del Bosque, 2014; McDonald and Lai, 2011; Chomvilailuk and Butcher 2013; Lai, Chiu, Yang and Pai, 2010; and Luo and Bhattacharya, 2006. The six CSR-environment items were derived from Pérez and del Bosque, 2014; McDonald and Lai, 2011; Lai, Chiu, Yang and Pai, 2010; and Matzler, Wurtele and Renzl, 2006. Six items for customer satisfaction were derived
from Hellier, Geursen, Carr and Rickard, 2003. Corporate credibility was measured with six items that were adapted from Keller, 2008; Hair et al., 2006; Riley and de Chernatony, 2000; and Herbig and Milewicz, 1993. This study borrowed seven items to measure corporate reputation from Souiden et al., 2006; Flavian et al., 2005; Riley and de Chernatony, 2000; and Herbig and Milewicz, 1993.

The questionnaires were personally distributed using purposive sampling in front of FACD offices throughout Taiwan. However, judgemental and convenience sampling techniques were used to approach and seek consent from potential participants of credit department customers who came out of the offices (Sekaran and Bougie, 2013; Shields and Twycross, 2008; Gunesoglu and Meric, 2007; Teddlie and Yu, 2007). The data collection process produced 341 completed and returned questionnaires. The questionnaires were swept for errors and seven were discarded. The retained 334 questionnaires were keyed into SPSS-AMOS version 22 for analysis.

An information statement was distributed with the questionnaire to inform potential respondents that they had the right not to participate. Moreover, in order to adhere to research ethics, the potential respondents were assured of the anonymity of their identity and that the data will be kept confidential and used for research purpose only. Furthermore the respondents were informed that the collected data would be kept in password-encrypted files for five years before deletion based on recommendation from the Human Research Ethics Committee of the University of Newcastle, Australia.

1.6 Findings
The initial analysis to determine the data characteristics showed a marginally higher number
of female respondents (52.4%), a surprising outcome since one would expect more male members in a farmers’ association. Otherwise, the respondents for this study were middle aged with tertiary education, reflecting individuals with an understanding of modern concepts such as CSR and its impact on economy and social structure. An initial analysis of the responses indicated respondents for this study generally agreeing with the statements related to CSR-ethics, CSR-social, and CSR-environment. Respondents further related their satisfaction with their FACDs, and agreed to the fact that the corporate reputation of FACDs is based on expert deliverance and quality, while corporate credibility is based on FACDs’ experience and trustworthiness.

The sequence of questions was rearranged for every 50 questionnaires to avoid common method variance, thus the Harmon’s one factor test (Wang and Li, 2014; Conway and Lance, 2010; Meade, Watson and Kroustalis, 2007; Malhotra, Kim and Patil, 2006; Podsakoff, Mackenzie, Lee and Podsakoff, 2003), showed the data to be clear of common method bias. Moreover, a pilot study on 20 respondents was undertaken prior to making the final distribution of questionnaires. Amendments on the questionnaire were undertaken based on concerns raised by respondents of the pilot study. Validity tests were carried out using Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA). These resulted in reduced number of items whereby out of six items for CSR-social, three were removed, one item that represents CSR-ethics and three items from CSR-environment were removed. Two items were removed from customer satisfaction and corporate reputation respectively. Three items were removed from corporate credibility. These removals resulted in stronger standardised estimates, indicating better correlation between the items that represent the constructs. Furthermore, reliability tests using Cronbach’s Alpha test showed all constructs scoring Cronbach’s Alpha coefficient of 0.771 and above, thereby meeting Nunnally’s (1978)
requirement for academic and management studies (Hair, Black, Babin and Anderson, 2010; Sekaran and Bougie, 2013; James, Kover, Sonner and Keeler, 2005; Hsu and Fan, 1995).

This study postulated nine hypotheses to address three main research questions and two sub-research questions. The structural model tested with the remaining items resulted in H1, H2, and H3 supported, hence addressing RQ1 that claims positive relationships between CSR-social, CSR-ethics and CSR-environment and customer satisfaction. This indicates that FACD customers believe that FACDs' involvement in CSR initiatives within the social, ethics, and environment aspects gives them an overall sense of satisfaction with FACDs. As members of the FA, FACD customers may feel good about being associated with an organisation that practices CSR or acts responsibly towards society and the environment, and runs their business ethically. This corroborates findings from previous studies that many individuals want to carry CSR-style activities, such as community services, but as they are not able to due to little or no funding and limited time, they are proud to contribute via an organisation that is big enough to do so on their behalf. The consequence of this sense of belonging and contributing translates to customer satisfaction (Pérez and del Bosque, 2015a; Chomvilailuk and Butcher, 2013; Mandhachitara and Poolthong, 2011; McDonald and Lai, 2011; Pomering and Dolnicar, 2006; Maignan and Ferrell, 2004).

This finding also supports previous studies in claiming that customer satisfaction positively relates to corporate reputation and corporate credibility as hypothesised in H6 and H7 respectively (Mandhachitara and Poolthong, 2011; McDonald and Lai, 2011; Bhattacharyya et al., 2009; Cretu and Brodie, 2009; De los Salmones, Pérez and del Bosque, 2009; Luo and Bhattacharyya, 2006). The consequences of customer satisfaction is eclectic, ranging from positive word of mouth to loyalty, and from positive brand image to highly acclaimed
reputation and credibility.

Interestingly, this study finds that not all CSR aspects positively relate to reputation and credibility, as hypothesised in H4 and H5. These hypotheses are presumed partially supported as several parts of the hypotheses show support. In contrast to previous studies involving CSR, this study used specific CSR activities, namely CSR-ethics, CSR-social, and CSR-environment. It was found that CSR-environment has a negative relationship with corporate reputation at 10% level of significance. However, as H8 hypothesised customer satisfaction as a mediator between CSR and reputation, the hypothesis is supported, subsequently addressing sub-RQ3. Thus, the indirect relationship between CSR and reputation is supported where it is mediated by customer satisfaction. The reputation of organisations such as FACDs remains dependent upon customer satisfaction. This supports existing marketing studies and marketing concepts, whereby customer-oriented marketing remains strong in some sectors even though contemporary initiatives are conducted to attract customers. Fundamentally, satisfaction with product and service is necessary to build a better image, addressing RQ3 of this study, and CSR requires an intervening variable to enable its significant relationship with corporate reputation.

The relationship postulated in H5 between CSR overall and corporate credibility is deemed partially supported as CSR-ethics and CSR-environment have no significant relationship with credibility. Interestingly, CSR-environment is yet again negatively related at 10% level of significance with credibility. However, sub-RQ2 is addressed as satisfaction’s role as a mediator in the relationship between CSR and corporate credibility cannot be established. Hence RQ2, which questions the possibility of direct and significant relationship between CSR and credibility, is viewed from the findings where CSR-ethics and CSR-environment do
not significantly and positively relate to corporate credibility. This means that, as cooperatives, FACDs will need to find other CSR activities that are closer to its customers’ heart as CSR-ethics and CSR-environment are not directly and positively related to corporate reputation and credibility (Tong et al., 2013; Auger et al., 2006).

A further finding from the study is that customer satisfaction is a mediator in the relationship between CSR and corporate reputation, but it does not play the same role as the relationship between CSR and corporate credibility. This is mostly due to the CSR aspects that were used for the study. CSR-ethics and CSR-environment did not show significant relationships with corporate credibility. In fact, CSR-environment showed a negative relationship but as it was not significant, the direction of relationship was ignored. CSR-ethics showed a positive relationship with corporate reputation, indicating that ethics is essential in building corporate reputation and credibility.

1.7 Conclusions and Recommendations
The study suggests that CSR is not necessarily the main factor in developing reputation and credibility. It supports customer-oriented marketing and finds that satisfaction of customers with products and services is of fundamental importance in building a reputable and credible image of an organisation (Kotler et al., 2008; Anderson and Sullivan, 1993). Moreover, the study adds to the relevant body of knowledge by finding that, although CSR may have been seen as an antecedent to corporate reputation and credibility in the past, when broken down into the specific aspects of social, ethics, and environment, the latter two do not significantly affect corporate reputation and credibility. It was also found that there is a significant mediating role played by satisfaction in the relationship between CSR and reputation.
The methodological implications of this study are that construct items should be suited to empirical research and closely related to a study's particular context. This study identified items that can be adapted for the service industry, financial industry, CSR activities, Asian businesses, and cooperatives. It also suggested that CSR managers intrigue customers prior to initiating a costly CSR activity. The reputation and credibility of organisations such as FACDs may benefit from CSR initiatives that enhance the “people” service given to customers. As such, knowledgeable and experienced personnel may be able to enrich customer experience, and subsequently reputation and credibility (Wattanakamolchai et al., 2014; Gruber, 2011; Lovelock and Wirtz, 2005). These CSR initiatives may be related to employee-care or organisational ethics that support employees. CSR-environment may not just be an organisation’s general contribution to the general environment but employee-centric environment may be able to transcend to happy employees and thus happy customers. Another element of service marketing that could be used to develop CSR initiatives is reduced “process” time for such things as online applications for loans and other banking facilities. These processes may be introduced in line with CSR-environment, as they reduce the use of paper and customers’ travel time and cost, which ultimately helps to reduce the carbon footprint.

The study further revealed several intriguing notions. Though corroborating some previous studies, CSR-environment’s negative relationship with corporate reputation and credibility is indeed a question mark in an era when environment degradation is a major concern throughout the world. Hence, future studies may be able to pin point the factors behind this outcome and explain why it is a negative relationship. The fact that the study ignored the negative effect of CSR-environment on reputation and credibility due to the relationship being at only 5% level of significance, is a major concern for FACDs. As organisations that
are funded by the government and members’ deposits, FACDs would benefit in terms of image by careful consideration of the CSR activities to be involved in.

1.8 Dissertation Outline

The dissertation comprises five chapters. This chapter encompasses the gist of the dissertation, describing the background, uniqueness, and context of the study and justifying the necessity for it. The chapter also explains the purpose of the study and identifies its contribution to the relevant body of knowledge.

Chapter 2 provides a comprehensive literature review, which reveals arguments from various studies that support the research stance. From existing theoretical frameworks the research gap is identified, which leads to the research questions and subsequent hypotheses. The study's conceptual framework developed from the literature draws out the study's aim by outlining the hypotheses in the conceptual framework.

Chapter 3 discusses the research approach and design, laying out the methods and techniques used to collect and analyze the data. The chapter also explains the ethical consideration undertaken to collect the data and the safe keeping of the data.

Chapter 4 provides the final decision made on the hypotheses postulated for this study. As such it entails the state of the data, the cleaning of the data, the assurance of the quality of the data, the confirmation of the assumptions made for some of the statistical analyses.

The final chapter, Chapter 5, is framed within the research questions set for the study. Being the cornerstone of the study, the hypotheses connected to the research questions were drawn
from Chapter 4 and discussed at length, recognising the theoretical, managerial and methodological implications of the study. The chapter ends with a conclusion to the study, including identification of limitations and delimitations of the research, and by providing several recommendations for future research.
Chapter 2

Literature Review

2.0 Introduction

The global financial industry is controlled by a business world that is constantly evolving, and offering an ever-increasing variety of competitive products and services. Furthermore, globalisation has forced financial institutions to conduct their businesses internationally, so that it is now crucial for their survival to serve the world rather than a small spectre of customers within their own country. This new global business model means that there are added pressures for organisations to respond positively to ethical and sustainability issues (Pérez and del Bosque, 2014; Nehme et al., 2013; McDonald and Lai, 2011; Prior and Argandona, 2009), with businesses related to financial products having to put in more effort to convince customers of their integrity and honesty (McDonald and Lai, 2011; Luchs, Naylor, Irwin and Raghunathan, 2010). As social and public service organisations serve their members using public funds, they face higher standards and are expected to place greater importance on their members’ needs (Marquina and Morales, 2012; McDonald and Lai, 2011; Parkes et al., 2010). These organisations are not only scrutinised for profitability and sustainability, but also for their ethical conduct as a measure of social responsibility (Hutchinson et al., 2012).

Increasing social issues caused by business failures as a result of unethical corporate behavior have raised the bar for ethical business practices in relation to profitability and sustainability. Along with a heightened awareness of such issues has come pressure for organisations to practice corporate social responsibility (CSR), and ethics is now a critical topic of discussion.
amongst stakeholders across a broad spectrum of business types (Wagner et al., 2008; Skinner and Mershaw, 2008; Enquist et al., 2006). The last decade has also witnessed major inter-relationships in businesses due to outsourcing, which has led to the growth of small and medium enterprises (SMEs) that are fast becoming partners and forging alliances with larger conglomerates. The CSR notion has therefore been extended to all inter-related businesses rather than being organisation specific. As business-to-business indicates longer and larger supply chains, CSR is also concerned with sustainable sources of supply and suppliers’ business conduct (Skinner and Mershaw, 2008; Enquist et al., 2006). For service oriented business, such as banking, CSR oriented issues and business ethics are more difficult to handle due to their inherent characteristics of intangibility, inseparability, heterogeneity, and perishability that are challenging to impart to customers (Black et al., 2014; Moeller, 2010; Lovelock et al., 2007; Lovelock and Wirtz, 2005; Rao and Singhapakdi, 1997). Therefore, signing of pledges, provision of trustable business contracts, and problem solving customer issues have become commonplace (Pérez, 2015; Kotler and Keller, 2014; Chomvilailuk and Butcher, 2013). However, these new developments in the business world, though commendable, are continuously evolving as new and challenging issues arise relating to human activity and the natural environment (Griffin and Prakash, 2014; McDonald and Lai, 2011, Parkes et al., 2010).

With more businesses jumping on to the CSR bandwagon, sustainability and CSR programmes are becoming harder to plan and execute successfully. In fact, CSR activities of an organisation continuously change as they become difficult to sustain and reap the full benefit from (Griffin and Prakash, 2014). However, due to pressures from a variety of stakeholders, including the general public, CSR programmes are now a necessity for survival in the business world (Cheng et al., 2014; Blasco and Zöller, 2010). Both private and public
organisations are embarking on CSR activities in different sections of the business world, including marketing, finance, and human resources. New jargon has emerged, such as green marketing and green building, and equal opportunities for human capital are on the rise (Baden and Harwood, 2013; Shen, Wang, Lo and Shum, 2012; Polonsky, 2011; Siltaoja, 2006; Peattie and Ratnayaka, 1992).

The demand for ethical business conduct is also increasing for public organisations and institutions such as cooperatives (Poetz et al., 2013; Bloskas, Chatzi and Spandonidou, 2013; Kimura, 2010). One perspective could be of the members and customers who assume CSR is a norm in such organisations, while another view may be that in such organisations the major obstacle is the cost of implementing CSR programmes. Publically funded organisations are normally cautious when spending money on CSR programmes as they are using taxpayer's money. To be acceptable therefore, CSR activities by such organisations ought to directly assist the public and be relatively inexpensive, or there must be a groundswell of support from the public for any CSR initiatives.

As ethics emanates from various disciplines and lacks a sound theoretical foundation, the fine-line between what is ethical and not ethical is frequently debated (Ferrell et al., 2011; Powell, 2011; Shaw and Barry, 2010; Crane and Matten, 2004). Ethics draws its principles from religion, culture and upbringing, and therefore theories relating to ethics are ineffective to dictate what is right or wrong when conducting CSR programmes. However, as previous studies have stressed the importance of public organisation behaving ethically since they are accountable to the public (Poetz et al., 2013; Bloskas et al., 2013; Kimura, 2010), the CSR activities of such organisations need ensure that ethics plays a bigger role than other dimensions of CSR.
In a move to alleviate business concerns of society at large, CSR reporting or sustainability reporting is mandatory in many countries (Baden and Harwood, 2013; Shen et al., 2012). However, as this reporting is only required for organisations listed on the share market, many medium and small organisations have the liberty to conduct their business without adhering to responsible business practices. The push for more responsible business conduct became stronger after the deceit perpetrated by some prominent multi-national organisations, such as Worldcom and Enron (Padgett, 2005), and with technological advances that have made it easier to commit crimes and more difficult to trace them. With each unethical and irresponsible act, CSR has continued to evolve so that it now encompasses managerial research in a wide variety of businesses and related areas (Costa and Menichini, 2013; Jose et al., 2012; Parkes et al., 2010; De los Salmones et al., 2009).

The salience of CSR in business practice has led to the formation of new policies and standards to provide guidelines for companies that are embarking on CSR practices (Poetz et al., 2013). As such, this study set out to gauge the satisfaction of members and customers of Taiwan's farmers' associations with the Farmers' Association Credit Departments (FACDs), which practices CSR activities relating to social and environment while ethically running the business. This research also investigates the mediating role played by the satisfaction of members and customers in the relationship between CSR and corporate credibility and reputation.

2.1 Service Marketing and Financial Institution

Although commercial banks and other financial institutions have significantly grown in terms of products and services, there is a dearth of research into retailing by cooperative
agricultural banks (Hutchinson et al., 2012; Lovelock et al., 2007; Lovelock and Wirtz, 2005). Moreover, as CSR is somewhat convoluted, its use in service organisations is a controversial issue (Tong et al., 2013; Mandhachitara and Poolthong, 2011; McDonald and Lai, 2011) and more so in a service organisation that serves specific groups of people who are members of an organisation (Poetz et al., 2013; De los Salmones et al., 2009). Most of the current service literature focuses on the quality aspect of service in terms of customer satisfaction (Wagner et al., 2008; De Chernatony and Segal-Horn, 2003), while overlooking satisfaction with CSR activities. This could be due to the large user base and the need for service in both product-oriented businesses and service-oriented businesses. However, for services in cooperatives this may be difficult to determine as members are both customers and pay masters. This is more so as customers often misconstrue CSR activities as public relations tactics to attract the attention of the public and interest groups (Marquina and Morales, 2012; McDonald and Lai, 2011; Parkes et al., 2010).

As described in Chapter 1, the FACDs in Taiwan are the credit departments of farmers' associations that operate in a similar manner to other financial institutions except that all their customers are members of one of Taiwan's 301 farmers' associations. As the FACDs are bound by all government policies and regulations that apply to any financial institution, CSR activities may be ineffective since FACD customers tend to assume that CSR initiatives are an obligations imposed upon FACDs by the government. Furthermore, the growth and competitiveness of Taiwan’s economy has increased customer expectations to the point that it is very difficult to know how to satisfy them.

This study empirically examined Taiwanese farmers’ understanding of CSR initiatives, their satisfaction with the initiatives that are commonly carried out by their organisation, and the
effect of the initiatives on corporate credibility and reputation. As previous studies have suggested that CSR initiatives that gain customer support are normally those directed at customer wellbeing (Chomvilailuk and Butcher, 2013; Mandhachitara and Poolthong, 2011; McDonald and Lai, 2011), this study investigated whether the notion holds true in the context of a credit department of a farmers association in a society of conservative and economically growing Taiwanese farmers. The study extends the knowledge currently available in the field of CSR, efforts taken by various organisations specifically in the dimensions of social, environment and ethics, and most importantly sustainability of the initiatives and the organisation.

2.2 Corporate Social Responsibility

Carroll (1979) suggested that organisations should take responsibility for their actions based on a corporate framework of four dimensions: economic, ethical, legal, and philanthropic. However, not all dimensions are equal as some need more effort to initiate and sustain compared to others (Reich, 2008) and take employees away from their core functions, hence costing the organisation more money and time. However, larger organisations with deeper pockets tend to be more committed to activities that will eventually contribute to their bottom line. Furthermore, recent studies assert organisations that are deeply involved in marketing their products and services embark on CSR initiatives based on their impact on customer interest (Bhattacharya et al. 2009; Auger et al., 2006). Research has also shown that CSR initiatives close to their heart or interests attract more customers (Tong et al., 2013; Auger et al., 2006). This attraction tends to transform to satisfaction with the organisation’s products and services (Bhattacharya et al., 2009; Silberhorn and Warren, 2007; McWilliams et al., 2006), eventually building organisation loyalty, image, reputation, and credibility (Mandhachitara and Poolthong, 2011; McDonald and Lai, 2011; Cretu and Brodie, 2009; De
Notwithstanding the foregoing, the twenty-first century has seen the downfall of several organisations due to unethical business practices, increasing natural disasters, and depleting natural resources. As such the plea for all businesses to take social responsibility seriously is increasingly aggressive, while CSR jargon has evolved from the four dimensions into newer jargons such as sustainability, green efforts, and triple bottom line (McDonald and Lai, 2011; Enquist et al., 2006; Peattie and Crane, 2005). Moreover, as information is now more widely accessible and society consequently gains more knowledge, customers are expecting businesses to be more proactive and innovative with their CSR activities (Luo and Bhattacharya, 2006; Maignan and Ferrell, 2004; Moir, 2001).

CSR’s philanthropic dimension evolved into organisational discretionary as the philanthropic notion became common and widely used to justify an organisation’s immersion in CSR activities. As CSR reporting has become mandatory for companies listed on the stock exchange, many smaller organisations involve themselves in CSR activities that cost less and are simpler to execute, such as donations to charity (McDonald and Lai, 2011; Enquist et al., 2006; Carroll, 1999). The four dimensions of CSR were initiated with the motive to have business organisations ethically and legally generate sufficient income that would enable them to support social activities. Hence academic and non-academic CSR research has expanded over the years with many studies taking a keen interest in how and why CSR affects organisations and to what extent companies are willing to go to achieve recognition for their CSR efforts.

As a reaction to heightening social problems and lack of business responsibility, CSR
programmes have been widely initiated by businesses in the last decade (McDonald and Lai, 2011, Parkes et al., 2010). However, many organisations struggle to sustain their CSR activities, as they are often perceived as a burden to the organisation's core function. This notion has caused a myriad of communities to urge businesses to be more innovative in sustaining their CSR programmes, instead of mere philanthropic acts as the organisation’s one and only annual CSR activity (Cheng et al., 2014). These acts are at a cost to the organisation; hence the organisation may not continue its contribution when times are bad, as opposed to activities that profit the organisation (Choi and La, 2013). Thus, the introduction of sustainability in the CSR framework is a welcome notion to stakeholders as organisations reach out to a larger spectrum of society. With this, research on CSR activities, from both an academic and managerial perspective, has proliferated and enlarged its scope and framework (Costa and Menichini, 2013; Jose et al., 2012; Vlachos, 2012; Parkes et al., 2010). This issue has continued to evolve from its humble beginning in the 1950s when society’s beliefs and values were taken into consideration when adhering to CSR requirements for businesses to be responsible in producing and marketing quality products and services (Bourdeau et al., 2013; Choi and La, 2013).

With developments in society due to advancements in technology and changes in the environment, Carroll (1979) recommended a CSR framework more suitable for corporate reporting as demands from society for businesses to take more responsibility increased. Corporate reporting of CSR programmes became mandatory in some countries for companies listed on the stock market, while other countries required companies to report their annual profit and loss statements. In addition, to encourage CSR for monitoring purposes, several governments provide tax exemptions for CSR reporting (Arinaitwe, 2009; Jin, Park and Kim, 2008). Carroll’s (1979) structure for CSR that encapsulates responsibilities into four distinct
dimensions has since been contrived, incorporating new responsibilities to meet stakeholders’ current needs. As businesses pursue profitability, legal boundaries need to be stamped on ethical reasoning, leaving little time and effort for the wellbeing of society at large (Griffin and Prakash, 2014; Jin et al., 2008; Carroll, 1991). CSR is yet to be established by a single definition with an agreed framework by both academics and practitioners (Griffin and Prakash, 2014; Baden and Harwood, 2013; Elliott et al., 2012; Blasco and Zöllner, 2010), even though the need for business responsibilities has been recognized since its inception. Carroll (1991) asserted that the twentieth century promoted a business pyramid whereby businesses concentrated primarily on economic gain, followed by legal processes, and then ethical aspect of business as a way of contributing to society. Most organisations, especially in the developing nations where SMEs prevail, contribute a very small portion of their profit to society (Green Jr. et al., 2012). However, these SMEs are suppliers to larger organisations, which are expected to perform comprehensive CSR activities enveloping all stakeholders. This contribution is at times carried out only when the organisation is thriving economically, otherwise society is ignored and it becomes the responsibility of the government using public funds. As such, the philanthropic notion is referred to as organisations’ discretionary act (Pinkston and Carroll, 1996), allowing organisations to be more innovative in their philanthropic activities.

The difference in priority given by businesses to the four dimensions introduced by Carroll (1979) hardly changed in twenty years since its introduction (Pinkston and Carroll, 1996). Moreover, previous studies indicate that businesses viewed ethical conduct and philanthropic activities as the least of their concerns (Pinkston and Carroll, 1996; Carroll, 1991; Aupperle, 1982). However, the twenty-first century has seen technological advances that have caused an increase in the variety of social and environmental problems (Luo and Bhattacharya, 2006;
Maignan and Ferrell, 2004; Moir, 2001). Furthermore, the business world has witnessed a prolific growth of stakeholders in the last decade, as outsourcing and globalisation involving mergers, alliances, and interdependence amongst businesses, become common (Green Jr. et al., 2012). Consequently, Pinkston and Carroll’s (1996) findings added to newer research outcomes on CSR and corporate social performance (Carroll and Shabana, 2010; Carroll, 1979), indicate the need for businesses to be more proactive in the ethical and discretionary dimensions of CSR. The irresponsible and fraudulent acts by companies such as Enron and Worldcom, have forced society to critically evaluate the service they are receiving and how they are receiving it, from the businesses they deal with (Luchs et al., 2010; Padgett, 2005). This, coupled with global dilapidation of biodiversity, global warming and extinction of various species of flora and fauna, has compelled society to revisit the CSR pyramid and demand that businesses place more weight on the ever lagging ethical and discretionary aspects, which directly relate to society and the environment.

2.3 CSR Pyramid and Customer Satisfaction

The social and environmental dimensions of CSR are at the discretion of the organisation, while the ethical dimension is usually observed due to rules and regulations set by society. However, the turn of the twenty-first century witnessed a prolific number of organisations showing interest in using CSR as a competitive advantage by integrating it into organisational strategies, and assessing its effect on customers, growth, and sustainability (Carroll and Shabana, 2010; Silberhorn and Warren, 2007). For example, IKEA operates with the support of non-profit organisations (NGOs) in cotton planting in Pakistan and India (WWF and IKEA project report, April 2014; Williams, 2011), championing poverty amongst underprivileged communities, supporting education and knowledge transfer, and greening. In contrast, smaller domestic organisations limit their CSR activities to charity donations (Choi and La, 2013;
Other business communities also practice CSR, such as the construction industry with its Green Building Index that allows architects and contractors to be voluntarily assessed for certification as environmentally friendly designers and builders. Expanding on this concept, certification of the quality of CSR performance has been introduced in recent years with establishment of the Global Reporting Initiative (GRI), which is an international independent standards organisation that helps businesses, governments and other organisations understand and communicate their impacts on issues such as climate change, human rights and corruption (Baden and Harwood, 2013; Shen et al., 2012). However, as only publically listed companies are required to report their CSR activities, the GRI is mainly used by organisations in developed countries to communicate their environmentally-friendly and sustainable business practices (Martinuzzi and Krumay, 2013; Teimouri, Jamehshooran and Heydari, 2011; Wagner et al., 2008; Enquist et al., 2006). Meanwhile, many developing economies are primarily supported by small and medium enterprises (SMEs) that are not required to report their CSR activities, and so the ethical and discretionary pillars of CSR remain largely unachieved for SMEs (Murillo and Lozano, 2006). Furthermore, SMEs tend to initiate CSR for short-term gains and non-sustainable competitive advantage (Garau and Ranchhod, 2005).

Though CSR is not a new term or concept, its definition lacks consensus and grounded theory (Carroll and Shabana, 2010; Rundle-Thiele and Wymer, 2010; Lee, 2008). Several theories such as agency theory, legitimacy theory, social-contract theory and stakeholder theory have been used to explain and discuss CSR, but the two most common and established are agency theory and stakeholder theory (Matten and Moon, 2008; Shapiro, 2005; McWilliam and Siegel, 2001; Moir, 2001). Milton Friedman devised agency theory, describing business as
being for the benefit of shareholders, since their interest is of primary importance (Mullins, 2010; Laplume, Sonpar and Litz, 2008; Friedman, 2007; Pava and Krausz, 1996; Freeman and Liedtka, 1991). This theory supports the economic platform of the CSR pyramid, indicating that businesses are made for maximizing profit and supporting their investors. Interestingly, researchers in support of this doctrine, assert that the wealth of shareholders will automatically support stakeholders, whereby employment offered by wealthy businesses would be able to support the living standards of employees while taxes paid to governments would in turn support various social services and causes (Hoi, Wu and Zhang, 2013). In contrast, Edward Freeman's stakeholder theory encourages managers to cognitively and strategically place stakeholders' concerns ahead of shareholders' economic benefits (Freeman, 2010; Laplume et al., 2008). While these contradicting theories were being debated, CSR emerged with the two dimensions of economic and legal that support shareholder benefits or agency theory, while the ethics and social dictums of CSR support stakeholder concerns or stakeholder theory.

The convoluted descriptions of CSR often lead to it being synonymously associated with the ethical conduct of a business (Esen, 2013; Singh and Agarwal, 2013; Bourdeau, et al., 2013; Silberhorn and Warren, 2007; Mohr and Webb, 2005; Salzer-Morling and Strannegard, 2004). Ethics is beyond following rules and regulations, it is the responsibility and obligation of an organisation. From a CSR perspective, ethics is a notion that needs to be satisfied in order to achieve long term benefits and sustainability and to help employees and customers emotionally invest in the vision and mission of the organisation. However, ambiguous objectives and misleading ethical practices are at times imitable and may be adapted by an organisation without full knowledge and with no long-term strategy in mind. Thus ethical conduct may be misconstrued as unimportant and adhered merely to meet requirements set by
various parties, including company standard operating procedure and government bodies (Kim, Lee, Lee and Kim, 2010; Mattila, 2009). However, in recent times communities have become more conscious and knowledgeable of environmental issues and so socially responsible organisations tend to do better than those that are not (Mattila, 2009).

2.4 Ethical Aspect of CSR

The ethical dimension of CSR as depicted in Carroll’s (1979) framework, embodies ethics more than the economic and legal aspects, and suggests ethical activities that are not covered by the law. Ethics involves morals and culture as a measure of what society accepts as right or wrong and of what is expected of a business (Powell, 2011; Shaw and Barry, 2010; Crane and Matten, 2004). This relativism theory of ethics is clearly contentious, as it is doubtful a business knows what is right or wrong. Therefore, some organisations manipulate and undermine consumers’ understanding of the product or service in the absence of hard evidence of what is and is not ethical. This creates a vast number of issues for customers, social activists, lobbyist and various other parties who are monitoring quality and legitimacy of CSR programmes and reporting. Ethics is as convoluted as CSR and commonly defined as the principles or values one use to make a judgment (Ferrell et al., 2011; Shaw and Barry, 2010; Crane and Matten, 2004). Ethics provide moral guidelines in terms of behaviour (Creyer and Ross, 1997; Sherwin, 1983) but there seems to be a fine line between what one thinks is ethical and what is carried out in a controversial situation. With globalisation and mass migration, the blend of a myriad of cultures has further blurred ethics and ethical issues.

One common ethics philosophy used to differentiate what is right and wrong is the utilitarian approach where the judgment is based on the principle of the 'greatest good' where an act that brings good to a large group of people, is said to be morally right. However, critics of this
theory contend that it advocates for any decision to be deemed right as long as many people benefit, even though it is unlawful (Shaw and Barry, 2010). Meanwhile, the 'goodwill' theory introduced by Immanuel Kant suggests that a good deed is the precedent of good intentions and as such good will be returned to those who take their duty seriously (Mackinnon, 2012; Shaw and Barry, 2010). Opponents of Kant’s law assert that people may get confused as to what started with a rightful intention may not be construed as goodwill by others (Ferrell et al., 2011; Crane and Matten, 2004; Creyer and Ross, 1997).

On the other hand, the rights philosophy suggests it is essential to judge one's doing based on the prerogative one has (Crane and Matten, 2004). Meanwhile a justice-based philosophy guides one’s act based on fairness in distributing benefits viz a viz burdens. These principles however are no greater or lesser than the other but the outcome is largely dependent on who is making the judgment (Ferrell et al., 2011; Shaw and Barry, 2010). A great number of academic studies have been dedicated to business related ethics, particularly the conduct that emerges in the marketing of products and services (Lacey et al., 2012). Furthermore, in recent years ethical issues have proliferated, beckoning organisations to review their policies and give more consideration to stakeholders and the sustainability of both their business and CSR activities. The motives behind an organisation’s ethical policy emanates from a broad spectrum of reasons, ranging from culture, religion, belief, and altruism, to gaining and protecting corporate reputation and image (Marquina and Morales, 2012; McDonald and Lai, 2011; Parkes et al., 2010).

As societal marketing became widespread, ethics in marketing became essential for marketers and consumers (Kotler, 2008). As a direct result of societal marketing, information on packaging has become the norm, such as pictures of various cancers caused by smoking on
cigarette packs. Societal marketing asserts that consumers may desire a product that may not necessarily be good for him or her, as such it is only ethical for marketers to inform customers of the possible repercussion of using a product or service as much as informing them about how to use the product and service. Carrigan and Attalla (2001) identified consumers as evolving and sophisticated, however they are yet to act ethically when purchasing and supporting ethical businesses. In addition, more recent studies show that consumers are willing to pay a premium for socially responsible products, though one is unsure of its applicability to a socially responsible organisation (Mai, 2014; Carter, 2009).

As the ethical behaviour of a business is unique to the type of business conducted, online businesses and traditional businesses place different emphasis on different ethical behaviours (Limbu et al., 2011). However, social contract theory indicates that customers assume their personal information is kept confidential when they come into contract with a business. As such customers expect their personal details, such as bank account numbers, mailing address, and medical records, to be kept confidential by the businesses they come into contact with. However, the technology era has brought about its own string of social problems and ethics in business, which has proliferated in recent years (Limbu et al., 2011; Milne and Gordon, 1993). Online business contracts and exchanges of various business letters are subjected to social contract theory, requiring businesses to place customer information protection as a priority; this illustrates the salience of ethical behaviour of organisations, especially of retailers as information revealed may endanger customers. Some studies show that online businesses need to be more ethical than traditional businesses (Palmer, 2005). While others suggest it is immaterial what type of business one is involved in, the unethically revealed information is what matters (Pérez and del Bosque, 2015; Limbu et al., 2011). Nonetheless, the consequences of the unethical behaviour of releasing personal information to other parties
may subsequently harm the organisation in terms of customers' reduced trust, non-repeat buying, negative word of mouth, and, in a worst case scenario, defamation that leads to negative publicity (Bouvain et al., 2013; McDonald and Rundle-Thiele, 2008) because this questions the obligation, integrity and honesty of the organisation. Thus satisfaction in the way an organisation conducts its business based on the ethical framework may be critical for an organisation’s survival. Flavian et al. (2005) asserted that besides understanding ethical factors, it is crucial to further investigate the impact of unethical conduct on customer satisfaction, loyalty, and customer retention in order to estimate organisational sustainability.

Besides the protection of personal information, organisations are further subject to accountability and responsibility in providing fair and honest information, such as those on ingredients, materials used, side effects and pricing (Pérez and del Bosque, 2014). Thus, when related to the ethical behaviour of a business, a wide variety of behaviour affecting customers and suppliers are evaluated in order to be acceptable to society. Past studies advocate that customer and supplier satisfaction tend to be an appropriate measure of acceptability (Shen et al., 2012; Mandhachitara and Poolthong, 2011; Luo and Bhattacharya, 2009; McDonald and Rundle-Thiele, 2008; Luo and Bhattacharya, 2006). However, customer satisfaction may not necessarily benefit the organisation.

This study therefore examines the influence of CSR’s ethical aspect on customer satisfaction, which in turn can affect purchasing behaviour (Shen et al., 2012; Mandhachitara and Poolthong, 2011; Hellier et al., 2003) and perceptions (Luo and Bhattacharya, 2009; McDonald and Rundle-Thiele, 2008; Luo and Bhattacharya, 2006). However, some studies argue that satisfaction is the result of a myriad of the organisation’s offerings, such as product quality, packaging, quality of customer service, quality of retail, and convenience (Koh and
Boo, 2004). Arguably, these factors are the ethical conduct of the organisation as a provider of quality products or services, while others are the organisation’s ethical obligations. Previous studies confirm that customer satisfaction is the gap between what customers anticipate and what they receive (McDonald and Rundle-Thiele, 2008; Hellier et al., 2003; Bejou et al., 1998). As satisfaction is a multidimensional concept that is not possible to numerically measure, measuring is carried out using dimensions that are suitable for the business.

Service oriented organisations face different ethical issues than product oriented organisations. Nevertheless, as in product organisations, service organisations such as financial institutions, develop 'products' such as insurance policies and credit cards. As such the quality of these products, the genuine information about the product, and transparency of the organisation are primary ethical concerns to customers (Balvers et al., 2015; Sun, Chen, and Wang, 2012; Limbu et al., 2011). Meanwhile, customers of financial institutions share personal and financial related information with the organisation and expect the organisation to keep this information confidential. Thus privacy is a critical issue that is expected by customers (Pérez and del Bosque, 2014; Lai et al., 2010; Shergill and Chen, 2005). The gap between this expectation and its fulfilment is translated into customer satisfaction. In fact as customers become more aware and knowledgeable with regard to social responsibility, satisfying them with ethical conduct is becoming a difficult task (Balvers et al., 2015; Ganescu, 2012; McDonald and Rundle-Thiele, 2008; Hellier et al., 2003; Bejou et al., 1998; Creyer and Ross, 1997).

The commercial banking industry needs to take ethical banking seriously because ethical conduct affects banks’ reputation and credibility. Islamic banking has gained credibility in
the recent years due to their practices based on Islamic teaching where they show their responsibility toward customers’ investments (Gilani, 2015). Past studies claim that the organisations ought to be true to themselves in order to obtain customer and market trust (Kim, Amaeshi, Harris and Suh, 2013; Mulki and Jaramillo, 2011; McDonald and Rundle-Thiele, 2008), as such communication of all underlying information regarding the risks faced by customers/investors/public in each investment choice they make is essential (Gilani, 2015; Wattanakamolchai et al., 2014; Walters, 2008). Other studies corroborate this and add that increasing service fees and declining investment outcomes are some of the causes of dissatisfaction, which leads to switching to a competitor (Slevitch, Mathe and Karpova, 2013; McDonald and Rundle-Thiele, 2008; Manrai and Manrai, 2007; Levesque and McDougall, 1996). Therefore it is essential for managers to assess the effects of their CSR initiatives, especially those relating to marketing and the provision of information involving customer services, service charges, interest rates, and uncertainty, with a view to improving customer satisfaction (Wattanakamolchai et al., 2014; Kim et al., 2013; Luo and Bhattacharya, 2006; Lafferty and Goldsmith, 2004).

Customer satisfaction is central to an organisation’s growth. It is closely associated with customer buying behaviour and is a building block for corporate reputation and credibility. The banking industry that has innovatively introduced new systems to assist certain communities, such as farmers, is increasingly pressed by the need to satisfy their customers. As such, innovative communication tools are used to effectively provide accurate, efficient and effective information. Information that is transparent and available 24-7 reduces customer’s apprehensiveness, thus satisfying them and winning their loyalty via trust (Badri and Mohaidat, 2014; Reich, 2008; Matzler et al., 2006; Hellier et al., 2003). Furthermore, an ethical organisation is able to increase employee satisfaction by adopting practices that help
the organisation gain a competitive advantage and as a consequence increase customer satisfaction, reduce switching, and increase positive word of mouth (Bouvain et al., 2013; Martinuzzi and Krumay, 2013; Slevitch et al., 2013; McDonald and Rundle-Thiele, 2008; Matzler et al., 2006; Koh and Boo, 2004; Levesque and McDougall, 1996). Thus, the ethical dimension of CSR is crucial for a healthy organisation and, as advocated earlier, this ethical behaviour ought to be toward all stakeholders, including customers, employees, and suppliers, as well as the environment (Mattila, 2009; Zain and Mohammad, 2007).

2.5 Discretionary Aspect of CSR

The philanthropy or discretionary dimension is at the top of Carroll’s (1979) CSR pyramid, thus it is apparent that the bottom layer of the pyramid is much wider than the top. This suggests that organisations’ philanthropic contribution and concern is insignificant compared to their economic wellbeing and the legalities of their business. As many organisations, especially SMEs, claim CSR activities as donating to charitable associations, the philanthropic act was reintroduced as discretionary in later years (Pinkston and Carroll, 1996). The act of donating is a non-sustainable practice that lasts only as long as the occasion itself, meanwhile the discretionary dimension recognises all other practices benefiting social and environmental concerns (Tong et al., 2013; Carroll and Shabana, 2010; Mattila, 2009; Zain and Mohammad, 2007; Pinkston and Carroll, 1996).

2.5.1 Social Dimension of CSR

The social aspect of CSR includes such activities as charitable donations, caring for some communities by providing education, medical care, and basic needs such as homes and tap water (Mattila, 2009). The twenty-first century social aspect also includes the organisation’s internal and external society; those connected to the organisation such as employees,
customers, and suppliers. A myriad of activities have been carried out, including organisations that support the community it disrupted when carrying out their business. However, some studies would categorise this as propaganda seeking publicity to regain customer trust and improve the company's credentials (Choi and La, 2013; Chomvilailuk and Butcher, 2013; Pomering and Dolnicar, 2006).

However, since McDonald and Lai (2011) found that specific CSR initiatives illicit specific types of customer reaction, it would be helpful for organisations to know how customers’ react to social-related CSR initiatives. The current study investigates members of cooperatives who benefit from the organisations’ performance as much as benefitting from being the customer. The inclination of some customers towards the philanthropic activities of an organisation does not necessarily reflect their discernment of the organisation (Chomvilailuk and Butcher, 2013; Mohr and Webb, 2005).

The consistency theory introduced by Heider (1958) suggests that people are generally not consistent in what they say and think, namely people’s eccentric behaviour makes them respond to a particular type of CSR initiative differently from another. Similarly, different groups of people react differently. Chomvilailuk and Butcher (2013) corroborate this thinking by showing that bank customers in Thailand rank CSR initiatives differently compared to Australian bank customers. As different communities have different cultures, values perceptibly differ, supporting the social judgement theory which indicates that there is coherence in customers’ espousal of newly introduced information and their belief in it (Simon, Snow and Read, 2004; Doherty and Kurz, 1996). On the other hand, such new information is not accepted if it falls outside the boundary of their understanding (Chomvilailuk and Butcher, 2013; Solomon, 2011). An increasing number of studies on CSR
notes a paradigm shift in CSR, supporting the need for philanthropic activities such as the adoption of a community of people and sustaining that community (Poetz et al., 2013; Mattila, 2009; Jones, Bowd and Tench, 2009), providing convenience for employees and fair treatment of them (Mandhachitara and Poolthong, 2011). However as established earlier, these activities are at the organisation’s discretion and are usually undertaken to strategically gain stakeholder’s interests. Moreover, as the discretionary dimension of CSR is not mandatory and is without clear directions, it is difficult to evaluate and discern, leading to unsustainability. As it is not compulsory, measuring and testing its credibility becomes ambiguous (Wattanakamolchais et al., 2014; Poetz et al., 2013). As the concept of societal marketing has become widespread in recent years, CSR has come to play an essential role in most organisations who generally embrace all four dimensions - economic, legal, ethics, environment - even though standard measurements are yet to be established for them.

2.5.2 Environmental Aspect of CSR

The discretionary act of an organisation is large, ranging from caring for employees, society at large and the environment. As the factors representing discretionary are mutually exclusive, the present study includes social and environment CSR separately, as most organisations place emphasise on one more than the other (Poetz et al., 2013; Chomvilailuk and Butcher, 2013; Mandhachitara and Poolthong, 2011). As businesses become involved in gaining customer trust, satisfaction and subsequently loyalty, sustainability and profitability, employees and environmental concerns go unnoticed and ignored in business strategies. Past studies indicate that customer orientated marketing and societal marketing are two concepts often misinterpreted by marketers (Elliott et al., 2012; McDonald and Lai, 2011; Devinney et al., 2010). Customers are the primary stakeholder from where revenue is generated, and as such are salient to organisational strategies; employees and the environment on the other
Customer oriented marketing basically looks into the welfare of customers, thus concentrating on the happiness and satisfaction of the customers. Meanwhile, societal marketing looks into the wellbeing of the internal and external stakeholders of the organisation, which is where the ecological environment is accorded importance in accordance with CSR requirements (Elliott et al., 2012). Hence, in fulfilling societal marketing requirements, an organisation is recognised for its contribution to improving the deteriorating ecological environment. While some companies argue that there is very little that a service organisation can do to improve the ecological environment, others have innovatively reduced paper usage by introducing electronic billing and electronic statements, consequently reducing organisational energy wastage and subsequently improving their CSR performance (McDonald and Lai, 2011; Scholtens, 2009). Though these practices are highly appreciated by customers in the West (Pérez and del Bosque, 2015a; Chomvilailuk and Butcher, 2013; Mandhachitara and Poolthong, 2011), adaptation of these techniques is not so fully accepted in Asian regions (Mandhachitara and Poolthong, 2011; Lai et al., 2010; Poolthong and Mandhachitara, 2009; Lee, 2008; Ip, 2008). This difference in acceptability may be due to inherent cultural differences. However, in recent years there has been an increasing number of academic studies on CSR in the Asian region indicating and increasing interest amongst scholars. These empirical studies, conducted primarily on bank customers, demonstrate customers being keen on CSR initiatives that directly satisfy their needs and benefits (Chomvilailuk and Butcher, 2013; Tong et al., 2013; Mandhachitara and Poolthong, 2011; McDonald and Lai, 2011; Pomerling and Dolnicar, 2006). Globalisation and the growth of foreign investments in the Asian region have shown proliferating globalised CSR efforts, whereby multinational corporations (MNCs) are fast adopting CSR initiatives relating to
ecological environment. These efforts are adapted by their subsidiaries in the countries where they invest. Therefore, it will not be long for Asian organisations to follow suit, improving their CSR initiatives, answering calls to improve the environment and employee needs. The dearth in both academic and managerial research specifically on CSR contribution relating to the ecological environment and its association to customers’ perception and sustainability remain apparent (Slevitch et al., 2013, Levesque and McDougall, 1996). However it is essential for organisations to be innovative in their CSR initiatives, ensuring their sustainability, covering a range of CSR aspects (Luo and Bhattacharya, 2006) especially in the current times when stakeholders are critical about what is bought, what is used in producing it and where and when they buy (Kotler and Keller, 2014; Elliott et al., 2012). Thus it is essential for organisations to understand customers’ view on what CSR initiatives involving ecological environment are, in order to allow them to view the organisation positively. Though various measures have been used in the past in order to measure satisfaction, ranging from satisfaction with the service to customers’ feeling good and if the choice they made is wise (Pérez and del Bosque, 2012; Jones, Comfort and Hillier, 2007), there is a lack of empirical studies on customer satisfaction with the CSR practices of a service organisation and how this satisfaction develops into organisational credibility and reputation.

2.6 Corporate Reputation and Credibility

Organisations’ efforts in CSR and other marketing strategies are in order to gain competitive and comparative advantages. These notions and the recent fraudulent conduct of some prominent organisations are driving many companies to increase their efforts to gain credibility and reputation. An organisation’s credibility can be measured by the trust one has in the organisation, the truthfulness of information they provide, and the organisations’
expertise (Keller, 2008; Hair et al., 2006; Riley and de Chernatony, 2000; Herbig and Milewicz, 1995; Herbig and Milewicz, 1993). Research shows that customers form a positive attitude towards an organisation that has high credibility (Elsbach and Elofson, 2000; Riley and de Chernatony, 2000; Lafferty and Goldsmith, 1999). Corporate credibility is vulnerable to the organisation’s conduct, thus some recent studies suggest CSR could enhance credibility as much as credibility is a necessity for one to trust the CSR initiatives the organisation embarks upon (Choi and La, 2013; Chomvilailuk and Butcher, 2013; Pomering and Dolnicar, 2009; Lepoutre et al., 2007; Spickett-Jones et al., 2004; Hoeffler and Keller, 2002). Interestingly, research also demonstrates that trust, benevolence and altruism have significantly strong influences over perceptions of the organisation's credibility (Kantsperger and Kunz, 2010). Therefore, to build credibility an organisation needs to concentrate more on customer-oriented CSR initiatives.

However, as customers tend to build an attitude toward an organisation prior to realising its credibility, it is necessary to ensure that customers are first and foremost satisfied with the organisation's performance and initiatives in their operations (Choi and La, 2013; Lepoutre et al., 2007; Spickett-Jones et al., 2004; Lafferty and Goldsmith, 1999). Satisfaction with the quality of customer services and quality products are some of the factors that customers tend to observe first. However, beyond the core products and services, well informed and knowledgeable customers of the twenty-first century have the propensity to critically view CSR activities of an organisation (Choi and La, 2013; Tong et al., 2013). Some studies assert the importance of participating in CSR activities that are more beneficial to the customers by conducting business ethically (Pérez and del Bosque, 2015b; McDonald and Lai, 2011). Credibility is, in a way, a method used by customers to recognise a retailer or a brand.
Reputation is commonly measured using the reliability of the product or service, the organisation as a whole, and the efficiency and innovativeness of the organisation (Souiden et al., 2006; Flavian et al., 2005; Riley and de Chernatony, 2000; Herbig and Milewicz, 1995; Herbig and Milewicz, 1993). Organisation’s innovativeness with their products and services can involve reducing processes and increasing convenience for customers. However, when involving a series of CSR activities, organisations tend to overlook the basic needs and embark on activities that provide publicity and are convenient for the organisation. Past research indicates that some of the reputation quotient are measured based on workplace environment, and social and environmental responsibility (Skallerud, 2011; Fombrun, Gardberg and Sever, 2000), as such reputation of an association is the positive opinion of members or their satisfaction with the association’s CSR initiatives (Walsh and Beatty, 2007). Credibility and reputation eases a customer’s scepticism over the company’s products and services and eases customer’s concerns over the risk they face (Schiffman and Kanuk, 2009). This is especially important for financial service providers who need to convey the impression that they can be relied upon. Trust is also built via marketing and selling ethically, whereby the sales and marketing personnel demonstrate their passion and trust in the product or service, as well as the organisation they work for. This may be enhanced with knowledgeable sales personnel (Bejou et al., 1998), successful buyer-seller relationships, and, more importantly, transparent and honest organisational conduct. These are closely concomitant to CSR activities that are customer oriented or stakeholder concerned.

2.7 Theoretical and Conceptual Definitions

The above review of relevant literature demonstrates the convoluted meaning of CSR dimensions. With no specific definition to work with, research tends to narrow the scope of
research to conceptually defined constructs that closely relate to CSR orientations, such as CSR-social, CSR-ethics and CSR-environment. Table 2.1 below shows the theoretical and conceptual definitions of CSR dimensions for the present study. These conceptual definitions have been narrowed down to the context of this study, or what customers of FACDs in Taiwan would be able to relate to in view of the financial institutions they come across in their day-to-day operations.

Table 2.1: Theoretical and conceptual definitions

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Theoretical definition</th>
<th>Conceptual definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR-ethics</td>
<td>Ethics emerges from a broad spectrum of disciplines, primarily based on utilitarian</td>
<td>Ethical conduct of an organisation is viewed from customer’s view of an organisation’s</td>
</tr>
<tr>
<td></td>
<td>perspective and goodwill, which are norms that society expect from a business (Shaw</td>
<td>ethics that is based on honesty, transparency, accurate information, truthful provided by</td>
</tr>
<tr>
<td></td>
<td>and Barry, 2010; Crane and Matten, 2004).</td>
<td>FACDs.</td>
</tr>
<tr>
<td>CSR-social</td>
<td>Social aspect of CSR includes activities where a certain community is cared for (Mattila, 2009).</td>
<td>Social aspect of CSR is defined as FACDs' monetary and non-monetary contribution to</td>
</tr>
<tr>
<td></td>
<td></td>
<td>various under-privileged communities and their</td>
</tr>
<tr>
<td>CSR -environment</td>
<td>The environment of CSR includes activities undertaken to save the environment (Poetz et al., 2013; Chomvilailuk and Butcher, 2013; Mandhachitara and Poolthong, 2011).</td>
<td>The environment aspect of CSR is defined as FACDs’ efforts to save, support, reduce and sustain the ecology. Thus reducing wastage of paper and water, supporting non-cruelty of animals and reducing carbon foot-print are some of the CSR-environment projects that an organisation could get involved in.</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>Satisfaction is defined as ones’ feeling good about what one uses or gets (Jones et al., 2007).</td>
<td>This study defines satisfaction as one’s happiness and feel good using an organisation and its products and services.</td>
</tr>
<tr>
<td>Corporate Credibility</td>
<td>Credibility is the trust one has on the organisation based on its truthfulness of information provision and the organisations’ expertise (Keller, 2008; Hair et al., 2006; Riley and de Chernatony, 2000; Herbig and Milewicz,</td>
<td>Credibility is defined as the trustworthiness of the organisation due to their honesty, experience and expertise in what they offer.</td>
</tr>
</tbody>
</table>
Corporate Reputation

Reputation is based on the reliability of what is provided by the organisation (Souiden et al., 2006; Flavian et al., 2005; Riley and de Chernatony, 2000; Herbig and Milewicz, 1993).

The reputation construct for this study is defined as the quality of products and services provided by the organisation.

Though studies have been conducted on CSR, there remains a dearth of studies that have empirically investigated specific dimensions of CSR, its association with customer satisfaction, and how it subsequently builds corporate credibility and reputation. The present study does just this by investigating the intervening role of satisfaction rather than viewing satisfaction as the final behaviour as a reaction to CSR initiatives related to social and environmental aspects and to ethical behaviour of the organisation. The research entails an investigation in the Asian context involving Taiwan's Farmers' Association Credit Departments (FACDs). Though there have been an abundance of studies on CSR and customer behaviour in recent years, FACDs in Taiwan are unique in that members of the association are both customers of the association as well as major stakeholders (Lee and Shen, 2014; Liu and Lin, 2007; Chen, 2002; Kwoh, 1966). The unique position of FACDs poses another research problem.

2.8 Research Questions and Research Framework

With the above research problem established, the following research questions (RQs) have been developed to address the problem.

RQ1: Do CSR initiatives (social, ethical, environmental) influence the satisfaction of
customers of FACDs in Taiwan?

RQ2: Do CSR initiatives have a direct relationship with the credibility of FACDs in Taiwan?

SubRQ2: Does satisfaction mediate the relationship between CSR initiatives and the credibility of FACDs in Taiwan?

RQ3: Do CSR initiatives have a direct relationship with the reputation of FACDs in Taiwan?

SubRQ3: Does satisfaction mediate the relationship between CSR initiatives and the reputation of FACDs in Taiwan?

Figure 2.1: Research framework showing the link between CSR initiatives, customer satisfaction, corporate reputation, and credibility
2.9 Hypotheses Development

The evolving business environment forces organisations to embrace various techniques to gain a better reputation and credibility. As discussed above, CSR has recently obtained significant attention from businesses around the world. However, only the constantly contended and perplexing nature of CSR has been agreed upon in terms of its consequence (Elliott et al., 2012; McDonald and Lai, 2011; Devinney et al., 2010; Kotler et al., 2008). The application of CSR’s ethics dimension has been shown to help customer satisfaction (Shen et al., 2012; Mandhachitara and Poolthong, 2011; Hellier et al., 2003). Research demonstrates that ethical conduct of an organisation affects customer’s perception of the organisation. Customers tend to be satisfied with the organisation’s products and services when the organisation is operated ethically (Pérez and del Bosque, 2015a; Lai et al., 2010; McDonald and Rundle-Thiele, 2008).

Ethical business is still new in research. Hence it is unsure from what perspective ethics is considered from to evaluate its representativeness in CSR. Furthermore, it is yet to be determined if stakeholders, especially customers ought to consider business ethics from the perspective of product content, advertising, packaging, or even a business’s responsibilities toward its employees and in divulging its CSR endeavours (Chan, McBey, and Scott-Ladd, 2011; Kvalnes and Na, 2012). As such it is ambiguous if a collective CSR measurement is sufficient to determine if CSR-orientation contributes to corporate reputation and credibility.

The social responsibilities of an organisation is normally visible to customers as it is publicized. Social events such as being altruism are common amongst organization where
time and money is spent on helping mitigate and wide a range of social issues (Moreno, 2010; Lichtenstein, Drumwright and Bridgette, 2004; Anonymous, 2003). These social aspect of responsibilities extend to organisation’s responsibilities toward the employees well-being. In the recent years, social aspect of CSR includes an organisation’s efforts in offering employment and ensuring their employees have a conducive work climate (Munro, 2013; Slåtten, Svensson and Sværi, 2011). Social responsibilities of an organisation is beyond altruistic, however this is the simplest and common form of CSR, embarked on by most organisations (Sampson and Ellis, 2015; Srisuphaolarn, 2013). Most organisations start their CSR endeavours by contributing to society, donating to needy causes such as to homeless and orphanage. Sometimes, these contributions, spent in terms of money or time are misconstrued as total CSR (Slåtten, et al., 2011; Lichtenstein, et al., 2004). Thus evaluating this aspect separately is deemed beneficial for FACD, Taiwan in understanding customer view on their CSR activities. Being a co-op like body, customers may be viewing this aspect of CSR as an innate organisation operations, moreover may be understood as attempt on public relations (Sampson and Ellis, 2015).

The environment aspect of CSR is often confused with ethics and social aspects. CSR-environment has never been discussed individually in Carroll’s division of CSR dimensions as such many past studies combine organization’s contribution to protect the environment as part of the organisation’s ethical or altruism conduct (Carroll and Shabana, 2010; Lichtenstein, et al., 2004; Carroll, 1999; Carroll, 1979). As the environment continues to deteriorate, organisations are expected to be more aware of the harm their existence bring to the environment, may it be over-use, waste disposal and poaching (Anonymous, 2003). Thus, the current study views environment as a separate aspect of CSR whereby the FACDs of Taiwan may be contributing without understanding customers’ views of such efforts.
Marketing theories suggest that customer satisfaction is essential for the growth of the organisation as customers repurchase, perform positive word-of-mouth recommendations, and trust the quality of the service and reliability of the organisation (Elliott et al., 2012; McDonald and Lai, 2011; Devinney et al., 2010; Kotler et al., 2008). Though customer satisfaction can change customer’s perspective of the organisation, ethics is expected of the organisation. Meanwhile social and environmental concerns are the responsibility of the organisation (Silberhorn and Warren, 2007; McWilliams et al., 2006; Luo and Bhattacharya, 2006; Moir, 2001).

As such satisfaction is a standpoint that is developed based on an organisation’s obligations and responsibilities (Ferrell et al., 2011; Powell, 2011; Shaw and Barry, 2010). Thus the following three hypotheses are developed to help understand the effect of CSR (social, ethics, environment) on customer satisfaction and thereby address RQ1:

H1: CSR-social initiatives positively relate to customer satisfaction of FACDs in Taiwan

H2: CSR-ethics initiatives positively relate to customer satisfaction of FACDs in Taiwan

H3: CSR-environment initiatives positively relate to customer satisfaction of FACDs in Taiwan

Collectively these CSR initiatives are capable of building the reputation of the organisation, as organisations that take their obligations and responsibilities seriously are expected to produce quality products and services (Valax, 2012; Cretu and Brodie, 2009; Sternthal et al.,
1978). Similarly, studies have shown the positive effect that CSR has on customers’ trust in
the organisation, thus proliferating the credibility of both product and organisation (Choi and
La, 2013; Chomvilailuk and Butcher, 2013; Kantsperger and Kunz, 2010; Lepoutre et al.,
2007; Spickett-Jones et al., 2004; Hoefller and Keller, 2002).

Though reputation and credibility are two distinct constructs, past studies show more
keenness in understanding customers’ view of corporate image. Many CSR initiatives are
developed for the betterment of the organisation’s image (Lu, Wei and Li, 2015; Lii and Lee,
2012). However, it is also clear that customers are not blinded by CSR initiatives that benefit
social, ethics and environment accounts of the world and in more recently critical in their
differentiated evaluation (Lu, et al., 2015; Lii and Lee, 2012; Becker-Olsen et al., 2006). As
described earlier in the chapter, reputation is measured by the reliability of the product and
service offered by the organisation while credibility is the based on the trust built on the
organisation (Mandhachitara and Poolthong, 2011; McDonald and Lai, 2011; Cretu and
Brodie, 2009). These are often the building blocks of image as such the effect of CSR
initiatives on image originate from the reputation and credibility developed.

This initiated the development of the following hypotheses, which addresses RQ2 and RQ3.

H4: CSR initiatives positively relate to corporate reputation of FACDs in Taiwan

H5: CSR initiatives positively relate to corporate credibility of FACDs in Taiwan

Previous research revealed that reputation and credibility are the result of an organisation's
social and ecological responsibility (Skallerud, 2011; Fombrun et al., 2000). However, in
order for society to have a perception on an organisation as being credible and reputable, the society needs to feel satisfied with the organisation (Walsh and Bartikowski, 2013; Walsh and Beatty, 2007; Riley and de Chernatony, 2000; Herbig and Milewicz, 1995). This satisfaction stems from the organisation offering quality products and services, and can be enhanced by feeling content with other organisational activities, such its treatment of a community, employees and ecology (Luo and Bhattacharya, 2009). However, organisations tend to initiate CSR activities to fulfil requirements of interest groups and government, focusing primarily on the bottom two dimensions of the CSR pyramid. The twenty-first century business environment is extremely competitive with a growing group of knowledgeable, well-informed and critically scrutinising stakeholders. As such, organisations are forced to pay more attention to the top two layers of CSR pyramid to gain competitive advantage and sustainability via corporate credibility and reputation (Pérez and del Bosque, 2015a; Slevitch et al., 2013, Keller, 2008; Levesque and McDougall, 1996). The transcending benefits gained from customer satisfaction can be almost limitless; for example, positive word of mouth, loyalty, image, credibility and reputation (Bouvain et al., 2013; McDonald and Rundle-Thiele, 2008).

However, some studies indicate the effect of CSR on customers’ preference, satisfaction and attitude is at a diverging degrees (Lu et al., 2015; Liu et al., 2014; Lii and Lee, 2012; Robinot and Giannelloni, 2010). Similarly, past studies further show these feelings are sometimes full mediators while at other times partial mediators between CSR and customers’ actions as the abovementioned (Perez and del bosque, 2015a; Perez and del bosque, 2015b; Liu et al., 2014). As such, the current study postulates that customer satisfaction is an intervening construct in the relationship between CSR initiatives, corporate reputation and credibility. Thus, the hypotheses below are posited to address sub-RQ2 and sub-RQ3.
H6: Customer satisfaction positively relates to corporate reputation of FACDs in Taiwan

H7: Customer satisfaction positively relates to corporate credibility of FACDs in Taiwan

H8: Customer satisfaction significantly mediates the relationship between CSR initiatives and corporate reputation of FACDs in Taiwan

H9: Customer satisfaction significantly mediates the relationship between CSR initiatives and corporate credibility of FACDs in Taiwan

2.10 Chapter Summary

This chapter has provided a comprehensive literature review of the social, ethics and environment dimensions of CSR, their relationship to customer satisfaction, and the possible outcome in terms of corporate reputation and credibility. The chapter began with the perplexing nature of CSR, the importance of the top two dimensions in Carroll’s (1999) CSR pyramid, and why businesses pay less attention to these dimensions. This was followed by the equally complicated concept of customer satisfaction and its link with the ethics, social and environment CSR initiatives, which are salient for FACDs in Taiwan. Customer satisfaction was argued to be an intervening construct that plays a role in developing and enhancing corporate reputation and credibility. Finally, the chapter looked upon corporate credibility as a product of customers' trust in the organisation while viewing corporate reputation as customers' belief in the quality of what the organisation offers. The literature review revealed that there is a myriad of benefits an organisation is able to reap when customer satisfaction is gained via CSR initiatives. These benefits include positive word of mouth and repurchase.
Chapter 3
Methodology

3.0 Introduction

The previous chapter provided an extensive analysis of the relevant literature, discussing the concepts presented in this dissertation, and identifying a research gap and research questions. A conceptual framework and related hypotheses were also presented, which guides the study's methodology.

This chapter discusses and describes the research paradigm, the research approach and the methodology undertaken to collect data for this study, as well as the research objectives that led to the choice of questionnaire design and its distribution. The chapter also details the data analysis carried out to address the hypotheses and explains the critical ethical conduct adhered to during the entire research process. The chapter concludes with a chapter summary.
3.1 Research Philosophies

Research paradigm is the principles within which a study is based on (Bryman and Bell, 2011; Saunders, Lewis and Thornhill, 2007). From an ontological standpoint, research looks into what is natural theory by researching the existence of associations and relationships in the natural settings. Alternatively, epistemological research studies the facts in nature, the techniques used, it tests reliability and validity, as well as the width, breadth and reality of the knowledge. As such, ethnography studies involve epistemological principles (Jonsen and Jehn, 2009). Fundamentally, organisational and marketing related studies sit within the social sciences discipline and as such concerns ontology and epistemology (Karatas-Özkan and Murphy, 2010).

In addition, the axiological standpoint stems from the purpose or objectives of the research, which is based on the ontological paradigm set by the researcher. The methodological paradigm is where emphasise is given to the techniques of research embarked upon by the researcher upholding the three paradigms suggested above. Current research is more interdisciplinary and vigorous than it used to be in order to cope with changes in the academic and business world, and so all the above principles are seen as applicable (Johnson and Onwuegbuzie, 2004). While the research paradigm is the philosophical basis of the research, the methodological paradigm dictates the modus operandi involved in carrying out the research, such as identifying the population, sample size, sampling techniques, and data collection methods (Bryman, 2012; Bryman and Bell, 2011; Cavana et al., 2001). Furthermore, the methodological paradigm encompasses the data analysis appropriate for the study and applies an interpretative and deductive technique enabling the research to rationalise occurrences (Bryman, 2012; Saunders et al., 2007). Though research paradigms
are categorised as positivism, critical theory, interpretivism, and constructivism, social sciences research typically leans towards positivism and interpretivism (Bryman, 2012; Bryman and Bell, 2011; Sauneder et al., 2007; Cavana et al., 2001).

3.2 Quantitative Research vs. Qualitative Research

The various research philosophies above lead to the selection of either qualitative or quantitative research or a combination of both. While several studies argue on the benefits of qualitative over quantitative and vice versa, there are equal number of studies suggesting mixed methodology (van Griensven, Moore, and Hall 2014; Prakash, Klotz, Barkin, Hoffmann, Duffy, Tannenwald and Prakash, 2007; Johnson and Onwuegbuzie, 2004; Fry, Chantavanich and Chantavanich, 1981). However, qualitative research emerges from the interpretivism paradigm (Bryman, 2012; Prakash et al., 2007). Qualitative research lacks structured methodology, stressing interpretation of actions and reactions and behaviour, and involving the researcher more in data collection (Andriopoulos and Slater, 2013). However, qualitative research is suitable for collection of enriched data, such as exploratory research on abstract behaviours and attitudes. Qualitative also faces problems with the reliability and validity of the data collected (van Griensven et al., 2014; Bluhm, Harman, Lee and Mitchell, 2011).

Content validity is commonly used to strengthen validity, while reliability is fortified with a chain of evidence such as multiple records of data collection (Bryman, 2012; Huberman and Miles, 1996). Though qualitative research is enriched by experiences and knowledge, there is a lack of details since experiences are shared as tacit knowledge rather than quantified information.
Proponents of qualitative research contend that it can build robust and holistic knowledge (Petty, Thomson and Stew, 2012). Quantitative research emerges from the positivism paradigm and seeks to understand and generalise human behaviour (Saunders et al., 2007; Creswell, 1994); theories are verified based on developed hypotheses on interconnected constructs and variables using systematically structured data collection techniques (Bryman and Bell, 2011; Cavanaugh et al., 2001). Quantitative research is impartial, using statistical analysis on the collected data to confirm relationships (Bryman 2012; Bryman and Bell, 2011). As data for quantitative research is collected in a structured manner from a large sample size, it is possible to test the validity and reliability of scales thereby making the findings more definitive and generalisable to other situations. (Bryman 2012; Prakash et al., 2007; Saunders et al., 2007; Krosnick and Cornet, 1995). Some research beliefs have set researchers on the quantitative path while others on the qualitative path (van Griensven et al., 2014; Prakash et al., 2007). However, mixed method is widely practiced as it provides exploratory, descriptive, and causal perspectives. Ozanne and Anderson (1989) suggested that social research benefits when using more than one approach, as understanding these vast and evolving approaches that is phenomenological. Interpretivist aims at understanding (Qzanne and Hudson, 1989) while positivist aims at providing explanation.

3.2.1 Deductive vs. Inductive

The positivism paradigm is deductive as it begins with a theory and uses research to verify and confirm the factors and variables concerning the phenomenon. The confirmation of the associations and relationships between variables of a study that are measureable based on a large sample is deductive in nature. This deductive reasoning is questioning if the factors and variables suggested in the theory are true. This begins by developing hypotheses that reflects the relationships and associations. The empirical data are then used to test these hypotheses
and a deduction reasoning is then used to confirm and provide logical reasons behind the truth.

Interpretivism takes into account the variances and diversity of phenomenon that are intentional inductively, thus interpreting the reality in social sciences. Thus interpretivism is used to build a theory based on several observations in natural settings to understand phenomena. Qualitative research methods are suitable for building theories and as such a small number of observations, ethnographies and case studies are suitable to develop themes.

### 3.3 Research Design and Data Collection Methods

A research design provides an argued plan on what and how data is collected for a specific study (Bryman, 2012; Bryman and Bell, 2011). Contrary to what many believe, research design is not data collection methods (Sekaran and Bougie, 2013; Saunders et al., 2007). Prior to initiating the data collection process, the objective is to identify and set the research plan in order to collect the appropriate data to address the research questions and hypotheses. As such the design should be unambiguous, and as Yin (1999) describes, a design should incorporate facts and logically evaluated techniques. The two predominant research designs are longitudinal and cross section research designs (Bryman 2012). The current study undertakes a descriptive research design that verifies past research and adds new knowledge with regards to CSR, customer satisfaction, corporate reputation, and credibility from the perspective of customers and members of FACDs in Taiwan.

Whilst longitudinal design is appropriately used to observe changing patterns in behaviour, the cross sectional design is useful for observing actions and reactions at a single point of
time to verify what theory has stated (Saunders et al., 2007). Though longitudinal studies are capable of monitoring behaviour trends, there is a tendency for panel members or respondents to shift places without providing contact details thereby compromising the chain or pattern. A longitudinal study also uses the same questionnaire for long periods of time and sometimes the questions may be irrelevant and not reflect current situations. Moreover, this design can take a long time, involving constant monitoring and high costs (Saunders et al., 2007; Hair Jr., Money, Page and Samouel, 2007).

For this study, data was collected on customers’ perspective of an organisation’s involvement in various CSR dimension or activities; these perspectives are based on their observations and experiences with their credit providers’ CSR activities. Cross-sectional research provides an understanding of behaviour at a specific point in time, hence providing replication of the design and allowing for the anonymity of participants (Bryman and Bell, 2011). A quantitative cross-sectional research design was considered suitable for this study, since there is a lack of empirical evidence related to customer satisfaction with FACDs. The findings could help FACDs manage their customers better, which would help them gain a positive reputation and improve their credibility.

3.3.1 Secondary and Primary Research

Secondary research data are commonly known as published data (Bryman, 2012). Though this allows a researcher easy access to data, the credibility of sources is questionable and is likely to affect the credibility of the final findings. Furthermore, secondary data may not provide sufficient information or it may be outdated. However, all research uses a certain amount of secondary data, such as information on the background of the study, statistics on the phenomenon, and findings from previous studies. This study used several sources of
secondary data including FACD databases and academic journal articles.

Primary research is the activity of collecting data for the purpose of the study at hand. Careful planning and research design is necessary to ensure that the collected data is of an acceptable quality for the purposes of study. Although primary data collection can take time and can be costly, it is nevertheless reflective of the current situation and more in line with what is being studied.

### 3.3.2 Research Population and Sample

The research population is known as those directly related to the phenomenon of interest to the researcher, which can sometimes be very large and in some cases even as small as one (Hair Jr. et al., 2007). However, the research design and the paradigm within which a research stance has been placed dictate the population of the study. As this research involved a large number of unknown customers of FACDs as the unit of analysis, completing the data collection using a census approach would have been very costly and time consuming (Zikmund, Babin, Carr and Griffin, 2013; Malhotra, 2007). Therefore, a sample of FACD customers was drawn from the population from which to elicit views on how satisfied they are with CSR activities carried out by FACDs. It is important for the sample to be representative of the population, as generalisability of findings is dependent on the sample being part of the population (Sekaran and Bougie, 2013).

When the population size is unknown, a sample of 150 to 300 is sufficient to provide valid and reliable results (Malhotra, 2007; Bonett, 2002; Lenth, 2001). However, many business research studies and tenets of likert scale measures suggest determining sample size based on the most complex construct in the study (Zikmund et al., 2013). The recommendation is to
interview a minimum of 10 samples for each item constructed for the most complex construct. As the most complex construct for this study is CSR, and each of its dimensions was measured with 6 items, a sample size of 60 was deemed sufficient for this study. However, in order to achieve better reliability and normality of data, a sample size of 350 was set. Thus, this research distributed questionnaires to 350 FACD customers.

3.3.3 Sampling Techniques

Sampling techniques are techniques used to identify and select a representative sample without bias (Malhotra, 2007; Cavana et al., 2001). Sampling techniques are based on the population type. For a population where the size is known, probability sampling techniques are useful. This includes the simple random sampling technique where a random number table is used or a lottery method used to select samples without bias (Shields and Twycross, 2008). However, when the population size is large, a systematic sampling technique can be used, whereby every \( n^{\text{th}} \) potential participant is selected until the sample size is fulfilled. The \( n^{\text{th}} \) potential is set based on the population size and the researcher’s discretion (Sekaran and Bougie, 2013; Bryman and Bell, 2011). The stratified sampling technique is based on the social division the research requires. As such if the research requires the comparison between two social groups, the sample size in the groups ought to be proportionate to the population of each group (Gunesoglu and Meric, 2007). One of the most common probability sampling techniques is cluster sampling, whereby the population is divided into major clusters, such as ethnicity, and specific clusters selected prior to using the simple random sampling technique to select specific individuals (Sekaran and Bougie, 2013; Gunesoglu and Meric, 2007).

Non-probability sampling techniques encompass the techniques used for populations that are
unknown in size. This includes the judgmental sampling technique, which is used to select a certain group of individuals based on the research requirements (Zikmund et al., 2013). Therefore a sample is selected from an unknown population size of potential participants based on the necessity or relevance to the research. A snowballing technique is unique to the research purpose, whereby a respondent recommend the next respondents based on the potential respondent’s fit for the purpose of the research (Malhotra, Baalbaki and Bechwati, 2013; Zikmund et al., 2013). However, snowballing is more suited for a qualitative research approach as the snowball system may not be suitable for large sample sizes. A convenience sampling technique may also be used, whereby the questionnaire is distributed to potential respondents who fit the research population criteria. Convenience sampling is commonly used to collect data from large population sizes, especially when the likelihood of confronting them is convenient. Though convenience sampling is less costly and quicker, it lacks generalisability and randomness, as distribution of questionnaires is usually in a specific place and time thereby capturing respondents in groups (Sekaran and Bougie, 2013; Shields and Twycross, 2008).

A purposive sampling technique is usually used for research that purposely looks for a certain type of population or a population with certain characteristics (Zikmund et al., 2013; Shields and Twycross, 2008). Some studies suggest purposive sampling is mostly used in qualitative research (Teddle and Yu, 2007; Yin 2003), while others suggest the research purpose is more suggestive rather than research approach (Sekaran and Bougie, 2013; Zikmund et al., 2013). The sampling frame for this study was the list of FACD offices available in the public domain. A simple random number table was used to select 20 FACD offices from that list, judgemental sampling was adopted by assuming that the individuals coming out of FACD office were customers of the FACD, and convenience sampling was used by distributing the
questionnaires when it was considered convenient to do so (Sekaran and Bougie, 2013; Gunesoglu and Meric, 2007; Teddlie and Yu, 2007). For the purposes of collecting data for this study, 15 questionnaires were distributed to customers leaving each of 20 FACD offices (300 questionnaires in total), and to ensure randomness and that bias would not occur, 5 questionnaires at a time were distributed 3 times a day. Although the major weakness of using judgemental and convenience sampling is that the generalisability of findings can be difficult to achieve (Sekaran and Bougie, 2013), these sampling techniques are simple, convenient, fast, and allow for a large number of completed questionnaires to be collected at one point in time (Teddlie and Yu, 2007). In this case, as a relatively small number of questionnaires were distributed at one time, the persuasion of potential participants and the collection of completed questionnaires was relatively easy (Sekaran and Bougie, 2013; Zikmund et al., 2013).

3.4 Data Collection

The reliability and validity of the collected data is dependent on many factors, such as sampling, data collection instrument, questionnaire design, and methods used to distribute and collect completed questionnaires from a large sample. Much consideration has therefore to be given to the stages of data collection, including sample frame and sampling. Some of the common data collection methods of large samples are personal interviews, postal or email interviews, and telephone interviews (Sekaran and Bougie, 2013; Zikmund et al., 2013). Some researchers argue from the perspective of data recording and recommend lesser intervention from the researcher in order to avoid bias (Zikmund et al., 2013; Malhotra, 2007). This is more apparent in market research, as market researchers tend to be bias when selecting respondents (Malhotra et al., 2013; Zikmund et al., 2013). Data collection methods are assessed based on their advantages, disadvantages and suitability for the research
Personal interviews are common with qualitative research (Bryman, 2012; Bryman and Bell, 2011) but it also works as a persuasive technique for quantitative research undertaken with structured questionnaires (Sekaran and Bougie, 2013; Zikmund et al., 2013; Malhotra, 2007). A personal interview, commonly referred to as a face-to-face interview, is where the interviewer confronts the interviewee to speak to him/her using either unstructured or structured questionnaires. Besides persuasive power, this type of data collection method allows observation of facial expression and body language that can be recorded for further analysis. This is also a relatively cheap method and allows for an immediate response to be collected (Zikmund et al., 2013; Malholtra, 2007). Face-to-face qualitative research includes data collection methods such as focus groups and in-depth interviews. Focus group interviews using an expert moderator may be exploratory in nature and can enrich findings (Malholtra et al., 2013).

Although the postal survey is known for its low response rate (Bryman, 2012; Becker-Olsen et al., 2006), it is useful for surveys that relates closely to improvements or results that helps to improve respondents’ life. Email surveys are new and gaining popularity amongst young researchers. However, both methods lack the power of persuasion, hence the low response rates. Moreover, the issue on anonymity can cause lower response rate. The researcher requires a strong and reliable list of postal addresses and email addresses and availability of this list is a potential worry for respondents in terms of anonymity and confidentiality of their response (Zikmund et al., 2013; Hair Jr. et al., 2007; Malhotra, 2007). Despite this, the email survey is accelerating in use as new survey questionnaire designing tools are available for free on the Internet (Malhotra, 2011). These would be good method of data collection if the researcher has
the time to wait for response and if the research is unable to travel to various locations for personal interviews. The telephone method of data collection is popular amongst market researchers, but it requires several tools such as a stable telephone line, a short and precise questionnaire and a computerised system that is in line with the telephone interview questionnaire (Zikmund et al., 2013). This method is suitable for exploratory research design, as it can easily use nominal measures such as true or false as responses for a question. Research shows that questionnaires with scales are not possible with telephone interviews (Malhotra, 2007; Malhotra and Peterson, 2001).

As this study investigated the connection between the three dimensions of CSR with customer satisfaction, corporate reputation and credibility, where all the constructs are abstract in nature, using scaled measurements was deemed suitable. As such, this research used a personal survey method to distribute self-administered questionnaires to customers of FACDs. Though interviewer-administered interviews could have been used, it was noted that the interviewer-administered questionnaire would take a longer time to collect data from the necessary sample size, as the interviewer would need to read the questions to the respondents and record the responses. Though this allows the interviewer an opportunity to explain the questions, the downside is that the respondents may be uncomfortable when responding to some questions. The 350 questionnaires distributed outside 20 FACD offices for this study were collected as soon as they were completed.

### 3.5 Research Instrument Design

A structured and self-administered questionnaire was designed for this research based on the data collection method suggested above. The questionnaire flowed in the funnel format, beginning with questions relating to CSR-social, CSR-ethics, CSR-environment, customer satisfaction, corporate reputation and credibility, and ending with a section on demographics. The questions relating to the abstract CSR constructs used the Likert differential scale
(Zikmund et al., 2013), while the demographic questions considered relevant to the study's research framework were measured as follows: the gender question was measured with a nominal scale; age and education level were measured using an ordinal scale; while questions that required absolute values, such as location and farm size, financial records, and years of experience, were measured using a ratio scale (Bryman, 2012; Bryman and Bell, 2011; Malhotra, 2007; Malhotra and Peterson, 2001).

The six items for each of the CSR-social, CSR-ethics and CSR-environment were borrowed and adapted from previous published studies. The modifications made to the items were as a result of a pilot study conducted with the questionnaire; the pilot study itself is discussed later in the chapter. The primary change was to ensure that the questions could be understood by the predominantly Taiwanese-speaking respondents. The questionnaire was prepared in the English language, translated into Chinese/Taiwanese and translated back to Chinese/Taiwanese to verify that the translation was correct (Malholtra, et al., 2013; Forsyth, Kudela, Levin, Lawrence and Willis, 2006; Behling and Law, 2000). This forward-backward translation ensured that the questionnaire was more reliable.

The questionnaire was designed with a clear introduction, and was accompanied by an information statement as shown in Appendix A. No consent form was required since the completion and returning of a questionnaire by a respondent constituted an implied consent to be a participant in the study. The information statement, which was written using approved University of Newcastle letterhead, provided the researcher's name and student identity number, the contact details of the supervisor, the research title, and an explanation of the purpose of the study. It was also explained that respondents' identity would be protected, thus guaranteeing anonymity and confidentiality of responses. The questionnaire was simplified
into direct and easy-to-read items that were pre-coded.

3.5.1 Questionnaire Item Generation


The customer satisfaction items were borrowed from Hellier et al., (2003), whilst Hair et al., (2006), Keller, (2008), Riley and de Chernatony, (2000), and Herbig and Milewicz, (1993) were referred to in order to obtain the 6 items for corporate credibility in terms of the trustworthiness and expertise of the organisation. Finally the 7 items for corporate reputation, drawing upon the excellence and strength of the organisation, were adapted from Souiden et al., (2006), Flavian et al., (2005), Riley and de Chernatony, (2000), and Herbig and Milewicz, (1993). The sources of these items with reference to past studies are shown in Table 3.1 below.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Sources</th>
<th>No. of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Chomvilailuk and Butcher, (2013),</td>
<td></td>
</tr>
</tbody>
</table>
The items relating to the constructs of this study were measured using a Likert scale, which is the most common scale used to measure constructs and is predominantly used with pre-coded, structured and self-administered questionnaires (Malhotra et al., 2013; Zikmund et al., 2013). However, scale responses could pose various problems to the respondents and the researcher. A free choice response is where an odd number of choices are given, as such providing respondents with an option to be impartial. A forced choice is where an even number of option is given, so that respondents are forced to select one side or the other. Some studies indicate that free choice scales increases reliability while allowing respondents to relax (Malhotra, 2007). On the downside, this option can lead a respondent to be uncooperative and choose to be neutral for all the questions (Zikmund et al., 2013). Therefore, it is important for the researcher to weed through the responses prior to allowing the completed questionnaires to be used for analysis. Meanwhile, the forced choice scale does not allow respondents to be impartial and consequently social desirability is reduced (Souiden et al., 2006).
The even choice scales can be a 4-point scale, 6-point scale or the more commonly used 10-point scale. Whereas the odd choice scales include 5-point scale and 7-point scale, which are very common in business research. In order to determine the most suitable, it is essential to have a clear direction of the objective of the research. However, it is also important to remember that behavioural and social science studies are not easy to measure based on small differences. Hence, a 10-point scale may be too wide a scale and too narrow a difference for respondents to evaluate. Whereas, in some studies that are not so subjective, the 10-point scale can be useful (Hair (Jr.), Black, Babin and Anderson, 2010). With the research objective and research questions in mind, multi-item questions were used for each of the six constructs in this study. In order to provide respondents with a free option and consistency, this study used a 5-point Likert scale to measure all the construct (Zikmund and Babin, 2013); the questions were pre-coded with 1 to represent strongly agree and 5 to represent strongly disagree as shown in the final questionnaire as shown in Appendix B.

3.5.2 Pilot Study
A pilot study was conducted to test the viability of the questionnaire by distributing it to 20 people known to the researchers but not necessarily to FACD customers. The purpose was to obtained feedback regarding the time taken to complete, ease of use, and understanding of the instructions and questions (Zikmund and Babin, 2013; Malhotra et al., 2013). The feedback was then used to amend the questionnaire prior to its final preparation by correcting ambiguities and formatting.

3.6 Common Method Variance
Common method variance is a type of bias that is common with self-administered
questionnaires. In a large-scale survey a certain trend in response can be observed and these trends can cause the data to be corrupted (Wang and Li, 2014; Conway and Lance, 2010; Bernerth, Armenakis, Field, Giles, and Walker, 2007; Nardi, 2006). As such prior to distributing the questionnaires, preparation to avoid or lessen common method bias ought to be taken as corrections cannot be made when the data has already been collected. However, common method variance in a data set can be identified using methods such as Harmon’s one factor test (Meade et al., 2007; Podsakoff et al., 2003). Therefore, the questions in this study's questionnaire were rearranged prior to distribution so that 50 questionnaires had CSR-social construct related items as the first question, another 50 had CSR-ethics related items as the first question, 50 other questionnaires had CSR-environment as the first question, 50 had customer satisfaction as the first question, 50 with corporate credibility as the first question, and 50 questionnaires with corporate reputation as the first question. This allowed for the validity and reliability of the data to be assessed before the significance tests discussed in Chapter 4.

3.7 Data Analysis

The data from the completed questionnaires were keyed into SPSS version 22 to be used in AMOS. The data set was checked for keying in mistakes and for patterns of responses. Fortunately there appeared to be no mistakes or patterns. Simple analysis using frequencies and maximum and minimum values were then undertaken to check for further errors after all the data from the questionnaires had been keyed in.

The final set of data was presented with a description of both demographic and measurement data sets using frequencies, mean and standard deviation. An initial test of normality of the data set was carried out using the lop-sidedness of the data using skewness and the
peakedness of the data using kurtosis. This was followed by measurement analysis with validity and reliability tests where the Exploratory Factor Analysis (EFA), Confirmatory Factor Analysis (CFA) and Cronbach’s Alpha test of reliability were used. Finally, the hypotheses postulated in Chapter 2 were tested using Structural Equation Model (SEM). The data analysis for this study is described in the following sections.

3.7.1 Descriptive Analysis

Although analysis of the demographic data does not provide the characteristics of individual respondents, it is essential to obtain an overview as it helps to make sense of the findings. As the demographic section of the questionnaire was designed with nominal and ordinal measurements, frequencies and percentages were used to describe them. However, the constructs in the study were measured using interval scales that were described with mean, standard deviation, skewness, and kurtosis. The frequency and percentage provided the number and percentage of respondents who represented a particular category of demographic (Coakes, 2012; Courvoisier and Renaud, 2010). Whereas the mean of the data indicates the centrality of the response, supported by the broadness of the data spread with standard deviation (Coakes, 2012; Manikandan, 2011). The mean value showed the average response to the items posted; for example, items agreed to recorded an average score of less than 3 while items not agreed to recorded an average score of more than 3. Whereas, the standard deviation showed if a response deviated far from the average score. The bigger the deviation, the broader the data is spread and as such would not meet normality and may not fit the theory and definition of the construct.

The direction of the skewness value shows the slant of the responses. As such if the responses lean toward “strongly agree” and “agree” which are coded as “1” and “2” respectively, the
skewness value would be negative and the response slants to the left. Similarly, if the responses are toward the “disagree” response, skewness would show a positive value with the slant toward the right. This slant is common in measurement scales such as the Likert scale used in this study (Coakes, 2012; Doane and Seward, 2011). Kurtosis measures the height of the bell curve and shows the shape of the data spread: a high peak indicates a positive kurtosis, or deviation, where the majority of respondents choose one particular response, whereas a flatter peak indicates a negative kurtosis (Coakes, 2012; Ghasemi and Zahediasl, 2012; DeCarlo, 1997).

3.7.2 Analysis of the Research Measurements

Validity and reliability tests are suitable analysis to evaluate the accuracy of scales used to measure the constructs for this study (Krosnick and Cornet, 1995). The validity test aims at assessing the data to identify the extent to which the measures used for the study have been measured (Bryman 2012; Cavana et al., 2001). Face validity, also known as content validity, is one of the most common validity tests in behavioural studies. As an extensive literature review is undertaken to identify gaps, variables, dimensions and rooted theories, content validity is established when the knowledge underpinning the research is developed (Bryman, 2012; Bryman and Bell, 2011). Meanwhile, nomological validity for this study was confirmed with the outcomes of statistical tests and the verification of the hypotheses posited in Chapter 2. As such the nomological validity was used as the final affirmation of the validity of the data collected, as the aim of the study was to verify various theories linking CSR to customer satisfaction and consequently to reputation and credibility (Bryman, 2012; Hair (Jr.) et al., 2010).

In addition, convergent and discriminant validity were undertaken to assess the data's ability
to measure specific constructs (Hair (Jr.) et al., 2010; Bryman, 2012). This multitrait-multimethod matrix assists in channelling items that measured the same construct into individual constructs, discriminating them from one another (Hair (Jr.) et al., 2010; Pallant, 2005). The convergent and discriminant validity of the present research was conducted using the data collected from the 300 respondents. This analysis was run using EFA and was confirmed with CFA using a measurement model. This allowed several ill-fitting items to be removed, ensuring the data is more suitable for Structural Equation Modelling (SEM). This authentication was supported by the pilot test, which revealed understanding of the questions and allowed small changes for clarity to be made to the questionnaire before distribution to potential respondents.

3.7.3 Exploratory Factor Analysis

Exploratory Factor Analysis (EFA) was carried out to test the validity of the items used to measure the constructs in the study. However, prior to conducting EFA, assumptions were tested to qualify the data for the actual test. These assumptions include Kaiser-Meyer-Olkin (KMO) sampling adequacy (Hair (Jr.) et al., 2010). The sampling adequacy requirement ensures the data was collected using a sampling technique that allows equally opportunity for being selected as potential respondents. KMO coefficient $> 0.6$ is deemed as adequate sampling. Table 3.2 below shows the translation of KMO coefficients to levels of sampling adequacy (Hair (Jr.) et al., 2010; Sekaran and Bougie, 2013).

<table>
<thead>
<tr>
<th>KMO coefficient</th>
<th>Level of Adequacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\geq 0.9$</td>
<td>Excellent adequacy</td>
</tr>
</tbody>
</table>
EFA further requires the data to be without identity matrix. As such Bartlett’s test of Sphericity was undertaken, whereby the inter-correlation between the items were observed in a matrix (Hair (Jr.) et al., 2010). This test mainly confirms the mutual exclusiveness of the items used to measure the constructs. As a rule of the thumb, the null hypothesis is rejected when the p-value corresponding to the chi-square value is less than 0.05. The null hypothesis in this case is indicated below:

\[ H_0: \text{Identity matrix exists} \]
\[ H_1: \text{Identity matrix does not exists} \]

Finally, the EFA assumptions include the number of items to measure a construct as sufficient for it to be valid. As such \( n/k \) ought to be greater than 5, where \( n \) is the sample size while \( k \) is the number of items in the study.

**Operationalising EFA**

EFA for this study was conducted using Principal Component Analysis (PCA), as suggested by Bogue, Coleman, and Sorensen (2005), as it allows the researcher to set the number of factors for extraction. Some exploratory research uses a scree plot to recognise the number of factors and uses that with PCA. The output of this run provided the number of factors or dimensions used for the research, while the measurement items converge, discriminate, and

<table>
<thead>
<tr>
<th>KMO Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.80 – KMO - 0.89</td>
<td>Very Good</td>
</tr>
<tr>
<td>0.70 – KMO - 0.79</td>
<td>Good</td>
</tr>
<tr>
<td>0.60 – KMO - 0.69</td>
<td>Adequate</td>
</tr>
<tr>
<td>KMO &lt; 0.60</td>
<td>Poor</td>
</tr>
</tbody>
</table>
load into specific factors. Thus this is useful for empirical research that verifies past studies. Meanwhile the Varimax rotation was used for extraction, rotating the items with 25 iterations. This rotation method is recommended for non-correlated constructs (Hair (Jr.) et al., 2010), thus the loadings are clear. A factor loading of 0.5 was used for this study as recommended by Hair (Jr.) et al. (2010). See Table 3.3 below.

<table>
<thead>
<tr>
<th>Sample size</th>
<th>Factor loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>350</td>
<td>0.30</td>
</tr>
<tr>
<td>250</td>
<td>0.35</td>
</tr>
<tr>
<td>200</td>
<td>0.40</td>
</tr>
<tr>
<td>150</td>
<td>0.50</td>
</tr>
</tbody>
</table>

Though the sample size for this study is 300, only requiring a factor loading 0.30, a factor loading of 0.5 was used as it allows for concentrated high loadings (Hair (Jr.) et al., 2010). One of the primary reasons for EFA is the reduction of items through a series of elimination process based on EFA’s identification of lesser loading items. Besides, a reliability test further helps to reduce items, strengthening the study's constructs with items that stand out.

3.7.4 Analysis of Internal Consistency

Reliability analysis assesses the internal consistency of the collected data. This allows the researcher to determine if the responses are due to an understanding of the items posted as questions relating to the construct. The consistency is based on random error, and Nunnally (1978) recommends a reliability test, amongst others a Cronbach’s alpha internal consistency
test. The consistency can be increased by carefully planning data collection, such as adapting tested items, reducing social desirability and using homogenous sample groups (Hair (Jr.) et al., 2010; Souiden et al., 2006). Cronbach’s Alpha (α) coefficient falls within 0 – 1. High reliability is greater than 0.7 and is expected of academic research, while management studies require a reliability of greater than 0.8; however a Cronbach’s alpha of 0.6 is adequate (Sekaran and Bougie, 2013; Nunnally, 1978). This study used items that have been previously assessed and are theoretically robust. Reliability analysis is essential for answers that are measured using interval scales, as one question may not be understood by a big group of participants. Thus a few items were used to measure a single construct, while validity and reliability assessments were used to identify items that strongly represented the construct. Items not representative or only weakly represented were removed and the remaining are summated into a score that was used to test the hypotheses postulated in Chapter 2.

3.7.5 Validity with Confirmatory Factor Analysis

Confirmatory Factor Analysis (CFA) is synonymously referred to with EFA. However, CFA tests for validity and reliability and prepares the data for tests of significance like EFA (Kline, 2011; Schumaker and Lomax, 2004), and it is arguably more theoretically underpinned. As such, CFA is utilised for theoretical frameworks that use measurement items that have been tested and retested in a diverse environment. EFA, on the other hand, removes the items that are found to be less fitting to measure the constructs developed for the study. Though the purpose of these techniques are similar in that they both support and enhance research validity, EFA reveals new dimensions to a construct and strengthens multi-dimensional scaling, while CFA validates the items used to measure a construct (Hair (Jr.) et al., 2010; Kline, 2011; Byrne, 2001).
Accordingly, for this research that aimed at verifying past theories regarding the relationships between dimensions of CSR to customer satisfaction and consequently the relationships with corporate reputation and credibility of customers of FACDs in Taiwan, EFA provided a series of elimination of items to ensure the items used for further analysis were more focused and suitable for the constructs in question, while CFA provided confirmation of the strength of representativeness of these items to the respective constructs (Hair (Jr.) et al., 2010).

CFA was run simultaneously with SEM, as a measurement model is built with the items representing the constructs and all the constructs are connected (Kline, 2011; Schumaker and Lomax, 2004; Byrne, 2001). The measurement model was then evaluated based on factor loadings whereby at least four of these loading ought to be strong to ensure a statistically fit model. The standardised estimates from SEM show factor loading coefficients falling between -1 and +1, as such the decision criterion is as shown in Table 3.4 below.

<table>
<thead>
<tr>
<th>Factor Loading</th>
<th>Decision Criterion</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 0.5</td>
<td>Poor</td>
</tr>
<tr>
<td>&gt; 0.5</td>
<td>adequate</td>
</tr>
<tr>
<td>&gt; 0.7</td>
<td>Convergent validity</td>
</tr>
</tbody>
</table>

Following the decisions above, the variance explained is higher when the factor loading is > 0.7 as $(0.7)^2 = 0.49 \approx 50\%$ of the differences in the measurement items is explained. Therefore the closer the factor loading is to 1, the more explanation is provided by the items that measure the construct, thus the items are more suitable to measure the construct.
3.8 Significance Testing with Structural Equation Modelling (SEM)

Testing of hypotheses using Structural Equation Modelling provides overall robust analysis (Kline 2011; Byrne, 2001). SEM is usually used to verify the fit of a model where constructs are removed and altered to develop a better model. The verification of relationships hypothesised for the research begins by drawing the conceptual framework into the SEM graphic box. The structural model drawn ensures that the exogenous (independent) constructs and the endogenous (dependent) constructs are clearly separated and represented by the items used to measure them. With this structural model formed, typical statistical analysis, such as One-Way ANOVA and Multiple Linear Regression, becomes unnecessary as SEM uses several statistics to confirm the relationships. One important advantage of SEM is its ability to tolerate non-normality of data (Hair (Jr.) et al., 2010; Kline, 2011). The common SEM statistics used to verify relationships and model fit are as in Table 3.5 below. However studies indicate a minimum of four of these statistics needs to be satisfied to favour model fit (Kline, 2011). Furthermore this study aimed at confirming relationships posited in the hypotheses rather than verifying model fit. As such, the study used several other statistics such as Regression Weights, Variances and Covariances to decide on the significance of relationships (Hair (Jr.) et al., 2010; Kline, 2011).

<table>
<thead>
<tr>
<th>SEM Statistics</th>
<th>Decision Criterion for Model fit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square ($\chi^2$)</td>
<td>$p$ – value $&gt; 0.05$</td>
</tr>
<tr>
<td>$0 &lt; CFI &lt; 1$</td>
<td>$CFI &gt; 0.9$</td>
</tr>
<tr>
<td>$0 &lt; PCFI &lt; 1$</td>
<td>$PCFI &gt; 0.9$</td>
</tr>
<tr>
<td>$0 \leq GFI \leq 1$</td>
<td>$GFI \geq 0.9$</td>
</tr>
</tbody>
</table>
3.9 Test of Significance of Intervening Construct

At the beginning of this study it was hypothesised that customer satisfaction is an intervening construct. Baron and Kenny (1986) recommended that an intervening construct should be analysed as portrayed in Figure 3.1 below.

![Figure 3.1: The mediating effect](image)

Evaluating the direct and indirect effects of the construct, assess the effect of an intervening construct. The direct effects as shown in Figure 3.1 are A – C, A – B and B – C. Meanwhile the indirect effect is A – B – C, whereby B is the intervening factor that mediates the effect of A on C (Hair (Jr.) et al., 2010; Kline, 2011). However, in order to test the mediation, direct relationships ought to exist. Furthermore, as the mediation of a construct may be partial or full, such mediation is confirmed in two valuation phases (Hair (Jr.) et al., 2010). The first phase is the confirmation of the significant direct relationships as shown by Figure 3.1 as follows:

- A directly related to C, indicating a direct relationship;
A directly related to B, indicating a direct relationship showing B is a mediator that is related to the exogenous variable A;

B directly related to C, indicating direct relationship, as such a relationship between the mediator, B and the endogenous variable C.

In the second phase, the extent of mediating effect in the relationship between A and C is assessed. Meanwhile, the estimates for the relationship between A and B and between B and C are evaluated to test the requirements necessary for a mediation effect. The assessment suggested for a mediation effect is as follows:

- No change in direct relationship between A and C with the addition of B - mediation does not exist;
- A reduction in the effect of direct relationship between A and C, though it remains significant - a partial mediator exists;
- A reduction in the effect of direct relationship between A and C, which is not significant - a full mediation exists.

As such the intervening relationship of the construct 'customer satisfaction of FACD members in Taiwan', was evaluated using SEM and comparing the direct estimates (DE) and indirect estimates (IE) as shown in Table 3.6 below (Hair (Jr.) et al., 2010).

<table>
<thead>
<tr>
<th>Rule of the Thumb Value (IE)</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>IE &lt; 0.085</td>
<td>no mediation</td>
</tr>
</tbody>
</table>
Table 3.6: Decision Criterion for Mediation Based on Direct and Indirect Effects

<table>
<thead>
<tr>
<th>Condition</th>
<th>Type of Mediation</th>
</tr>
</thead>
<tbody>
<tr>
<td>$IE &gt; 0.085$ and $IE \cong DE$</td>
<td>partial mediation</td>
</tr>
<tr>
<td>$IE &gt; 0.085$ and $IE &gt;&gt;&gt;&gt;&gt; DE$</td>
<td>full mediation</td>
</tr>
</tbody>
</table>

3.10 Ethical Considerations of the Study

The ethical practices recommended by the Human Research Ethics Committee (HREC) of the University of Newcastle, Australia, for research involving humans was observed. Most ethical issues arise during the data collection procedure hence only respondents who volunteered to participate were included as a sample member. An information statement was delivered to each potential participant prior to him or her volunteering to participate. The statement was also used to assure respondents of the confidentiality of the information they provided.

To ensure that respondents felt as stress free as possible, the questionnaires were distributed outside the FACD offices so that consent from the offices was not needed and no one in the offices could see what they were doing. Furthermore, as the questionnaires did not require personal details such as name, address and phone number, the respondents were assured of anonymity and confidentiality. The questionnaire design avoided social desirability bias as the question sequence were rearranged differently for each batch of 50 questionnaires, and falsification of responses was lessened by the fact that respondents were FACD customers and members and therefore more likely to provide genuine feedback on the organisation.

3.11 Summary of the Chapter

The chapter has outlined the methodology used to collect data for this research. The effect of FACDs' involvement in three CSR dimensions of social, ethics and environment on corporate
reputation and credibility was examined by analysing data collected from a self-administered questionnaire survey of FACD customers; the mediating effect of customer satisfaction on forming reputation and credibility was also examined. Participation in the survey was voluntary and anonymous and the respondents' personal information was kept confidential.

This research used a combination of purposive, judgemental and convenience sampling, identifying the front of FACD offices as an appropriate sample frame since these are where most potential respondents (customers and members of FACDs) would be found. The questionnaire was designed to capture demographics with nominal and ordinal measures and the constructs with a 5-point Likert scale. The latter provided the data needed for analysis in order to test the hypotheses and subsequently answer the research questions.

The following chapter provides details of the data analysis for this study. This includes assessment of the measures used to ensure reliability and validity of the data. The chapter provides the results of the significance tests, addressing the hypotheses to help answer the questions concerning the relationship between corporate social responsibility, satisfaction of customers and corporate reputation and credibility.
Chapter 4
Data Analysis

4.0 Introduction

The preceding chapter described the study's quantitative research design as it sought to understand the relationship between the three key elements of corporate social responsibility (CSR) - social, ethics, and environment - and customer satisfaction, and the impact of this relationship on the credibility and reputation of Taiwanese FACDs.

This chapter provides details of the data collected via a self-administered questionnaire using a convenience sampling approach, regarding the study's six constructs and the respondents' demographics. It begins with a description of the cleaning and preparation of the data, describes the data and the respondents' characteristics, and tests for common method bias. Tests for validity and reliability of the data are also described and details of the statistical
techniques employed are provided. The chapter also explains the use of structural equation modelling (SEM) to analyse structural models for testing the research hypotheses, and concludes by confirming the hypotheses and summarising the chapter.

4.1 Data Preparation

Completed questionnaires received from 341 respondents were looked through to identify patterns of responses and those with a large number of non-responses. As a result of this process, seven were disqualified, while responses from the remaining 334 questionnaires were keyed into a SPSS version 22 data file. This was then skimmed through using an eye-ball technique as a preliminary technique to identify keying-in mistakes and missing values.

4.2 Descriptive Analysis

Descriptive analysis is primarily used to describe the demographics of the respondents of a survey using frequencies and percentages. It provides the average response, its corresponding standard deviation, kurtosis and skewness of the responses given on each item of a construct, as well as an overview of the type of respondents and their responses, which is beneficial in providing appropriate reasons and conclusions.

4.2.1 Descriptive Analysis of Demographic Data

The demographic data for this study is shown in the form of frequency and percentages as shown in Table 4.1 below.

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>159</td>
<td>47.6</td>
</tr>
<tr>
<td>Female</td>
<td>175</td>
<td>52.4</td>
</tr>
</tbody>
</table>
The table above shows that 47.6% of the respondents are male and 52.4% female have responded to the questionnaire for this study, which may truly reflect the gender distribution of customers of Taiwanese FACDs. The respondents are primarily from the age group 41-50 (37.1%), most probably reflecting a stable group of individuals with vast experience in farming and dealings with FACDs, and is followed by 24.3% in the 51-60 age group and 21.6% in the 31-40 age group. A small number below the age of 30 and above the age of 61 responded to the survey. Interestingly, the majority of respondents have a tertiary education (67.4%), which may indicate that there is a large number of educated people experimenting with modern farming techniques that require financial support from FACDs.

### 4.2.2 Descriptive Analysis of Responses

Responses to the endogenous and exogenous variables for this study were measured by use of a 5 point Likert-scale. Thus, the mid-point of 3 indicates “neither agree nor disagree” while below 3 indicates the respondent generally agrees and above 3 means that the respondent generally disagrees with the statement in the questionnaire. Table 4.2a below indicates responses to items relating to the social dimension aspect of CSR; the mean average is 1.90 with a standard deviation of 0.80. As the average is below 3, respondents generally feel it is
important for Taiwanese FACDs to contribute to social acts of CSR, such as supporting sports activities and underprivileged individuals, and are aware of the importance of a company’s contribution towards the social wellbeing of communities. The skewness average statistic is a positive value of 0.72, which is an indication of left lop-sidedness of the distribution that supports the mean average (Coakes, 2012; Ghasemi and Zahediasl, 2012), while the average statistic of kurtosis is a positive value of 0.38, which at below 3 with a peakedness supports an approximate normality the study's large sample size (Berenson, Levine, and Krehbiel, 2012; Ghasemi and Zahediasl, 2012; Bernerth et al., 2007; DeCarlo, 1997).

Table 4.2a: Description of Responses to Social Aspect of CSR

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Skewness Statistic</th>
<th>Std. Error</th>
<th>Kurtosis Statistic</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS1</td>
<td>1.89</td>
<td>.801</td>
<td>.772</td>
<td>.133</td>
<td>.694</td>
<td>.266</td>
</tr>
<tr>
<td>CS2</td>
<td>1.38</td>
<td>.572</td>
<td>1.291</td>
<td>.133</td>
<td>1.207</td>
<td>.266</td>
</tr>
<tr>
<td>CS3</td>
<td>1.86</td>
<td>.742</td>
<td>.503</td>
<td>.133</td>
<td>.029</td>
<td>.266</td>
</tr>
<tr>
<td>CS4</td>
<td>2.41</td>
<td>1.075</td>
<td>.549</td>
<td>.133</td>
<td>-.101</td>
<td>.266</td>
</tr>
<tr>
<td>CS5</td>
<td>1.89</td>
<td>.786</td>
<td>.689</td>
<td>.133</td>
<td>.566</td>
<td>.266</td>
</tr>
<tr>
<td>CS6</td>
<td>1.95</td>
<td>.831</td>
<td>.506</td>
<td>.133</td>
<td>-.140</td>
<td>.266</td>
</tr>
<tr>
<td>Average</td>
<td>1.90</td>
<td>0.801</td>
<td>0.718</td>
<td></td>
<td>0.376</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.2b describes responses to items relating to the ethics aspect of CSR. The average
mean score of response to the six ethics items is 1.35 with a standard deviation of 0.52. As the average is less than 3, the responses are agreeable to the items presented in the questionnaire, supporting the fact that organisations ought to conduct their business ethically and be honest and transparent with their members and customers. The skewness statistic shows an average of 1.38 and is positive thus slanting to the left, which is coherent with the respondents’ agreeableness as shown by the mean response (Coakes, 2012; Ghasemi and Zahediasl, 2012). Meanwhile, the average 2.42 value of kurtosis is less than 3, indicating that the distribution of responses is approximately normal while showing peakedness (Berenson et al., 2012; Bernerth et al., 2007; DeCarlo, 1997). However some studies claim normality is common in large samples such as those used in this study (Ghasemi and Zahediasl, 2012; DeCarlo, 1997).

Table 4.2b: Description of Responses to Ethics Aspect of CSR

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Skewness Statistic</th>
<th>Std. Error</th>
<th>Kurtosis Statistic</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>CE1 FACDs must be honest to their customers</td>
<td>1.24</td>
<td>.460</td>
<td>1.885</td>
<td>.134</td>
<td>4.010</td>
<td>.266</td>
</tr>
<tr>
<td>CE2 It is important for me that my FACD is transparent with charges</td>
<td>1.34</td>
<td>.517</td>
<td>1.124</td>
<td>.133</td>
<td>.172</td>
<td>.266</td>
</tr>
<tr>
<td>CE3 Customers must be informed of all charges of a FACD</td>
<td>1.51</td>
<td>.604</td>
<td>.841</td>
<td>.133</td>
<td>.152</td>
<td>.266</td>
</tr>
<tr>
<td>CE4 The FACDs must pay interests as per their promise</td>
<td>1.31</td>
<td>.505</td>
<td>1.897</td>
<td>.133</td>
<td>7.285</td>
<td>.266</td>
</tr>
<tr>
<td>CE5 All information on service charges by FACD must be given clearly</td>
<td>1.39</td>
<td>.530</td>
<td>.865</td>
<td>.133</td>
<td>-.408</td>
<td>.266</td>
</tr>
<tr>
<td>CE6 FACDs must assist customers truthfully</td>
<td>1.28</td>
<td>.492</td>
<td>1.682</td>
<td>.133</td>
<td>2.926</td>
<td>.266</td>
</tr>
<tr>
<td>Average</td>
<td>1.35</td>
<td>0.518</td>
<td>1.382</td>
<td>.133</td>
<td>2.424</td>
<td></td>
</tr>
</tbody>
</table>

The responses to the environment aspect of CSR show respondents’ agreeableness to the six question items presented. With an average mean score of 1.94 and standard deviation of 0.75
as shown in Table 4.2c, Taiwanese FACD members seem to support organisations that bring lesser harm to environment while promoting sustainability. Correspondingly, the skewness statistic slants to the left with an average of 0.49 (Coakes, 2012; Ghasemi and Zahediasl, 2012), while the kurtosis statistic averages 0.14, as such below 3, presents an approximate normality in the responses to the environment aspect of CSR (Berenson et al., 2012; Bernerth et al., 2007; DeCarlo, 1997). Though more peakedness is seen compared to flatness of distribution, the large sample size used for this study supports normality (Ghasemi and Zahediasl, 2012; DeCarlo, 1997), which is an essential assumption and basis for most statistical analyses.

Table 4.2c: Description of Responses to Environment Aspect of CSR

<table>
<thead>
<tr>
<th>Response</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Skewness Statistic</th>
<th>Std. Error</th>
<th>Kurtosis Statistic</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cenv1 FACD ought to ensure there is no paper waste in their dealings</td>
<td>1.87</td>
<td>.744</td>
<td>.790</td>
<td>.133</td>
<td>1.284</td>
<td>.266</td>
</tr>
<tr>
<td>Cenv2 It is important for FACDs not to be involved in projects that harm the environment</td>
<td>1.67</td>
<td>.697</td>
<td>.605</td>
<td>.133</td>
<td>-.565</td>
<td>.266</td>
</tr>
<tr>
<td>Cenv3 FACDs ought to support projects that saves animals</td>
<td>2.40</td>
<td>.824</td>
<td>.011</td>
<td>.133</td>
<td>-.236</td>
<td>.266</td>
</tr>
<tr>
<td>Cenv4 It is important for me to see FACDs plant trees</td>
<td>2.19</td>
<td>.819</td>
<td>.465</td>
<td>.133</td>
<td>.672</td>
<td>.266</td>
</tr>
<tr>
<td>Cenv5 I respect a FACD that is involved in environment sustainability</td>
<td>1.72</td>
<td>.709</td>
<td>.719</td>
<td>.133</td>
<td>.498</td>
<td>.266</td>
</tr>
<tr>
<td>Cenv6 I would enjoy my association with a FACD that reduces carbon footprint</td>
<td>1.80</td>
<td>.717</td>
<td>.361</td>
<td>.133</td>
<td>-.821</td>
<td>.266</td>
</tr>
</tbody>
</table>
Tables 4.2d to 4.2f show the responses to the endogenous variables of this study. Table 4.2d describes responses supporting question items posted on being satisfied with FACD services with an average mean score of 1.73 and standard deviation of 0.73. Similarly, the average skewness statistic of 0.67 shows a distribution that leans to the left (Ghasemi and Zahediasl, 2012; Coakes, 2012; Keller, 2011). Meanwhile the kurtosis statistic, averaging at 0.17 is below 3, showing that the responses are closely knitted supporting the statements posted, indicating peakedness, thus an approximate normality of the distribution is declared (Berenson et al., 2012; Ghasemi and Zahediasl, 2012; Bernerth et al., 2007; DeCarlo, 1997).

### Table 4.2d: Description of Responses to Customer Satisfaction

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Skewness Statistic</th>
<th>Std. Error</th>
<th>Kurtosis Statistic</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Csat1 I am satisfied with my decision to use this FACD</td>
<td>1.61</td>
<td>.661</td>
<td>.695</td>
<td>.133</td>
<td>-.293</td>
<td>.266</td>
</tr>
<tr>
<td>Csat2 I am happy with my FACD</td>
<td>1.67</td>
<td>.698</td>
<td>.666</td>
<td>.133</td>
<td>-3.04</td>
<td>.266</td>
</tr>
<tr>
<td>Csat3 My choice to use this FACD is a wise one</td>
<td>1.68</td>
<td>.712</td>
<td>.604</td>
<td>.133</td>
<td>-6.45</td>
<td>.266</td>
</tr>
<tr>
<td>Csat4 I feel good to be a customer of my FACD.</td>
<td>1.64</td>
<td>.694</td>
<td>.882</td>
<td>.133</td>
<td>.898</td>
<td>.266</td>
</tr>
<tr>
<td>Csat5 My FACD takes care of all my financial needs</td>
<td>1.89</td>
<td>.796</td>
<td>.489</td>
<td>.133</td>
<td>-.500</td>
<td>.266</td>
</tr>
<tr>
<td>Csat6 My FACD satisfies my financial needs</td>
<td>1.90</td>
<td>.833</td>
<td>.652</td>
<td>.133</td>
<td>-.172</td>
<td>.266</td>
</tr>
<tr>
<td>Average</td>
<td>1.73</td>
<td>0.732</td>
<td>0.665</td>
<td></td>
<td>-0.169</td>
<td></td>
</tr>
</tbody>
</table>

The responses to question items posted on corporate credibility, as shown in Table 4.2e below, show an average mean score of 1.85 with a standard deviation of 0.71. This indicates that FACD customers are confident of their ability and expertise in the finance industry. The skewness statistic, averaging 0.43 and positive, shows the distribution leaning to the left and
therefore coherent with the average mean score (Ghasemi and Zahediasl, 2012; Coakes, 2012; Keller, 2011). The Kurtosis statistic average at 0.34 and therefore below 3, shows an approximate normality of the data distribution; the peakedness in the distribution of the large sample selected for this study supports normality (Berenson et al., 2012; Bernerth et al., 2007; DeCarlo, 1997).

Table 4.2e: Description of Responses to Corporate Credibility

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Statistic</td>
<td>Std. Error</td>
</tr>
<tr>
<td>CC1 The FACD has vast experience in financial industry</td>
<td>1.90</td>
<td>.747</td>
<td>.510</td>
<td>.133</td>
</tr>
<tr>
<td>CC2 The FACD is truthful about that they offer</td>
<td>1.70</td>
<td>.649</td>
<td>.393</td>
<td>.133</td>
</tr>
<tr>
<td>CC3 I trust this FACD.</td>
<td>1.55</td>
<td>.586</td>
<td>.508</td>
<td>.133</td>
</tr>
<tr>
<td>CC4 The FACD provides their service professionally.</td>
<td>1.88</td>
<td>.719</td>
<td>.333</td>
<td>.133</td>
</tr>
<tr>
<td>CC5 The FACD is an expert in financial services</td>
<td>1.98</td>
<td>.747</td>
<td>.333</td>
<td>.133</td>
</tr>
<tr>
<td>CC6 My FACD has never given be false information.</td>
<td>2.09</td>
<td>.815</td>
<td>.503</td>
<td>.133</td>
</tr>
<tr>
<td>Average</td>
<td>1.85</td>
<td>0.711</td>
<td>0.43</td>
<td>-0.339</td>
</tr>
</tbody>
</table>

Table 4.2f below shows an average mean score of 1.90 with a standard deviation of 0.76, suggesting respondents’ support of FACDs' reputation in terms of delivering their promise and providing excellent customer service. In coherence, the average skewness statistic shows a 0.45 leaning to the left, agreeing to the question items relating to corporate reputation.
(Ghasemi and Zahediasl, 2012; Coakes, 2012; Keller, 2011). The average kurtosis statistic of 0.37 is below 3, showing an approximate normality of the distribution, though the large sample size of the study already supports the normality (Berenson et al., 2012; Ghasemi and Zahediasl, 2012; Bernerth et al., 2007; DeCarlo, 1997).

| CR1 My FACD delivers what it promises | 1.73 | .674 | .437 | .133 | -.538 | .266 |
| CR2 My FACD well known for its excellent customer service | 1.74 | .671 | .415 | .133 | -.527 | .266 |
| CR3 The reputation of this FACD is better than other financial institutions | 1.88 | .759 | .333 | .133 | -.826 | .266 |
| CR4 This FACD offers innovative financial products | 2.28 | .861 | .309 | .133 | -.233 | .266 |
| CR5 The FACD is reputable for providing excellent financial service | 1.95 | .808 | .466 | .133 | -.422 | .266 |
| CR6 The FACD is reputable in attracting quality customers | 1.84 | .732 | .487 | .133 | -.263 | .266 |
| CR7 This FACD known for its efficient service | 1.87 | .801 | .696 | .133 | .236 | .266 |
| Average | 1.90 | 0.758 | 0.449 | -0.368 |

Table 4.2f: Description of Responses to Corporate Reputation

4.3 Common Method Variance
As this survey was carried on a cross sectional basis using a self-administered technique, common method variance was tested to ensure there is no bias in responses (Lindell and Whitney, 2001). As a pattern of responses can be observed if common method variance has occurred, Harmon’s one factor test was carried out with all the items posted for the endogenous and exogenous variables in the study (Conway and Lance, 2010; Meade et al., 2007; Podsakoff et al., 2003), even though once the data has been collected it is not easy to rectify or reduce the bias. So the analysis is merely to confirm the non-existence of the bias and contend on the precautions taken while collecting data, which was enhanced by the diligently organised research design and data collection methods; it also helps to provide a comprehensive interpretation of later outcomes of the analysis. The vigilance during data collection further mitigates responses due to social desirability, which is common in behavioural research such as this (Malhotra et al., 2006; Podsakoff and Organ, 1986). Better designed questionnaires, distribution of questionnaires to correctly identified research population, and wider geographical areas where the questionnaires are distributed help reduce this bias (Chang, Van Witteloostuijn and Eden, 2010; Malhotra et al., 2006). As such, though the items for this study have been adapted from established studies that have verified their validity and reliability, the Harmon’s one factor derived from exploratory factor analysis was undertaken to confirm the non-existence of common method bias.

Table 4.3 below shows all 37 items loaded at eigenvalue 1 when the data collected for this study was run using exploratory factor analysis (EFA) with the principal component method and Varimax rotation. As all the 37 items are accounted for and explain the variances, the Harmon’s one factor test is said to provide proof that there is no bias in responses and that there are no trends that would disrupt final analysis (Wang and Li, 2014; Meade et al., 2007; Podsakoff et al., 2003).

Table 4.3: Harmon’s One Factor Test Result

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>% of Variance</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>16.878</td>
<td>45.617</td>
<td>45.617</td>
</tr>
<tr>
<td>2</td>
<td>2.797</td>
<td>7.558</td>
<td>53.175</td>
</tr>
<tr>
<td>3</td>
<td>2.500</td>
<td>6.757</td>
<td>59.932</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>-------</td>
<td>-------</td>
<td>---------</td>
</tr>
<tr>
<td>4</td>
<td>1.316</td>
<td>3.557</td>
<td>63.489</td>
</tr>
<tr>
<td>5</td>
<td>1.070</td>
<td>2.893</td>
<td>66.382</td>
</tr>
<tr>
<td>6</td>
<td>1.020</td>
<td>2.756</td>
<td>69.137</td>
</tr>
<tr>
<td>7</td>
<td>.839</td>
<td>2.267</td>
<td>71.404</td>
</tr>
<tr>
<td>8</td>
<td>.812</td>
<td>2.196</td>
<td>73.600</td>
</tr>
<tr>
<td>9</td>
<td>.754</td>
<td>2.038</td>
<td>75.638</td>
</tr>
<tr>
<td>10</td>
<td>.704</td>
<td>1.902</td>
<td>77.541</td>
</tr>
<tr>
<td>11</td>
<td>.673</td>
<td>1.819</td>
<td>79.359</td>
</tr>
<tr>
<td>12</td>
<td>.609</td>
<td>1.647</td>
<td>81.006</td>
</tr>
<tr>
<td>13</td>
<td>.560</td>
<td>1.514</td>
<td>82.520</td>
</tr>
<tr>
<td>14</td>
<td>.515</td>
<td>1.391</td>
<td>83.911</td>
</tr>
<tr>
<td>15</td>
<td>.492</td>
<td>1.330</td>
<td>85.241</td>
</tr>
<tr>
<td>16</td>
<td>.462</td>
<td>1.248</td>
<td>86.489</td>
</tr>
<tr>
<td>17</td>
<td>.443</td>
<td>1.196</td>
<td>87.685</td>
</tr>
<tr>
<td>18</td>
<td>.384</td>
<td>1.039</td>
<td>88.724</td>
</tr>
<tr>
<td>19</td>
<td>.360</td>
<td>.973</td>
<td>89.696</td>
</tr>
<tr>
<td>20</td>
<td>.325</td>
<td>.879</td>
<td>90.576</td>
</tr>
<tr>
<td>21</td>
<td>.313</td>
<td>.847</td>
<td>91.422</td>
</tr>
<tr>
<td>22</td>
<td>.308</td>
<td>.833</td>
<td>92.256</td>
</tr>
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<td>23</td>
<td>.274</td>
<td>.739</td>
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<td>.723</td>
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</tr>
<tr>
<td>25</td>
<td>.257</td>
<td>.696</td>
<td>94.414</td>
</tr>
<tr>
<td>26</td>
<td>.247</td>
<td>.667</td>
<td>95.081</td>
</tr>
<tr>
<td>27</td>
<td>.233</td>
<td>.631</td>
<td>95.712</td>
</tr>
<tr>
<td>28</td>
<td>.214</td>
<td>.579</td>
<td>96.290</td>
</tr>
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<td>29</td>
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<td>.555</td>
<td>96.846</td>
</tr>
<tr>
<td>30</td>
<td>.190</td>
<td>.513</td>
<td>97.359</td>
</tr>
<tr>
<td>31</td>
<td>.186</td>
<td>.503</td>
<td>97.862</td>
</tr>
<tr>
<td>32</td>
<td>.161</td>
<td>.434</td>
<td>98.296</td>
</tr>
<tr>
<td>33</td>
<td>.152</td>
<td>.410</td>
<td>98.706</td>
</tr>
<tr>
<td>34</td>
<td>.142</td>
<td>.383</td>
<td>99.089</td>
</tr>
<tr>
<td>35</td>
<td>.130</td>
<td>.352</td>
<td>99.442</td>
</tr>
<tr>
<td>36</td>
<td>.108</td>
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<td>99.734</td>
</tr>
<tr>
<td>37</td>
<td>.099</td>
<td>.266</td>
<td>100.000</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis. Sample Size (n = 334).
4.4 Measurement Analysis

The hypotheses testing were carried out with data that has been tested for reliability and validity. The validity of the measuring items was necessary to ensure that the measuring items used actually measured the constructs they were intended to measure. These items ought to be similar to each other to unable respondents to understand the construct being measured (Sekaran and Bougie, 2013, Hair (Jr.) et al., 2010). The present study tested the construct validity using EFA with the principal component analysis (PCA) and rotating the data using Varimax rotation, as the constructs tested are independent of one another. This validity was later verified with confirmatory factor analysis (CFA) in SEM using a measurement model designed on the AMOS version 22.

4.4.1 Validity Test using Exploratory Factor Analysis

The EFA test assumptions described in Chapter 3 to ensure the data is suitable for validity tests, was run for the exogenous variables of CSR-social, CSR-ethics, and CSR-environment, with the outcome presented in Table 4.4 below. The Kaiser-Meyer-Olkin is 0.872 and with reference to Table 3.2, this KMO indicates the sampling carried out for this research is very good. As such, EFA’s assumption one is met. The Bartlett’s Sphericity’s chi-square test results in a Chi-square value \( \chi^2 = 2355.1 \), degree of freedom (df) = 105, and p-value = 0.0001. Since p-value < 0.05, the rule of the thumb states the null hypothesis is rejected whereby the identity matrix between the items relating to the three constructs are not identical or are independent of each other thus meeting the second assumption. The assumption that n/k < 5 results in \( 334/37 = 9 \), which is greater than 5 thereby meeting assumption 3 for EFA.

Table 4.4: KMO and Bartlett's Test – CSR Aspects
With the assumptions met, the EFA was run at eigenvalue of 1. The items for the social, ethics and environment aspects of CSR converged into three components within 5 iterations. The outcomes below 0.5 were suppressed, as such high loadings into three specific components resulted in a rotated component matrix as in Table 4.5 below.

### Table 4.5: Rotated Component Matrix – CSR Aspects

<table>
<thead>
<tr>
<th>Component</th>
<th>Social</th>
<th>Ethics</th>
<th>Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS6 FACDs support local sportsmen/women activities</td>
<td>.811</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS5 It is nice to know my FACD provides for charitable activities</td>
<td>.785</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS1 It is important for a FACD to provide educational support</td>
<td>.702</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS3 I like my FACD to actively support the disadvantaged</td>
<td>.661</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CE5 All information on service charges by FACDs must be given clearly</td>
<td></td>
<td>.845</td>
<td></td>
</tr>
<tr>
<td>CE4 The FACDs must pay interests as per their promise</td>
<td></td>
<td>.786</td>
<td></td>
</tr>
<tr>
<td>CE3 Customers must be informed of all charges of a FACD</td>
<td></td>
<td>.752</td>
<td></td>
</tr>
<tr>
<td>CE6 FACDs must assist customers truthfully</td>
<td></td>
<td>.746</td>
<td></td>
</tr>
<tr>
<td>CE2 It is important for me that my FACD is transparent with charges</td>
<td></td>
<td>.703</td>
<td></td>
</tr>
<tr>
<td>CE1 FACDs must be honest to their customers</td>
<td></td>
<td>.651</td>
<td></td>
</tr>
<tr>
<td>Cenv1 FACDs ought to ensure there is no paper waste in their dealings</td>
<td></td>
<td></td>
<td>.848</td>
</tr>
<tr>
<td>Cenv2 It is important for FACDs not to be involved in projects that harm the environment</td>
<td></td>
<td></td>
<td>.696</td>
</tr>
<tr>
<td>Cenv3 FACDs ought to support projects that saves animals</td>
<td></td>
<td></td>
<td>.693</td>
</tr>
<tr>
<td>Cenv4 It is important for me to see FACDs plant trees</td>
<td></td>
<td></td>
<td>.640</td>
</tr>
<tr>
<td>Cenv6 I would enjoy my association with a FACD that reduces carbon footprint</td>
<td></td>
<td></td>
<td>.508</td>
</tr>
</tbody>
</table>
This EFA process loaded four items into component 1, which was named as social. However, items “CS2: It is important for a FACD to provide safe and healthy working conditions for its employees” and “CS4: It is important for me to see my FACD supporting under privileged communities where it does its business” failed to load highly and was thus removed. Those items loaded within the eigenvalues of 0.661 to 0.811. Meanwhile, all six items representing the ethics aspect of CSR loaded within eigenvalues of 0.845 and 0.651 as component 2, which was renamed as ethics. Component 3 was loaded highly with 5 items representing the environment aspect of CSR, with eigenvalues between 0.508 and 0.848. Item 5, “Cenv5: I respect a FACD that is involved in environment sustainability” was removed as it did not load into the component as the other items did. With this, three items were removed from the three constructs of the study, in order to converge and discriminate based on the assumptions of the study (Hair (Jr.) et al., 2010; James et al., 2005).

### Table 4.6: Total Variance Explained – CSR Aspects

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
<th>Rotation Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance</td>
<td>Cumulative %</td>
</tr>
<tr>
<td>ethics</td>
<td>2.347</td>
<td>15.645</td>
<td>55.037</td>
</tr>
</tbody>
</table>

The PCA used to analyse the CSR factors indicate that the social aspect explained 39.39% of the variances in the items, while 15.64% is explained by ethics and 7.10% is explained by
environment. As such, a total of 62.14% of variances in the question items are explained by 15 out of the 18 items used to measure the CSR aspects. Therefore the balance (100-62.13) % = 37.86% of variances could be explained by items not considered in this study.

The validity of the endogenous variables of this study were analysed using PCA and Oblimin rotation as customer satisfaction, while corporate credibility and corporate reputation are known to be correlated as established in Chapter 2. With this, the EFA assumptions were tested, resulting in Table 4.7 below. The KMO = 0.963 indicates excellent sampling and samples used to collect data for this study, satisfying assumption one. The Bartlett’s Test of Sphericity results in a Chi-square = 6596.97, df = 171, p-value = 0.000 and a p-value < 0.05, identity matrix between items of customer satisfaction, corporate credibility and corporate reputation is declared as non-existent, satisfying assumption 2. Finally, n/k = 334/19 = 17 (n/k > 5) thus assumption 3 is also fulfilled. With all three assumptions met, the PCA method of analysis was used with Oblimin rotation, suppressing eigenvalues below 0.422, producing the outcome presented in Table 4.8 below.

<table>
<thead>
<tr>
<th>Tests</th>
<th>Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</td>
<td>0.963</td>
</tr>
<tr>
<td>Bartlett's Test of Sphericity</td>
<td>Approx. Chi-Square</td>
</tr>
<tr>
<td></td>
<td>6596.967</td>
</tr>
<tr>
<td></td>
<td>df</td>
</tr>
<tr>
<td></td>
<td>171</td>
</tr>
<tr>
<td></td>
<td>p-value</td>
</tr>
<tr>
<td></td>
<td>0.000</td>
</tr>
</tbody>
</table>

The Oblimin Rotation resulted in 17 iterations that loaded the 19 items into three distinct components in a Pattern Matrix as shown in Table 4.8 below. Component 1 was renamed as customer satisfaction and had all six items of customer satisfaction loading highly, with eigenvalues between 0.422 and 0.945. Component 2 was renamed as corporate reputation and
loaded all seven items with eigenvalues between 0.720 and 0.963. Finally, component 3 was loaded with the six items of corporate credibility, renamed as such with loadings between 0.527 and 0.838.

Table 4.8: Pattern Matrix for Customer Satisfaction, Corporate Credibility and Reputation

<table>
<thead>
<tr>
<th>Component</th>
<th>Customer Satisfaction</th>
<th>Corporate Reputation</th>
<th>Corporate Credibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Csat1 I am satisfied with my decision to use this FACD</td>
<td>0.945</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Csat2 I am happy with my FACD</td>
<td>0.891</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Csat3 My choice to use this FACD is a wise one</td>
<td>0.802</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Csat4 I feel good to be a customer of my FACD.</td>
<td>0.768</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Csat5 My FACD takes care of all my financial needs</td>
<td>0.477</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Csat6 My FACD satisfies my financial needs</td>
<td>0.422</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CR7 This FACD known for its efficient service</td>
<td></td>
<td>0.963</td>
<td></td>
</tr>
<tr>
<td>CR5 The FACD is reputable for providing excellent financial service</td>
<td></td>
<td>0.906</td>
<td></td>
</tr>
<tr>
<td>CR6 The FACD is reputable in attracting quality customers</td>
<td></td>
<td>0.862</td>
<td></td>
</tr>
<tr>
<td>CR3 The reputation of this FACD is better than financial institutions</td>
<td></td>
<td>0.802</td>
<td></td>
</tr>
<tr>
<td>CR2 My FACD well known for its excellent customer service</td>
<td></td>
<td>0.752</td>
<td></td>
</tr>
<tr>
<td>CR4 This FACD offers innovative financial products</td>
<td></td>
<td>0.730</td>
<td></td>
</tr>
<tr>
<td>CR1 My FACD delivers what it promises</td>
<td></td>
<td>0.720</td>
<td></td>
</tr>
<tr>
<td>CC3 I trust this FACD.</td>
<td></td>
<td></td>
<td>0.838</td>
</tr>
<tr>
<td>CC5 The FACD is an expert in financial services</td>
<td></td>
<td></td>
<td>0.699</td>
</tr>
<tr>
<td>CC1 The FACD has vast experience in financial industry</td>
<td></td>
<td></td>
<td>0.648</td>
</tr>
<tr>
<td>CC2 The FACD is truthful about that they offer</td>
<td></td>
<td></td>
<td>0.643</td>
</tr>
<tr>
<td>CC6 My FACD has never given be false information.</td>
<td></td>
<td></td>
<td>0.539</td>
</tr>
<tr>
<td>CC4 The FACD provide their service professionally.</td>
<td></td>
<td></td>
<td>0.527</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
Rotation Method: Oblimin with Kaiser Normalization.
a. Rotation converged in 17 iterations.

Therefore the 3 endogenous variables converged and discriminated into 3 clearly distinct
variables. Meanwhile, Table 4.9 below shows the Variance explained by the three constructs, whereby 66.87% of variances is explained by customer satisfaction, 5.86% is explained by corporate reputation, and 4.18% is explained by corporate credibility. Thus a total of 76.9% variances amongst the items of the three constructs are explained by the items in these three constructs. A balance of 23.1% variances is explained by other constructs and items not considered in this study. This indicates that all three constructs are represented by items that converge and are deterministic (Hair (Jr.) et al., 2010; James et al., 2005).

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
<th>Rotation Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance</td>
<td>Cumulative %</td>
</tr>
<tr>
<td>Corporate reputation</td>
<td>1.113</td>
<td>5.857</td>
<td>72.724</td>
</tr>
<tr>
<td>Corporate Credibility</td>
<td>.795</td>
<td>4.176</td>
<td>76.900</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.

Table 4.9: Total Variance Explained

4.5 Confirmatory Factor Analysis (CFA)

The factor analysis outcome above was confirmed with CFA in SEM using a measurement model. The six constructs of this study were assessed with 37 items which were used in running CFA in AMOS version 22 based on a measurement model as shown in Figure 4.1 below. This resulted in regression weights as presented in Table 4.10, indicating all Criterion Ratio (C.R.) values > 1.96 and p-value < 0.05 (Kline, 2005; Byrne, 2001). As such all items

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.
are correlated with their respective constructs, assuring the validity of the items. However, the measurement model assessed for its model fit showed several statistics that indicated the model does not fit. Table 4.11 below shows CMIN = 1749.53, df = 614, with a p-value = 0.0001, while CMIN/df = 2.849, as CMIN/df > 2 with a p-value < 0.05. As such, based on the decision rule discussed in Chapter 3, it is concluded that the model is not fit (Kline, 2011; Hooper, Coughlan and Mullen, 2008; Schumaker and Lomax, 2004).

Table 4.10: Regression Weights for Measurement Model

<table>
<thead>
<tr>
<th>Relationships</th>
<th>Estimates</th>
<th>S. E.</th>
<th>C. R.</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Csat6 &lt;--- Csat</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Csat5 &lt;--- Csat</td>
<td>.979</td>
<td>.054</td>
<td>18.274</td>
<td>***</td>
</tr>
<tr>
<td>Csat4 &lt;--- Csat</td>
<td>.906</td>
<td>.045</td>
<td>20.029</td>
<td>***</td>
</tr>
<tr>
<td>Csat3 &lt;--- Csat</td>
<td>.961</td>
<td>.045</td>
<td>21.150</td>
<td>***</td>
</tr>
<tr>
<td>Csat2 &lt;--- Csat</td>
<td>.928</td>
<td>.045</td>
<td>20.636</td>
<td>***</td>
</tr>
<tr>
<td>Csat1 &lt;--- Csat</td>
<td>.844</td>
<td>.044</td>
<td>19.342</td>
<td>***</td>
</tr>
<tr>
<td>CC6 &lt;--- CC</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CC5 &lt;--- CC</td>
<td>1.010</td>
<td>.061</td>
<td>16.460</td>
<td>***</td>
</tr>
<tr>
<td>CC4 &lt;--- CC</td>
<td>1.005</td>
<td>.059</td>
<td>17.166</td>
<td>***</td>
</tr>
<tr>
<td>CC3 &lt;--- CC</td>
<td>.750</td>
<td>.049</td>
<td>15.402</td>
<td>***</td>
</tr>
<tr>
<td>CC2 &lt;--- CC</td>
<td>.848</td>
<td>.054</td>
<td>15.795</td>
<td>***</td>
</tr>
<tr>
<td>CC1 &lt;--- CC</td>
<td>1.001</td>
<td>.061</td>
<td>16.302</td>
<td>***</td>
</tr>
<tr>
<td>CR7 &lt;--- CR</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CR6 &lt;--- CR</td>
<td>.920</td>
<td>.038</td>
<td>24.048</td>
<td>***</td>
</tr>
<tr>
<td>CR5 &lt;--- CR</td>
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<td>.044</td>
<td>21.897</td>
<td>***</td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>---</td>
<td>-----</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>CR4</td>
<td>&lt;--</td>
<td>CR</td>
<td>.947</td>
<td>.051</td>
</tr>
<tr>
<td>CR3</td>
<td>&lt;--</td>
<td>CR</td>
<td>.925</td>
<td>.041</td>
</tr>
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<td>CR2</td>
<td>&lt;--</td>
<td>CR</td>
<td>.809</td>
<td>.037</td>
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<tr>
<td>CR1</td>
<td>&lt;--</td>
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<td>.776</td>
<td>.039</td>
</tr>
<tr>
<td>Cenv1</td>
<td>&lt;--</td>
<td>Cenv</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>Cenv2</td>
<td>&lt;--</td>
<td>Cenv</td>
<td>1.096</td>
<td>.106</td>
</tr>
<tr>
<td>Cenv3</td>
<td>&lt;--</td>
<td>Cenv</td>
<td>1.245</td>
<td>.124</td>
</tr>
<tr>
<td>Cenv4</td>
<td>&lt;--</td>
<td>Cenv</td>
<td>1.240</td>
<td>.123</td>
</tr>
<tr>
<td>Cenv5</td>
<td>&lt;--</td>
<td>Cenv</td>
<td>1.183</td>
<td>.110</td>
</tr>
<tr>
<td>Cenv6</td>
<td>&lt;--</td>
<td>Cenv</td>
<td>1.245</td>
<td>.113</td>
</tr>
<tr>
<td>CS1</td>
<td>&lt;--</td>
<td>CS</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>CS2</td>
<td>&lt;--</td>
<td>CS</td>
<td>.494</td>
<td>.062</td>
</tr>
<tr>
<td>CS3</td>
<td>&lt;--</td>
<td>CS</td>
<td>.932</td>
<td>.082</td>
</tr>
<tr>
<td>CS4</td>
<td>&lt;--</td>
<td>CS</td>
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<td>.116</td>
</tr>
<tr>
<td>CS5</td>
<td>&lt;--</td>
<td>CS</td>
<td>1.084</td>
<td>.088</td>
</tr>
<tr>
<td>CS6</td>
<td>&lt;--</td>
<td>CS</td>
<td>1.055</td>
<td>.092</td>
</tr>
<tr>
<td>CE1</td>
<td>&lt;--</td>
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<tr>
<td>CE2</td>
<td>&lt;--</td>
<td>CE</td>
<td>1.200</td>
<td>.115</td>
</tr>
<tr>
<td>CE3</td>
<td>&lt;--</td>
<td>CE</td>
<td>1.429</td>
<td>.135</td>
</tr>
<tr>
<td>CE4</td>
<td>&lt;--</td>
<td>CE</td>
<td>1.272</td>
<td>.115</td>
</tr>
<tr>
<td>CE5</td>
<td>&lt;--</td>
<td>CE</td>
<td>1.513</td>
<td>.125</td>
</tr>
<tr>
<td>CE6</td>
<td>&lt;--</td>
<td>CE</td>
<td>1.204</td>
<td>.111</td>
</tr>
</tbody>
</table>
Table 4.11: Model Fit Statistics for Measurement Model with all Items

<table>
<thead>
<tr>
<th>Model</th>
<th>CMIN</th>
<th>df</th>
<th>P-value</th>
<th>CMIN/df</th>
<th>GFI</th>
<th>AGFI</th>
<th>CFI</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default model</td>
<td>1749.530</td>
<td>614</td>
<td>0.000</td>
<td>2.849</td>
<td>0.761</td>
<td>0.726</td>
<td>.884</td>
<td>.075</td>
</tr>
<tr>
<td>Saturated model</td>
<td>0.000</td>
<td>0</td>
<td>1.000</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independence model</td>
<td>4351.117</td>
<td>210</td>
<td>0.000</td>
<td>20.720</td>
<td>.231</td>
<td>.154</td>
<td>.000</td>
<td>.238</td>
</tr>
</tbody>
</table>

Furthermore, other SEM statistics described in Chapter 3 and displayed in Table 4.11, shows GFI = 0.761, while studies suggest GFI ≥ 0.9 for model fit. Meanwhile AGFI = 0.726 while the decision criteria for model fit is AGFI ≥ 0.9. As CFI > 0.9 is recommended for model fit, CFI = 0.884 shows the model is not fit. Another commonly used model fit statistic RMSEA is 0.075 as shown in Table 4.11, while the rule of the thumb for decision making is 0.03 ≤
RMSEA ≤ 0.08 (Kline, 2011; Schumaker and Lomax, 2004; Byrne, 2001; MacCallum and Austin, 2000). The CFA measurement analysis indicates that the model requires items that better fit the constructs, suggesting the exclusion of items that are less fitting. The modification index (MI) for standardised estimates below 10 was used to identify the items to be excluded from the full model of 37 items. The statistics with high values of MI are excluded from the measurement model, reinforcing the model fit (Hooper et al., 2008; Byrne, 2001; MacCallum and Austin, 2000). The initial exclusion was based on EFA findings, whereby items CS2, CS4, and CS3, representing the social aspect of CSR, CE1 that represents the ethics aspect of CSR, and Cenv3, Cenv4 and Cenv5 representing the environment aspect of CSR were first removed from the exogeneous variables. The items, Csat5 and Csat6 measuring customer satisfaction, CC2, CC3, and CC6 that measures corporate credibility, and CR4 that measures corporate reputation were first excluded from the endogeneous variables. Reviewing the MI outcome as shown in Table 4.12 below, CR7 with error 37 (e37) indicated a large covariance that was removed prior to running CFA with a modified measuring model as shown in Figure 4.2 below.

<table>
<thead>
<tr>
<th>Relationships</th>
<th>M.I.</th>
<th>Par Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>e37 &lt;--&gt; e12</td>
<td>19.387</td>
<td>.036</td>
</tr>
<tr>
<td>e37 &lt;--&gt; e35</td>
<td>11.606</td>
<td>.033</td>
</tr>
<tr>
<td>e20 &lt;--&gt; e19</td>
<td>10.954</td>
<td>.019</td>
</tr>
</tbody>
</table>

The modified measurement model produced an outcome of regression weights as shown in Table 4.13, which indicates all C.R. > 1.96 with a corresponding p-value of < 0.05 for each of the correlations between the constructs and items, indicating significance. Consequently, the standardised estimates now has high loading above 0.60, showing the strength of the
correlations. The standardised estimate with a minimum of 0.643, show a strong relationship between the constructs and question items.

![Figure 4.2: Modified Measurement Model](image)

**Table 4.13: Regression Weights for Modified Measurement Model**

<table>
<thead>
<tr>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P-value</th>
<th>Label</th>
<th>Standardised Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Csat4</td>
<td>Csat</td>
<td>1.000</td>
<td></td>
<td></td>
<td>.883</td>
</tr>
<tr>
<td>Csat3</td>
<td>Csat</td>
<td>1.063</td>
<td>.042</td>
<td>25.471</td>
<td>*** par_1 .916</td>
</tr>
<tr>
<td>Csat2</td>
<td>Csat</td>
<td>1.046</td>
<td>.041</td>
<td>25.699</td>
<td>*** par_2 .920</td>
</tr>
<tr>
<td>Csat1</td>
<td>Csat</td>
<td>.949</td>
<td>.041</td>
<td>23.274</td>
<td>*** par_3 .880</td>
</tr>
<tr>
<td>CC5</td>
<td>CC</td>
<td>1.000</td>
<td></td>
<td></td>
<td>.867</td>
</tr>
<tr>
<td>CC4</td>
<td>CC</td>
<td>.985</td>
<td>.046</td>
<td>21.468</td>
<td>*** par_4 .887</td>
</tr>
<tr>
<td>CC1</td>
<td>CC</td>
<td>.963</td>
<td>.050</td>
<td>19.391</td>
<td>*** par_5 .835</td>
</tr>
<tr>
<td>CR6</td>
<td>CR</td>
<td>1.000</td>
<td></td>
<td></td>
<td>.881</td>
</tr>
<tr>
<td>CR5</td>
<td>CR</td>
<td>1.053</td>
<td>.051</td>
<td>20.814</td>
<td>*** par_6 .841</td>
</tr>
<tr>
<td></td>
<td>Estimate</td>
<td>S.E.</td>
<td>C.R.</td>
<td>P- value</td>
<td>Label</td>
</tr>
<tr>
<td>--------</td>
<td>----------</td>
<td>-------</td>
<td>------</td>
<td>----------</td>
<td>-------</td>
</tr>
<tr>
<td>CR3 ←- CR</td>
<td>1.017</td>
<td>.046</td>
<td>21.962</td>
<td>***</td>
<td>par_7</td>
</tr>
<tr>
<td>CR2 ←- CR</td>
<td>.903</td>
<td>.041</td>
<td>22.191</td>
<td>***</td>
<td>par_8</td>
</tr>
<tr>
<td>CR1 ←- CR</td>
<td>.858</td>
<td>.043</td>
<td>19.907</td>
<td>***</td>
<td>par_9</td>
</tr>
<tr>
<td>Cenv1 ←- Cenv</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cenv2 ←- Cenv</td>
<td>1.131</td>
<td>.094</td>
<td>11.982</td>
<td>***</td>
<td>par_13</td>
</tr>
<tr>
<td>Cenv6 ←- Cenv</td>
<td>1.061</td>
<td>.093</td>
<td>11.348</td>
<td>***</td>
<td>par_14</td>
</tr>
<tr>
<td>CS1 ←- CS</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS5 ←- CS</td>
<td>1.251</td>
<td>.114</td>
<td>10.985</td>
<td>***</td>
<td>par_15</td>
</tr>
<tr>
<td>CS6 ←- CS</td>
<td>1.190</td>
<td>.113</td>
<td>10.506</td>
<td>***</td>
<td>par_16</td>
</tr>
<tr>
<td>CE2 ←- CE</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CE3 ←- CE</td>
<td>1.241</td>
<td>.115</td>
<td>10.764</td>
<td>***</td>
<td>par_17</td>
</tr>
<tr>
<td>CE4 ←- CE</td>
<td>1.150</td>
<td>.098</td>
<td>11.678</td>
<td>***</td>
<td>par_18</td>
</tr>
<tr>
<td>CE5 ←- CE</td>
<td>1.320</td>
<td>.106</td>
<td>12.405</td>
<td>***</td>
<td>par_19</td>
</tr>
<tr>
<td>CE6 ←- CE</td>
<td>1.036</td>
<td>.094</td>
<td>10.984</td>
<td>***</td>
<td>par_20</td>
</tr>
</tbody>
</table>

*** = 0.0001

Table 4.14 below shows the model fit statistics for a modified measurement model, with SEM statistics that indicate model fit. The four main statistics, namely CMIN = 376.05, df = 215, p-value = 0.0001, and CMIN/df = 1.75, show that although p-value < 0.05, CMIN/df shows less than 2 thereby supporting a model fit. This outcome concurs with GFI = 0.912 (GFI > 0.9), CFI = 0.971 (CFI > 0.9) and RMSEA = 0.047 (0.03 < RMSEA < 0.08). As only four of the statistics are needed to support a fit model (Hooper et al., 2008; Weston and Gore Jr., 2006; MacCallum and Austin, 2000), the present modified measurement model was used to structurally model the endogenous and exogenous variables for this study.

**Table 4.14: Model Fit Statistics for Modified Measurement Model**
The items confirmed to represent the said variables were further verified with the factor score weight as shown in Table 4.15 below, where the items loaded highly in their respective constructs thus supporting representativeness.

### Table 4.15: Factor Score Weights for Constructs

<table>
<thead>
<tr>
<th>Items</th>
<th>CE</th>
<th>CS</th>
<th>Cenv</th>
<th>CR</th>
<th>CC</th>
<th>Csat</th>
</tr>
</thead>
<tbody>
<tr>
<td>CE6</td>
<td>.122</td>
<td>.001</td>
<td>.015</td>
<td>.003</td>
<td>.001</td>
<td>.005</td>
</tr>
<tr>
<td>CE5</td>
<td>.227</td>
<td>.002</td>
<td>.028</td>
<td>.006</td>
<td>.002</td>
<td>.008</td>
</tr>
<tr>
<td>CE4</td>
<td>.156</td>
<td>.001</td>
<td>.019</td>
<td>.004</td>
<td>.001</td>
<td>.006</td>
</tr>
<tr>
<td>CE3</td>
<td>.093</td>
<td>.001</td>
<td>.011</td>
<td>.003</td>
<td>.001</td>
<td>.003</td>
</tr>
<tr>
<td>CE2</td>
<td>.092</td>
<td>.001</td>
<td>.011</td>
<td>.003</td>
<td>.001</td>
<td>.003</td>
</tr>
<tr>
<td>CS6</td>
<td>.000</td>
<td>.173</td>
<td>.029</td>
<td>.003</td>
<td>.004</td>
<td>.003</td>
</tr>
<tr>
<td>CS5</td>
<td>.001</td>
<td>.285</td>
<td>.047</td>
<td>.005</td>
<td>.007</td>
<td>.005</td>
</tr>
<tr>
<td>CS1</td>
<td>.000</td>
<td>.122</td>
<td>.020</td>
<td>.002</td>
<td>.003</td>
<td>.002</td>
</tr>
<tr>
<td>Cenv6</td>
<td>.008</td>
<td>.035</td>
<td>.187</td>
<td>.000</td>
<td>-.001</td>
<td>.010</td>
</tr>
<tr>
<td>Cenv2</td>
<td>.012</td>
<td>.053</td>
<td>.281</td>
<td>-.001</td>
<td>-.002</td>
<td>.016</td>
</tr>
<tr>
<td>Cenv1</td>
<td>.006</td>
<td>.025</td>
<td>.134</td>
<td>.000</td>
<td>-.001</td>
<td>.007</td>
</tr>
<tr>
<td>CR1</td>
<td>.002</td>
<td>.005</td>
<td>.000</td>
<td>.137</td>
<td>.022</td>
<td>.011</td>
</tr>
<tr>
<td>CR2</td>
<td>.003</td>
<td>.007</td>
<td>-.001</td>
<td>.192</td>
<td>.031</td>
<td>.016</td>
</tr>
<tr>
<td>CR3</td>
<td>.003</td>
<td>.006</td>
<td>-.001</td>
<td>.164</td>
<td>.026</td>
<td>.014</td>
</tr>
<tr>
<td>CR5</td>
<td>.002</td>
<td>.005</td>
<td>.000</td>
<td>.130</td>
<td>.021</td>
<td>.011</td>
</tr>
<tr>
<td>CR6</td>
<td>.003</td>
<td>.007</td>
<td>-.001</td>
<td>.196</td>
<td>.032</td>
<td>.016</td>
</tr>
<tr>
<td>CC1</td>
<td>.001</td>
<td>.006</td>
<td>-.001</td>
<td>.022</td>
<td>.189</td>
<td>.015</td>
</tr>
<tr>
<td>CC4</td>
<td>.001</td>
<td>.010</td>
<td>-.002</td>
<td>.034</td>
<td>.297</td>
<td>.023</td>
</tr>
<tr>
<td>CC5</td>
<td>.001</td>
<td>.008</td>
<td>-.002</td>
<td>.027</td>
<td>.238</td>
<td>.019</td>
</tr>
</tbody>
</table>
4.6 Measurement Assessment - Reliability Analysis

A reliability analysis was undertaken after the validity test as suggested in Chapter 3, with Cronbach’s Alpha test (Hsu and Fan, 1995; Nunnally, 1978). The reliability analysis verifies the consistency in respondents’ understanding of the items used to measure the study's constructs. The items in this study are adapted from past studies that have validated and confirmed reliability, however the validity and reliability tests confirm the items used as suitable in the context of this study, where members of FACDs in Taiwan are the respondents. Studies indicate that validity and reliability are not similar, as such valid items may not be reliable (Sekaran and Bougie, 2013; Hair (Jr.) et al., 2010; Hsu and Fan, 1995). The Cronbach’s Alpha test undertaken on the valid items, resulted in reliability coefficients as presented in Table 4.16 below.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Cronbach’s Alpha</th>
<th>No. of Items</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS</td>
<td>.771</td>
<td>3</td>
<td>5.72</td>
<td>2.004</td>
</tr>
<tr>
<td>CE</td>
<td>.850</td>
<td>5</td>
<td>6.82</td>
<td>2.099</td>
</tr>
<tr>
<td>Cenv</td>
<td>.789</td>
<td>3</td>
<td>5.34</td>
<td>1.810</td>
</tr>
<tr>
<td>CSat</td>
<td>.944</td>
<td>4</td>
<td>6.60</td>
<td>2.560</td>
</tr>
<tr>
<td>CC</td>
<td>.897</td>
<td>3</td>
<td>5.76</td>
<td>2.016</td>
</tr>
<tr>
<td>CR</td>
<td>.930</td>
<td>5</td>
<td>9.15</td>
<td>3.228</td>
</tr>
</tbody>
</table>

The Cronbach’s Alpha coefficient for social dimension of CSR (CS) is 0.771, with a
remaining three items, mean of 5.72 and standard deviation of 2.004. The Cronbach’s Alpha for ethics dimension of CSR (CE) is 0.850, is left with five items, mean of 6.82 and standard deviation of 2.099. Meanwhile the environment dimension of CSR (Cenv) is left with 3 items, scoring Cronbach’s Alpha reliability of 0.789, mean of 5.34, and standard deviation of 1.810. All three constructs indicate strong reliability above 0.700, scoring above the rule of the thumb of 0.7 and is therefore recommended for academic studies (Hair jr. et al., 2007; James et al., 2005; Hsu and Fan, 1995; Nunnally, 1978). The items relating to customer satisfaction scored a Cronbach’s Alpha reliability of 0.944 with 4 items, mean of 6.60 and standard deviation of 2.56. The corporate credibility (CC) resulted in Cronbach’s Alpha of 0.897 with 3 items, mean of 5.76 and standard deviation of 2.016. Meanwhile corporate reputation (CR)’s 5 items scored a Cronbach’s Alpha of 0.930, with a mean of 9.150 and standard deviation of 3.228. With most scores being equal or above the suggested 0.8 for applied studies (Nunnally, 1978), the remaining items are said to be sufficiently reliable for significant testing.

4.7 Hypotheses Testing using Structural Modelling

To address the postulated hypotheses for this study, a structural model built in SEM based on the reduced items from the measurement model above was run for the significance tests. The structural model in Figure 4.3 was designed for the current study, as it aims to review the relationships between three distinct dimensions of CSR, namely social, ethics, and environment, and corporate reputation and credibility, mediated by customer satisfaction. This concisely describes that CSR does not directly affect corporate reputation and corporate credibility, instead it is highly reliant on customers’ satisfaction with the services provided. The role of customer satisfaction as a mediator is the primary objective of the current study in relation to Taiwanese FACDs. This mediating relationship was observed using the direct and
indirect relationships between the endogenous and exogenous variables of this study, as discussed in Chapter 3. The primary exogenous variables for this study are the CSR dimension that fit FACDs’ role as financial institutions for a farmer’s association. Meanwhile the endogenous variables are corporate reputation and credibility of FACDs that are critical for the association and the credit department. However the customer satisfaction variable plays the role of an endogenous variable and an exogenous variable. Thus, this notion requires the direct relationships to exist prior to the existence of a mediating relationship. As such the direct relationships between CSR dimensions social, ethics, and environment and customer satisfaction and the direct relationships between customer satisfaction and corporate reputation and credibility for this study are required to confirm the mediation role played by customer satisfaction (MacKinnon, Lockwood, Hoffman, West, and Sheets, 2002; Baron and Kenny, 1986).

4.7.1 Test for Normal Distribution

Test of assumptions are necessary for testing hypotheses to ensure the data collected are suitable for further statistical analysis. Statistical tenets assert that Chi-square ($\chi^2$) statistics in SEM is appropriate to identify normal distribution, as the value of Chi-square ($\chi^2$) deflates when the data is normally distributed (Hair (Jr.) et al., 2010; Hooper et al., 2008). However, a normal distribution is evaluated based on the size of the error in the data, commonly referred to as p-value, whereby a p-value less than 0.05 indicates normal distribution as the null hypothesis claiming the distribution is normal is rejected; whilst in Chi-square ($\chi^2$) distribution, a p-value greater than 0.05, indicating the deflation of Chi-square, shows better normality and confirms model fit (Hair (Jr.) et al., 2010; Hooper et al., 2008; Weston and Gore Jr., 2006). The normality test for the present study is as presented in Table 4.17 below, where the Multivariate Kurtosis is 217.06. As the Mardia’s criteria for normality assert that
Multivariate Kurtosis < 1.96 show normal distribution, the data for the current study seems to violate normal distribution.

Table 4.17: Normality Assessment

<table>
<thead>
<tr>
<th>Variable</th>
<th>min</th>
<th>max</th>
<th>skewness</th>
<th>c.r.</th>
<th>kurtosis</th>
<th>c.r.</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR6</td>
<td>1.000</td>
<td>4.000</td>
<td>.485</td>
<td>3.619</td>
<td>-.277</td>
<td>-1.034</td>
</tr>
<tr>
<td>CR5</td>
<td>1.000</td>
<td>4.000</td>
<td>.464</td>
<td>3.460</td>
<td>-.434</td>
<td>-1.618</td>
</tr>
<tr>
<td>CR3</td>
<td>1.000</td>
<td>4.000</td>
<td>.332</td>
<td>2.477</td>
<td>-.831</td>
<td>-3.101</td>
</tr>
<tr>
<td>CR2</td>
<td>1.000</td>
<td>4.000</td>
<td>.413</td>
<td>3.082</td>
<td>-.537</td>
<td>-2.002</td>
</tr>
<tr>
<td>CR1</td>
<td>1.000</td>
<td>4.000</td>
<td>.435</td>
<td>3.243</td>
<td>-.548</td>
<td>-2.043</td>
</tr>
<tr>
<td>CC5</td>
<td>1.000</td>
<td>4.000</td>
<td>.332</td>
<td>2.476</td>
<td>-.362</td>
<td>-1.350</td>
</tr>
<tr>
<td>CC4</td>
<td>1.000</td>
<td>4.000</td>
<td>.332</td>
<td>2.476</td>
<td>-.544</td>
<td>-2.028</td>
</tr>
<tr>
<td>CC1</td>
<td>1.000</td>
<td>5.000</td>
<td>.508</td>
<td>3.791</td>
<td>.155</td>
<td>.579</td>
</tr>
<tr>
<td>Csat4</td>
<td>1.000</td>
<td>5.000</td>
<td>.878</td>
<td>6.550</td>
<td>.867</td>
<td>3.234</td>
</tr>
<tr>
<td>Csat3</td>
<td>1.000</td>
<td>4.000</td>
<td>.602</td>
<td>4.488</td>
<td>-.653</td>
<td>-2.437</td>
</tr>
<tr>
<td>Csat2</td>
<td>1.000</td>
<td>4.000</td>
<td>.663</td>
<td>4.947</td>
<td>-.318</td>
<td>-1.185</td>
</tr>
<tr>
<td>Csat1</td>
<td>1.000</td>
<td>4.000</td>
<td>.692</td>
<td>5.160</td>
<td>-.306</td>
<td>-1.143</td>
</tr>
<tr>
<td>Cenv1</td>
<td>1.000</td>
<td>5.000</td>
<td>.786</td>
<td>5.867</td>
<td>1.246</td>
<td>4.650</td>
</tr>
<tr>
<td>Cenv2</td>
<td>1.000</td>
<td>4.000</td>
<td>.602</td>
<td>4.491</td>
<td>-.574</td>
<td>-2.142</td>
</tr>
<tr>
<td>Cenv6</td>
<td>1.000</td>
<td>4.000</td>
<td>.359</td>
<td>2.679</td>
<td>-.827</td>
<td>-3.085</td>
</tr>
<tr>
<td>CE2</td>
<td>1.000</td>
<td>3.000</td>
<td>1.119</td>
<td>8.350</td>
<td>.151</td>
<td>.565</td>
</tr>
<tr>
<td>CE3</td>
<td>1.000</td>
<td>4.000</td>
<td>.837</td>
<td>6.244</td>
<td>.132</td>
<td>.491</td>
</tr>
<tr>
<td>CE4</td>
<td>1.000</td>
<td>5.000</td>
<td>1.888</td>
<td>14.088</td>
<td>7.159</td>
<td>26.705</td>
</tr>
<tr>
<td>CE5</td>
<td>1.000</td>
<td>3.000</td>
<td>.861</td>
<td>6.426</td>
<td>.420</td>
<td>-1.566</td>
</tr>
<tr>
<td>CE6</td>
<td>1.000</td>
<td>4.000</td>
<td>1.674</td>
<td>12.493</td>
<td>2.865</td>
<td>10.687</td>
</tr>
<tr>
<td>CS1</td>
<td>1.000</td>
<td>5.000</td>
<td>.769</td>
<td>5.737</td>
<td>.666</td>
<td>2.485</td>
</tr>
<tr>
<td>CS5</td>
<td>1.000</td>
<td>5.000</td>
<td>.686</td>
<td>5.117</td>
<td>.540</td>
<td>2.014</td>
</tr>
<tr>
<td>CS6</td>
<td>1.000</td>
<td>5.000</td>
<td>.504</td>
<td>3.757</td>
<td>-.156</td>
<td>-.581</td>
</tr>
<tr>
<td>Multivariate</td>
<td></td>
<td></td>
<td></td>
<td>217.056</td>
<td>58.488</td>
<td></td>
</tr>
</tbody>
</table>

This outcome concurs with the Kurtosis Criterion Ratio (C. R) = 58.49, which is greater than ± 3 revealing the data is not normally distributed (Kline, 2011; Hair (Jr.) et al., 2010; Hooper et
al., 2008; Weston and Gore Jr., 2006). Despite the non-normality, the present research continued to use the data collected as SEM is robust enough to handle non-normality, especially in situations where the sample size is large as in this study (Hair (Jr.) et al., 2010).

4.7.2 Significance Tests for Direct Relationships

Although this study does not aim to study model fit, the conceptual framework presented in Chapter 2 is assessed on its model fit. Table 4.18 presents a summary of commonly used SEM statistics to evaluate models. The model for the current study seems to indicate significance as SEM statistics $\text{CMIN} = 417.26$, $\text{df} = 216$, $p$-value $= 0.0001$, although the chi-square statistics seem inflated with a $p$-value $< 0.05$, the ratio of $\text{CMIN}$ over degrees of freedom shows SEM’s robustness in terms of normality, thus $\text{CMIN/df} = 1.93$ is $< 2$, showing a significant model. Moreover, $\text{GFI} = 0.903$, is $> 0.9$, $\text{AGFI} = 0.900$, also $> 0.9$ and $\text{CFI} = 0.964$ is $> 0.9$, all supporting model fit. Studies on SEM statistics state that a model is deemed significant as long as at least four of these statistics are satisfied. Furthermore, one of the essential statistics, RMSEA is 0.053 falling within $0.03 < \text{RMSEA} < 0.08$, the significance of the model is thus confirmed.
Figure 4.3: Structural Model Incorporating CS, CE, Cenv, Csat, CC and CR

Table 4.18: SEM Statistics for Model Fit Assessment

<table>
<thead>
<tr>
<th>Model</th>
<th>CMIN</th>
<th>df</th>
<th>P</th>
<th>CMIN /DF</th>
<th>GFI</th>
<th>AG FI</th>
<th>CFI</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default model</td>
<td>417.257</td>
<td>216</td>
<td>.0001</td>
<td>1.932</td>
<td>.903</td>
<td>.900</td>
<td>.964</td>
<td>.053</td>
</tr>
<tr>
<td>Saturated model</td>
<td>.000</td>
<td>0</td>
<td>1.000</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>dependence model</td>
<td>5845.037</td>
<td>253</td>
<td>.000</td>
<td>23.10</td>
<td>.174</td>
<td>.099</td>
<td>.000</td>
<td>.258</td>
</tr>
</tbody>
</table>

The current study seeks to verify the postulated hypotheses on the relationships between its six constructs in order to verify the theories in relation to CSR’s three dimensions and their influence on corporate credibility and reputation of FACDs in Taiwan. The correlations
between constructs are common in social behavioural studies, as such regression weights and covariances were observed. Table 4.19 below shows the regression weights and significance of the relationships between the variables of the study. The first column of the table shows the relationships, whilst the C.R values and their respective p-value indicate the significance of the relationships. The significance of the relationship at 5% level of significance (p-value = 0.05) is based on the statistical null and alternative hypotheses as follows:

\[ H_0: \text{estimate} = 0 \]
\[ H_a: \text{estimate} \neq 0 \]

The relationship between CSR-social (CS) and customer satisfaction (Csat) charts a C.R = 2.836, with a p-value = 0.005, and as the p-value is less than (<) 0.05 the direct relationship between CS and Csat is significant with a standardised estimate of (+) 0.220. Thus, based on the statistical null hypothesis (H\(_0\)) that claims the estimate is nil is rejected, consequently supporting the significance of the relationship between CS and Csat. As the estimate is positive, H1: CSR-social initiatives positively relate to customer satisfaction of FACDs in Taiwan is supported.

The relationship between CE and Csat records C.R = 4.364 with a p-value = 0.0001, and as p-value < 0.05 the null hypothesis is rejected, supporting a significant relationship between CE and Csat. The standardised estimate = (+) 0.262, showing a positive relationship, hence H2: CSR-ethics initiatives positively relate to customer satisfaction of FACDs in Taiwan is supported.

The Cenv and Csat relationship charts a C.R = 4.139 with a p-value = 0.0001, with this being less than 0.05, the null hypothesis is rejected, showing a significant relationship between Cenv and Csat. The standardised estimate is = (+) 0.364 indicating a positive relationship,
thus H3: CSR-environment initiatives positively relate to customer satisfaction of FACDs in Taiwan is supported. Amongst these three the relationships, the relationship between Cenv and Csat seem to the highest as the standardised regression estimate shows.

Table 4.19: Regression Weights: (Group Number 1 - Default Model)

<table>
<thead>
<tr>
<th>Correlation</th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P-value</th>
<th>Standardised Regression Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Csat &lt;--- CS</td>
<td>.209</td>
<td>.074</td>
<td>2.836</td>
<td>.005</td>
<td>.220</td>
</tr>
<tr>
<td>Csat &lt;--- CE</td>
<td>.434</td>
<td>.099</td>
<td>4.364</td>
<td>***</td>
<td>.262</td>
</tr>
<tr>
<td>Csat &lt;--- Cenv</td>
<td>.396</td>
<td>.096</td>
<td>4.139</td>
<td>***</td>
<td>.364</td>
</tr>
<tr>
<td>CC &lt;--- Csat</td>
<td>.894</td>
<td>.074</td>
<td>12.116</td>
<td>***</td>
<td>.831</td>
</tr>
<tr>
<td>CR &lt;--- Csat</td>
<td>.772</td>
<td>.063</td>
<td>12.192</td>
<td>***</td>
<td>.810</td>
</tr>
<tr>
<td>CR &lt;--- CS</td>
<td>.127</td>
<td>.057</td>
<td>2.213</td>
<td>.027</td>
<td>.141</td>
</tr>
<tr>
<td>CR &lt;--- CE</td>
<td>.119</td>
<td>.077</td>
<td>1.543</td>
<td>.023</td>
<td>.176</td>
</tr>
<tr>
<td>CR &lt;--- Cenv</td>
<td>-.144</td>
<td>.076</td>
<td>-1.900</td>
<td>.057</td>
<td>-.139</td>
</tr>
<tr>
<td>CC &lt;--- CS</td>
<td>.145</td>
<td>.069</td>
<td>2.108</td>
<td>.035</td>
<td>.142</td>
</tr>
<tr>
<td>CC &lt;--- CE</td>
<td>.073</td>
<td>.092</td>
<td>.788</td>
<td>.431</td>
<td>.041</td>
</tr>
<tr>
<td>CC &lt;--- Cenv</td>
<td>-.174</td>
<td>.091</td>
<td>-1.912</td>
<td>.056</td>
<td>-.148</td>
</tr>
</tbody>
</table>

Note : *** = 0.0001

The relationship between CS and CR scored a C.R = 2.213 with a p-value = 0.027, as p-value < 0.05 this relationship is deemed significant at 5% level of significance. The standardised regression estimate of (+) 0.141 implies a positive relationship. The relationship between CE and CR scored a C.R = 1.543 with a corresponding p-value = 0.023, as the p-value > 0.05, the null hypothesis is rejected at 5% level of significance, thus the relationship is significant with a standardised regression estimate = (+) 0.176. Whereas, the relationship between Cenv and CR shows a C.R = (-) 1.900 with p-value = 0.057, hence the null hypothesis is not rejected at 5% level of significance as p-value > 0.05. Meanwhile, the standardised regression estimate is = (-) 0.139. This relationship can be deemed significant at 10% level of
significance. However, it is critical to note the relationship is negative. In conclusion, H4: CSR initiatives positively relate to corporate reputation of FACDs in Taiwan is only partially supported as one relationship is negative.

The direct relationship between CS and CC as shown in Table 4.19, is with C.R = 2.108 with a p-value = 0.035 and as p-value < 0.05 the null hypothesis is rejected. The standardised estimates = (+) 0.142, therefore a significant and positive relationship between CS and CC exist. Meanwhile, the direct relationship between CE and CC is with C.R = 0.788 and a p-value = 0.431, since p-value for this relationship is > 0.05 the null hypothesis is not rejected, with a standardised estimate of (+) 0.041, showing there is no significant relationship between CE and CC. Finally, the direct relationship between Cenv and CC shows a C.R = (-) 1.912 with p-value = 0.056, the null hypothesis is therefore not rejected at 5% level of significance. However, this relationship can be deemed significant at 10% level of significance. With the standardised regression estimates = (-) 0.148, showing a negative relationship, H5: CSR initiatives positively relate to corporate credibility of FACDs in Taiwan is concluded as partially supported. In summary, at 5% level of significance, only the social aspect of CSR has a positive and significant relationship with corporate credibility.

The relationship between Csat and CR scored a C.R =12.192, with a p-value = 0.0001. As the p-value is < 0.05 the null hypothesis is rejected, and with the standardised estimates = (+) 0.810 a significant positive relationship is seen. Therefore H6: Customer satisfaction positively relates to corporate reputation of FACDs in Taiwan is supported.

Table 4.19 further indicates the C.R = 12.116 with a p-value = 0.0001 for the relationship between Csat and CC, and as p-value < 0.05 the null hypothesis is rejected. With the standardised regression estimates = (+) 0.831, a significant positive relationship is implied.
Thus, H7: Customer satisfaction positively relates to corporate credibility of FACDs in Taiwan is supported.

4.7.3 Significance Tests for Indirect Relationships

To assess an intervening relationship, a direct relationship must first exist (Hair (Jr.) et al., 2010; Little, Card, Bovaird, Preacher, and Crandall, 2007; Preacher and Hayes, 2004; MacKinnon et al., 2002; Baron and Kenny, 1986). Viewing the role of Csat as the mediator for the relationship between CS, CE, Cenv (CSR initiatives) and CR, the direct relationships that are required to exist are the relationships between CS and CR, CE and CR, Cenv and CR, Csat and CR, CS and Csat, CE and Csat, and Cenv and Csat assessed through the outcomes summarised in Table 4.20a below.

Table 4.20a: Direct Relationships between CS, CE, Cenv and CR and Csat

<table>
<thead>
<tr>
<th>Direct Relationships</th>
<th>C.R</th>
<th>p-value</th>
<th>Decisions on Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS and CR</td>
<td>2.213</td>
<td>0.0270</td>
<td>exist</td>
</tr>
<tr>
<td>CE and CR</td>
<td>1.543</td>
<td>0.023</td>
<td>exist</td>
</tr>
<tr>
<td>Cenv and CR</td>
<td>-1.900</td>
<td>0.0570</td>
<td>exist at 10% level of significance</td>
</tr>
<tr>
<td>CS and Csat</td>
<td>2.836</td>
<td>0.005</td>
<td>exist</td>
</tr>
<tr>
<td>CE and Csat</td>
<td>4.364</td>
<td>0.0001</td>
<td>exist</td>
</tr>
<tr>
<td>Cenv and Csat</td>
<td>4.139</td>
<td>0.0001</td>
<td>exist</td>
</tr>
<tr>
<td>Csat and CR</td>
<td>12.192</td>
<td>0.0001</td>
<td>exist</td>
</tr>
</tbody>
</table>

With the confirmation of the direct relationships, the mediating construct is observed based on the standardised total estimates, as well as the direct and indirect estimates in Table 4.20b below. The mediation of Csat on the relationship between CS and CC and CR is concluded as
follows:

- The Direct Effect (DE) or relationships exist as shown in Table 4.20a above.
- The Indirect Effect (IE) of CS on CR = 0.179 (> 0.085) and Direct Effect (DE) = 0.141, thus IE ≅ DE, thus Csat is a partial mediator in the relationship between CS and CR.
- The Indirect Effect (IE) of CE on CR = 0.212 (> 0.085) and Direct Effect (DE) = 0.076, thus IE >>> DE, thus based on the rule of the thumb it can be concluded that Csat is a full mediator in the relationship between CE and CR.
- The Indirect Effect (IE) of Cenv on CR = 0.295 (> 0.085) and Direct Effect (DE) = -0.139, thus IE >>> DE, based on the rule of the thumb, Csat is a full mediator in the relationship between Cenv and CR.

With two relationships showing significant and full mediation and one partial mediation, it is concluded that, H8: Customer satisfaction significantly mediates the relationship between CSR initiatives and corporate reputation of FACDs in Taiwan is supported.

<table>
<thead>
<tr>
<th>Standardised Total Effect</th>
<th>Standardised Direct Effect</th>
<th>Standardised Indirect Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In view of the role of Csat as the mediator between relationship of CS, CE and Cenv and CC, the direct relationships that are required to exist are between CS, CE, Cenv and Csat and between CS, CE, Cenv and CC and the relationship between the mediator, Csat and CC as listed in Table 4.21 below.

### Table 4.21: Direct Relationships between CE, CR, CC and Csat

<table>
<thead>
<tr>
<th>Direct Relationships</th>
<th>C.R</th>
<th>p-value</th>
<th>Decisions on relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS and CC</td>
<td>2.108</td>
<td>0.035</td>
<td>exist</td>
</tr>
<tr>
<td>CE and CC</td>
<td>0.788</td>
<td>0.431</td>
<td>does not exist</td>
</tr>
<tr>
<td>Cenv and CC</td>
<td>-1.912</td>
<td>0.0560</td>
<td>exist at 10% level of significance</td>
</tr>
<tr>
<td>CS and Csat</td>
<td>2.836</td>
<td>0.005</td>
<td>exist</td>
</tr>
<tr>
<td>CE and Csat</td>
<td>4.364</td>
<td>0.0001</td>
<td>exist</td>
</tr>
<tr>
<td>Cenv and Csat</td>
<td>4.139</td>
<td>0.0001</td>
<td>exist</td>
</tr>
<tr>
<td>Csat and CC</td>
<td>12.116</td>
<td>0.0001</td>
<td>exist</td>
</tr>
</tbody>
</table>

As a direct relationship between CE and CC does not exist, the mediating effect of Csat on the relationship between CE and CC could not be evaluated. However, all other direct relationships exist at 5% level of significance, whilst CEnv and CC has a significant relationship at 10% level of significance. As such, based on Baron and Kenny’s (1986) recommendations for mediation, H9: Customer satisfaction significantly mediates the
relationship between CSR initiatives and corporate credibility of FACDs in Taiwan is not supported.

Table 4.22 below summarises the decisions on the hypotheses postulated for this study. Six of the hypotheses are supported, these being H1, H2, H3, H6, H7 and H8, while two hypotheses, H4 and H5 are partially supported. H9 has been deemed not supported as the initial analysis found part of the criteria for mediation is not met, thus further mediation analysis could not be performed.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1  CSR-social initiatives positively relate to customer satisfaction of</td>
<td>Supported</td>
</tr>
<tr>
<td>FACDs in Taiwan</td>
<td></td>
</tr>
<tr>
<td>H2  CSR-ethics initiatives positively relate to customer satisfaction of</td>
<td>Supported</td>
</tr>
<tr>
<td>FACDs in Taiwan</td>
<td></td>
</tr>
<tr>
<td>H3  CSR-environment initiatives positively relate to customer satisfaction</td>
<td>Supported</td>
</tr>
<tr>
<td>of FACDs in Taiwan</td>
<td></td>
</tr>
<tr>
<td>H4  CSR initiatives positively relates to corporate reputation of FACDs in</td>
<td>Partially</td>
</tr>
<tr>
<td>Taiwan</td>
<td>Supported</td>
</tr>
<tr>
<td>H5  CSR initiatives positively relates to corporate credibility of FACDs in</td>
<td>Partially</td>
</tr>
<tr>
<td>Taiwan</td>
<td>Supported</td>
</tr>
<tr>
<td>H6  Customer satisfaction positively relates to corporate reputation of</td>
<td>Supported</td>
</tr>
<tr>
<td>FACDs in Taiwan</td>
<td></td>
</tr>
<tr>
<td>H7  Customer satisfaction positively relates to corporate credibility of</td>
<td>Supported</td>
</tr>
<tr>
<td>FACDs in Taiwan</td>
<td></td>
</tr>
<tr>
<td>H8  Customer satisfaction significantly mediates the relationship between</td>
<td>Supported</td>
</tr>
<tr>
<td>CSR initiatives and corporate reputation of FACDs in Taiwan</td>
<td></td>
</tr>
<tr>
<td>H9  Customer satisfaction significantly mediates the relationship between</td>
<td>Not supported</td>
</tr>
<tr>
<td>CSR initiatives and corporate credibility of FACDs in Taiwan</td>
<td></td>
</tr>
</tbody>
</table>

4.8 Chapter Summary

The chapter presented the outcomes of the data analysis undertaken on the data collected with self-administered questionnaires from 334 members of Taiwan’s FACDs. The analysis shows
that more female respondents participated in the survey, mostly being in the age group 41-50 with tertiary education. The data analysis shows measurement analysis that satisfies validity and reliability requirements with the removal of 14 items out of 37 items. Items CS2, CS3 and CS4 were removed from CSR-social construct, CE1 removed from the CSR-ethics construct, Cenv3, Cenv4 and Cenv5 were removed from the CSR-environment construct. Amongst the items that represented customer satisfaction, Csat5 and Csat6 were removed, meanwhile CC2, CC3, CC6 from corporate credibility and CR4 and CR7 from corporate reliability were removed to chart a higher level of validity, achieving convergent and determinant validity. Content validity was achieved by drawing upon a plethora of literature in relation to the research variables, all of which were reviewed in Chapter 2. The nomological validity for this study was confirmed, with six hypotheses supported and two partially supported hypotheses. Besides the validity of the data collected, the Cronbach’s Alpha indicated highly acceptable reliability of above 0.7, which is suitable for both academic and management studies.

The outcome of data analyses using SEM in AMOS version 22, showed the data is not normally distributed, but due to the large sample of 334 and the robustness of SEM in relation to normality, the hypotheses testing was carried out, exhibiting six out of nine hypotheses supported. Interestingly the hypotheses developed for the mediating variable, customer satisfaction on the relationship between CSR and credibility, is not supported while it plays a fully mediating role in relation to CSR and corporate reputation. These outcomes are showing some interesting signs that may require further research. However, the noteworthy outcomes are the mediating effect of satisfaction on corporate reputation, the non-existence of the relationship between ethics dimension of CSR and corporate credibility, and the negative relationship between the environment dimension of CSR and corporate
reputation and credibility.

The following Chapter 5 discusses and deliberates the relationships found in this chapter. Primary interest is given to the mediating effect of customer satisfaction and its consequences on corporate credibility and reputation. The chapter also discusses the managerial, theoretical and methodological implications, as well as the limitations of this research, and concludes by providing ideas for future research on CSR and its impact on image, reputation and credibility.

Chapter 5
Discussion and Conclusion
5.0 Introduction

The previous chapter showed the outcomes of statistical analyses that assessed the measurements used for this study and addressed the hypotheses postulated in Chapter 2. The primary objective of this study was to understand the role played by customer satisfaction in understanding the CSR initiatives that are related to corporate reputation and credibility. In using specific CSR initiatives in relation to social, ethics, and environment, this study proposed that the relationship between these initiatives and corporate reputation and credibility is mediated by customer satisfaction.

This chapter involves the relationships associated with CSR, customer satisfaction, corporate reputation, and credibility, addressing the research questions by utilising the study's hypotheses examined in the previous chapter. The chapter begins with a general description and discussion of the findings with regard to the respondents’ profile and responses, and is followed by a discussion of the hypotheses findings with respect to answering the following posited research questions.

RQ1: Do CSR initiatives (social, ethics, and environment) influence the satisfaction of customers of FACDs in Taiwan?

H1: CSR-social initiatives positively relate to customer satisfaction of FACDs in Taiwan

H2: CSR-ethics initiatives positively relate to customer satisfaction of FACDs in Taiwan

H3: CSR-environment initiatives positively relate to customer satisfaction of FACDs in Taiwan
RQ2: Do CSR initiatives have direct relationship with credibility of FACDs in Taiwan?

H5: CSR initiatives positively relate to corporate credibility of FACDs in Taiwan

SubRQ2: Does satisfaction mediate the relationship between CSR initiatives and credibility of FACDs in Taiwan?

H7: Customer satisfaction positively relates to corporate credibility of FACDs in Taiwan

H9: Customer satisfaction significantly mediates the relationship between CSR initiatives and corporate credibility of FACDs in Taiwan

RQ3: Do CSR initiatives have direct relationship with reputation of FACDs in Taiwan?

H4: CSR initiatives positively relates to corporate reputation of FACDs in Taiwan

SubRQ3: Does satisfaction mediate the relationship between CSR initiatives and reputation of FACDs in Taiwan?

H6: Customer satisfaction positively relates to corporate reputation of FACDs in Taiwan

H8: Customer satisfaction significantly mediates the relationship between CSR initiatives and corporate reputation of FACDs in Taiwan
This provides the theoretical, methodological and managerial significance of the study, and is followed by limitations and delimitations of the study and suggestions for future research.

5.1 General Findings

The data collected from the customers of FACDs in Taiwan indicated a marginally larger number of female respondents, although a majority of Taiwanese farmers are male. The 52.4% female respondents may be because the wives or daughters of farmers in Taiwan are the financial controllers of the farm; they may also be the ones taking care of office matters while the men look after the farming matters. The majority of respondents are primarily between the age of 41-50 and tertiary educated, indicating maturity and a better understanding of FACDs' business, the role of CSR, and the nature and role played by the constructs hypothesised in this study. This research was developed based on a comprehensive literature review revolving around CSR aspect of social, ethics, and environment, and their interlinking relationships with customer satisfaction, corporate credibility, and reputation. As such, educated members of FACDs in Taiwan with a stable farming life are the appropriate choice of population to provide an understanding of CSR and its intricate relationships. The initial analysis using the average mean score of responses shows the agreeableness of respondents to the items representing the constructs that were presented to them. This generally communicates FACD members’ positive perception of CSR initiatives relating to social services, ethical business conduct, and efforts to save and preserve the environment. Besides, their satisfaction with FACDs' business operation and services and mean score that implies they are confident of FACDs' reputation and credibility, provide a rough idea of the research participants’ stance. However, as the average mean scores merely show the inclination of responses to individual constructs, their interconnectedness and representation of relationships are notable from outcomes of further analyses and significance testing.
All the items in the research questionnaire originated from published studies, as stated in Chapter 2 and Chapter 3. However, to thoroughly understand relationships between non-numeric constructs such as satisfaction where variations are minimal, the items used to measure the constructs ought to be mutually exclusive. Therefore, the research ought to be designed to collect the data in such a way that as much variances in responses are accounted for, thus data collection is vigilantly undertaken, ensuring respondents are not able to influence each other’s responses nor are they compelled to respond in a certain manner.

The Harmon’s One Test to recognise common method variances showed no sign of bias due to the existence of variances amongst the 37 items used for this study (Conway and Lance, 2010; Meade et al., 2007; Malhotra et al., 2006; Podsakoff et al., 2003; Podsakoff and Organ, 1986). Thus indicating the study has taken precautions to collect the data from a vast number of respondents who are not interconnected. This further reduced the social desirability evoked by the need to be recognised as a good citizen. The acknowledgement of being aware and having knowledge of CSR is a common social desirability, usually to gain acceptance by society. Similarly, one’s involvement in CSR undertakings is a claim one makes to gain respect from society (Malhotra et al., 2006; Souiden et al., 2006; Podsakoff and Organ, 1986). Again, this study presents the Harmon’s One Test that clearly shows all 37 items loading, though several at a minor level, indicating reduced social desirability.

The items were further tested for their validity and reliability to ensure the respondents in the current context are able to grasp what the items are meant to measure. The EFA and CFA tests determined the convergence and discriminant validity of the data collected from the 334 respondents, resulting a validated set of data with manageable number of items, representing
the respective constructs (Field, 2009; Bogue et al., 2005). However, the EFA and CFA tests showed validity upon removal of three items out of the six items representing the social aspect of CSR, one item out of six items of the ethics aspect of CSR, and three out of six items of the environment aspect of CSR. In addition to which, the procedure also removed two out of six items measuring customer satisfaction, three out of six items measuring corporate credibility, and two out of seven items used to measure corporate reputation. With these removals, the validity tests indicate the achievement of convergent and discriminant validity while increasing the percentage of variances explained.

While EFA results showed 76.9% of the variances in satisfaction, reputation and credibility items are explained by the 19 items that remained and 62.1% of variances within the 15 items of three CSR aspects, and the CFA outcome supplied 23 total items spread across all six constructs of this study, clearly distinguishing one construct from another. Thus the initial 37 items was reduced to 23 items that are highly reliable while strongly representing the six constructs (Bogue et al., 2005). The Cronbach’s alpha (α) test for reliability in all constructs resulted in 0.77 and above (Hair (Jr.) et al., 2010; Sekaran and Bougie, 2013; James et al., 2005; Hsu and Fan, 1995; Nunnally, 1978). The removal of 14 items improved both reliability and validity of items used in this study, preparing the data set for further statistical analysis.

5.2 Major Findings

The present study emerges from a strong foundation of literatures in the areas of CSR, customer behaviour, corporate reputation and credibility, covering a wide variety of disciplines, namely marketing, consumer behaviour, and business ethics. The review of these
literatures led to the development of three research questions (RQs) where RQ2 and RQ3 are each supplemented with one sub-RQ. A total of nine hypotheses emanated from these RQs with a primary focus to verify customer satisfaction as an intervening construct in two idealistic relationships that develop into corporate reputation and credibility. Though previous studies concentrate on all four dimensions of CSR: economics, legality, ethics, and discretionary (Schwartz and Carroll, 2003; Carroll, 1979; Pinkston and Carroll, 1996), the present study works on independent constructs relating to CSR ethics and discretionary (social and environment). These paradoxical CSR aspects are specific to the functions of FACDs in Taiwan, thus the perception of FACD members and customers on the CSR-social, CSR-ethics and CSR-environment was collected using self-administered and structured questionnaires. Customer satisfaction of the FACD was measured using customers’ happiness and fulfilment with FACDs' functions. Meanwhile, corporate reputation was measured with customer’s opinion on the efficiency of FACDs in delivering its duties. Whereas, customers' opinion of FACD’s honesty and truthfulness in performing their functions was sought to measure credibility. There is a dearth of research on the mediating function of customer satisfaction and the relationships between specific CSR initiatives and corporate reputation and credibility, as such the conceptual framework was developed bearing in mind the unique function of Taiwanese FACDs, where customers play the role of both customer and agent.

5.2.1 Direct Relationship between CSR Initiatives and Customer Satisfaction

The outcomes of the statistical analysis provided several surprising results, beginning with the primary research question, RQ1: Do CSR initiatives (social, ethics, and environment) influence the satisfaction of customers of FACDs in Taiwan? This research question is directly connected to H1, H2, and H3, which are all supported. H1 postulates a positive relationship between the social aspect of CSR and customer satisfaction. H2 postulates a
positive relationship between the ethics aspect and customer satisfaction, while H3 suggests a positive relationship between the environment aspect and customer satisfaction. The support for these hypotheses show that customers satisfaction with FACDs, their products and services is most likely influenced by FACDs' ethical business conduct, its involvement in social activities such as helping underprivileged communities, and support of projects relating to the environment. This concurs with several previous studies in various contexts, showing the application of CSR initiatives to gain customer confidence and satisfaction (Pérez and del Bosque, 2015a; Chomvilailuk and Butcher, 2013; Mandhachitara and Poolthong, 2011; McDonald and Lai, 2011; Pomering and Dolnicar, 2006; Maignan and Ferrell, 2004).

However amongst these three aspects, FACDs' involvement in saving the environment is most appreciated and provides more satisfaction as the standardised estimate is the highest at (+) 0.364, followed by ethics that scored an estimate of (+) 0.262, and social at (+) 0.220. Customers may be showing more interest in a company’s commitment to saving the environment compared to other aspects of CSR, as the efforts are more apparent in their day-to-day business operations. FACDs' reduced paper usage through automisation of banking and recycling of paper could be more visible to customers as they come across the need to convert to online banking and e-statements. As such, customers are able to critically relate and positively support FACDs' support for environmental causes.

Customer satisfaction with a company that conducts its business ethically, such as provision of honest information, reasonable service, tax charges, and transparency, though visible and critically valued by customers, may not be sufficient if there is a feeling that an ethical business should cover much more than simply relating to customers. Theoretically, business ethics covers a broad array of duties and obligations toward stakeholders, and although the
respondents showed satisfaction with the organisation's ethical conduct toward them, there might possibly be other areas of ethics that they would like to see present in the organisation's conduct that they were not questioned on. Such ethical conduct might be the organisation's treatment of employees, suppliers, and other stakeholders (Mulki and Jaramillo, 2011; McDonald and Rundle-Thiele, 2008; Jones et al., 2009; Silberhorn and Warren, 2007).

Customers may similarly feel that social service is carried out for publicity only, as it is not visible to customers directly and therefore lacks the ability to gain customer trust of its legitimacy. An activity undertaken once or twice a year during festivities, mainly to gain an appearance in the newspapers, creating public interest and corporate awareness, may not be what customers look for to satisfy their interest in FACDs (Choi and La, 2013; Chomvilailuk and Butcher, 2013; Pomering and Dolnicar, 2006). As hypothesised, FACD customers are generally satisfied with FACDs' CSR initiatives, improving ethical business conduct, contributing to underprivileged communities, and making efforts to save the environment (Chomvilailuk, and Butcher, 2013; McDonald and Rundle-Thiele, 2008; Marin and Ruiz, 2007).

As CSR is paradoxical, it exudes various reactions and perceptions from a myriad of stakeholders. In recent years, this notion has been so overused and overly proclaimed that it goes under-appreciated (Esen, 2013; Singh and Agarwal, 2013; Fan, 2005). The ingenuity of the initiatives undertaken by organisations to improve an organisation’s status has been recognised in previous research (Pomering and Dolnicar, 2006; Marin and Ruiz, 2007). However, innovative CSR activities are highly recognised and commendable thus fast gaining research interest, reflecting CSR’s growing importance in the business world (Pérez and del Bosque, 2015b; Slevitch, et al., 2013; Melo and Garrido, 2012; Levesque and
5.2.2 Direct Relationship between CSR Initiatives and Corporate Credibility

RQ2: Do CSR initiatives have a direct relationship with the credibility of FACDs in Taiwan? McDougall, 1996). is linked to H5: CSR initiatives positively relate to corporate credibility of FACDs in Taiwan, which is only partially supported. As discussed in Chapter 2, past studies show that CSR has a strong inclination to influence customers' opinion of company credibility (Choi and La, 2013; Chomvilailuk and Butcher, 2013; Pomering and Dolnicar, 2009; Lepoutre et al., 2007; Spickett-Jones et al., 2004; Hoeffler and Keller, 2002).

However, hypothesis five seems to indicate otherwise. The partially supported hypothesis proclaims CSR-social as the only aspect of CSR that positively relates to corporate credibility, while CSR-ethics and CSR-environment are not significantly related. Furthermore, CSR-environment shows a negative relationship with credibility. Previous research claimed that the CSR initiatives enhance customers’ perception of the company’s credibility (Choi and La, 2013; Chomvilailuk and Butcher, 2013; Pomering and Dolnicar, 2006). However, the contrary is also claimed that augmentation of credibility is very much dependent on the type of CSR activity (Pérez and del Bosque, 2015b; Pérez and del Bosque, 2014; McDonald and Lai, 2011); which is indicated by the present study.

As FACDs are financial organisations, primarily set up for the members of the farmers’ association in Taiwan, the expectation of the members may indicate that though they believe CSR is important for FACDs, the CSR initiatives presented to them are not likely the ones that provide a positive impact. As a cooperative type organisation, FACDs' primary role is to provide funding for the farmers and increase their investment returns while the CSR efforts,
such as charity contribution and use of new equipment for operational efficiency, may be reflected as costs to the company (Pérez and del Bosque, 2014; Pérez and del Bosque, 2012).

Some studies have claimed that CSR is propaganda carried out to gain publicity and popularity. Consequently the ethical conduct of a financial institution may be misunderstood as a merely a publicity ploy, which concurs with the findings of Kim, Lee, Lee, and Kim (2010) and Mattila (2009). In fact, as indicated in the present study, support for environmental causes show a negative impact on credibility. Thus, as customers of FACDs are farmers, CSR activities involving the environment may be suitable for FACDs as they could involve their customers in farming related initiatives such as support for organic farming.

As such H5 is partially supported, addressing research question two whereby only some CSR initiatives show direct relationships with corporate credibility. Thus, companies need to diligently understand their primary role and creatively initiate activities surrounding the economic, legal, ethics and discretionary (social and environment) aspects of CSR, while efficiently and effectively performing the company’s primary role (Choi and La, 2013; Tong et al., 2013). Reviewing the arguments in Chapter 2, the economic dimension of CSR may have been viewed more positively by FACD customers, suggesting that credibility of organisations such as FACDs depends on economic performance to support customer needs ahead of involvement in other aspects of CSR, which echoes the triple-bottom-line concept and the stakeholder theory that describes customers as an organisation’s primary concern (McDonald and Lai, 2011; McDonald and Rundle-Thiele, 2008; Enquist et al., 2006; Peattie and Crane, 2005).

5.2.3 Customer Satisfaction as a Mediator between CSR Initiatives and Credibility
SubRQ2: Does satisfaction mediate the relationship between CSR initiatives and credibility of FACDs in Taiwan? This RQ is directly linked to H9: Customer satisfaction significantly mediates the relationship between CSR initiatives and corporate credibility of FACDs in Taiwan. Again, a contradictory finding to mediation of customer satisfaction in the relationship between CSR initiatives and corporate credibility, as hypothesis nine is not supported. As shown in Table 5.1 below, two direct relationships between CSR and credibility are not supported, as such the rule for direct relationships to be significant was not fulfilled in this case, thus this mediating relationship could not be confirmed. Curiously, the direct relationships that did not exist are the relationships between CSR-ethics, CSR-environment and corporate credibility, which were not hypothesised in this study.

<table>
<thead>
<tr>
<th>Relationships</th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS - CC</td>
<td>.145</td>
<td>.069</td>
<td>2.108</td>
<td>.035</td>
</tr>
<tr>
<td>CE - CC</td>
<td>.073</td>
<td>.092</td>
<td>.788</td>
<td>.431</td>
</tr>
<tr>
<td>Cenv - CC</td>
<td>-.174</td>
<td>.091</td>
<td>-1.912</td>
<td>.056</td>
</tr>
</tbody>
</table>

Table 5.1: Relationships between CSR Dimensions and Corporate Credibility

CSR initiatives as a whole could possibly have had a direct positive relationship with corporate credibility, as some studies suggest (Gilani, 2015; Chomvilailuk and Butcher, 2013; Mandhachitara and Poolthong, 2011; McDonald and Lai, 2011). Instead, the present study focused on the relationships extricated by specific aspects of CSR. Perhaps, as ethics is traditionally expected of an organisation, a conservative society such as the farmers in Taiwan may expect their FACD to naturally serve members ethically (Ferrell et al., 2011; Mulki and Jaramillo, 2011), and not showcase it as a CSR activity. Thus one does not directly link it to
the credibility of the organisation, especially an organisation such as a FACD. An organisation’s financial stability and increasing profitability via informed and calculated investments may be expected of these types of organisation, earning credibility as a financial capable institution that would be able to support its customers during difficult times.

5.2.4 Direct Relationship between CSR Initiatives and Corporate Reputation

RQ3: Do CSR initiatives have a direct relationship with the reputation of FACDs in Taiwan?

is linked to H4: CSR initiatives positively relates to corporate reputation of FACDs in Taiwan. The hypothesis is partially supported. This result is unexpected since previous studies found a significant positive relationship between CSR and corporate reputation (Gilani, 2015; Esen, 2013; Hur et al., 2014; Marin and Ruiz, 2007). Whilst CSR-social and CSR-ethics indicate a positive relationship, the relationship between CSR-environment and corporate reputation, though significant is negative as shown in Table 5.2 below. Although, at 5% level of significance this relationship is deemed rejected, this study adapted the acceptance criteria of most behavioural and marketing studies at 10% level of significance. As such, CSR-environment has a significant negative relationship with corporate reputation (Malhotra, 2014; Burns and Bush, 2010; Zikmund and Babin, 2010). With this, the hypothesis claiming CSR-environment’s relationship with corporate reputation is partially supported.

FACD customers do not particularly think that FACDs’ environmental concerns increase its corporate reputation. This could be due to the nature of work of FACDs, whereby their involvement in providing financial facilities to the farming community may be seen as being directly linked to the environment, and therefore additional involvement not relating to farming may be construed as unnecessary costs for FACDs, consequently reducing their reputation. The experience with Taiwanese banks during the Asian financial crisis in the late
1990s followed by global crisis in 2008 may have triggered such expectations and perceptions amongst Taiwanese farmers. Previous studies indicate that Taiwanese banks, including credit departments, were not cost efficient and were increasingly incurring bad debts (Liu and Lin, 2007; Lin, 2002). The reorganisation and merger of commercial banks, including the credit departments of farmer’s associations, was due to the over-supply of commercial banks that corroded profits and assets (Liu, 2007; Lin, 2002; Liu, 2002). These experiences may have led customers to be sceptical with regards to FACDs' spending on non-income generating endeavours, such as CSR environmental causes. Spending money on charity or social movements however may be considered directly related to people or even farmers in dire need of assistance with their farms. The Taiwanese banking system has been going through massive changes over the past few years such that the reputation of the credit department may simply depend on how much it can make in order to support the farmers in the future.

Credit departments in Taiwan as in other countries such as Canada were set up to support farmers during their time of need. This notion is quite similar to CSR, or in other words FACDs are a CSR organisation. The primary duty of FACDs may be thought of as increasing investments in order to enable them to serve their customers better (Gilani, 2015; Lee and Shen, 2014; Wattanakamolchai et al., 2014), while expenses involved in environmental causes can be costly, reducing FACDs' profits and therefore the customers' earnings. The present study measured reputation in terms of providing excellent service and the ability to attract reputable customers, which would expectedly be measured based on its capability to make informed decisions on investments enabling it to independently support farmers. As such a reputable FACD should have the intellectual capability to independently generate its income with minimal support from the government (Lee and Shen, 2014; Liu and Lin, 2007).
Table 5.2: Relationships between CSR Dimensions and Corporate Reputation

<table>
<thead>
<tr>
<th>Relationships</th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS - CR</td>
<td>.127</td>
<td>.057</td>
<td>2.213</td>
<td>.027</td>
</tr>
<tr>
<td>CE - CR</td>
<td>.119</td>
<td>.077</td>
<td>1.543</td>
<td>.023</td>
</tr>
<tr>
<td>Cenv - CR</td>
<td>-.144</td>
<td>.076</td>
<td>-1.900</td>
<td>.057</td>
</tr>
</tbody>
</table>

Some CSR related studies claim customers view actions of an organisation that consider their needs or are customer-oriented more positively than CSR activities that do not directly concern them (Tong et al., 2013; Auger et al., 2006). This appears to be the case from the FACDs' customers’ viewpoint, as they seem to be more concerned with CSR activities that directly benefit them.

As reputation is based on the experience that customers have with an organisation’s products and services (Wood and Rentschler, 2003), and CSR-environment is not directly connected to FACDs’s expertise and what it is set up for, a perplexing involvement on the part of FACDs under the guise of CSR. This is especially so when their expertise should be focused on finance and not on saving animals and sustaining the environment. Customers may have also been experiencing a reduced amount of direct personal contact time with FACDs as a result of automated tellers, online banking, and e-statements, which concurs with the findings of studies by Hur, Kim, and Woo (2014) and Wood and Rentschler (2003).

5.2.5 Customer Satisfaction as a Mediator between CSR Initiatives and Reputation

SubRQ3: Does satisfaction mediate the relationship between CSR initiatives and reputation
of FACDs in Taiwan?, is linked to H8: Customer satisfaction significantly mediates the relationship between CSR initiatives and corporate reputation of FACDs in Taiwan, which is supported. Therefore customer satisfaction intervenes in the relationship between CSR initiatives and corporate reputation as described in Chapter 4. The direct relationships suggested by Baron and Kenny (1986), namely the relationship between CSR initiatives and corporate reputation, the relationship between CSR initiatives and customer satisfaction, and the relationship between customer satisfaction and corporate reputation exist, corroborating past studies on CSR, satisfaction and reputation (Mandhachitara and Poolthong, 2011; McDonald and Lai, 2011; Bhattacharya et al., 2009; Cretu and Brodie, 2009; De los Salmones et al., 2009; Luo and Bhattacharya, 2006). Interestingly, this is in contrast to customer satisfaction’s intervening function in the relationship between CSR initiatives and corporate credibility as discussed above. Hence, FACD customers believe that in order for them to see FACDs as reputable, besides CSR initiatives within the three dimensions, customers ought to be satisfied with FACDs' performance in terms of providing a quality service. Moreover, some studies indicate that the CSR activities initiated by organisations that capture customers' attention are those that bring direct benefits to customers, such as enhanced retail appeal, lower interest rates, and lower operation costs (Tong et al., 2013; Auger et al., 2006). By their very nature, the actions of any organisation will invariably impact individuals external to the organisation. Accordingly, some studies suggest that corporate reputation consequently translates into positive consumer behaviour, such as through purchase intentions (Fatma and Rahman, 2016; Hur et al., 2014; Lai et al., 2010), which ultimately lead to organisational growth. A myriad of studies indicate the importance of ethical business and socially responsible behaviour in building corporate reputation (Esen, 2013; Mulki and Jaramillo, 2011; Marin and Ruiz, 2007; Fan, 2005). However, as the present study shows, although FACD customers have similar behaviour and opinion as the context of
other studies, they feel that their satisfaction with the organisation is imperative to form an opinion that the organisation is reputable. As such, organisations embarking on CSR initiatives ought to be careful not to get carried away in their undertakings such that they forget to carry out their fundamental function efficiently to the satisfaction of their customers.

Further, the present study shows that in the banking and finance industry, and more uniquely a cooperative such as the FACDs in Taiwan, customer satisfaction is crucial for corporate reputation. Satisfaction with the service provided by FACD employees, the financial products designed to help farmers, and most importantly the convenience the cooperative provides, enhance customers' perception of CSR activities thus leading to a reputable organisation. However, as prior studies indicate, organisations ought to ensure that the CSR activities undertaken are relevant (Singh and Agarwal, 2013; Wood and Rentschler, 2003) and consistently disclosed for customers to understand the purpose of the activities (Pérez, 2015; Krasodomska, 2015; Esen, 2013; Hsu, 2012). Otherwise, irregular reporting and inconsistency in undertaking CSR activities may lead customers to believe the organisation is not serious or is performing the CSR for publicity and worst still the CSR activities are simply a fad (Pérez and del Bosque, 2012; Lee, 2008). More importantly, as the present study suggests, CSR initiatives ought to be uniquely beneficial to customers and reporting ought to deliver these benefits (Melo and Garrido, 2012). FACD members may be able to relate to CSR activities that are designed for their benefit, such as the use of lean management processes at FACD offices.

5.3 Significance of the Study

CSR is ever evolving and so paradoxical that it perpetually requires contemporary and up-to-date knowledge. This study significantly contributes to the theoretical, managerial, and methodological know-how of CSR by enhancing the perceptive of managers and academics
towards CSR initiatives and their value to society and organisations. This study further
enriches knowledge on theoretically formed constructs, namely customer satisfaction,
corporate reputation, and credibility, and their specific roles in organisational growth. The
research emanated from theoretically and conceptually sound constructs and is empirical,
strengthening and enhancing the current knowledge on relationships between specific CSR
initiatives from the perspective of ethics and discretionary dimensions, corporate reputation
and credibility. Most importantly it focuses on the intervening role of customer satisfaction in
articulating these marketing notions. Though previous studies revolved around CSR in the
form of initiatives within the dimensions of economic, legal, ethics, and discretionary, they
hardly identified customer satisfaction towards the organisations that undertake several
specific CSR initiatives; thus its knowledge is underdeveloped.

The present research finds a full mediation function for customer satisfaction in the
relationship between CSR initiatives (ethics, social, and environment) and corporate reputation;
but finds no intervening role for customer satisfaction in the relationship between the
above-mentioned CSR initiatives and corporate credibility.

Theoretically, this adds to the current body of knowledge related to CSR that although
customer satisfaction is positively related to corporate credibility, the non-existence of the
relationship between CSR-ethics and credibility leads to the acknowledgement that customer
satisfaction is not a mediator. Thus, the crucial point here is that collectively CSR initiatives
may not have an effect on credibility of the organisation in this context, but individually there
may be a significant effect. Concurring with a vast number of previous studies, the present
study verifies that corporate reputation that is developed over many years of experience with an
organisation, and corporate credibility that is built through trust placed in the organisation, are
part of the performance measure. Along with this, customer satisfaction of the services and products remains a crucial point of reference to measure organisational performance, reputation, and credibility.

As the finance industry lacks tangibility, is a perishable service, and there is inseparability of service and production, the use of service quality, reputation and credibility of the organisation are crucial to distinguish one organisation from another. Though in the recent years, CSR seems to be a confused term loosely used in relation to an organisation’s basic responsibilities, it also seems to be an appropriate tool to responsibly serve stakeholders while reaping its benefits in terms of reputation and credibility. However, it is equally important for customers to be satisfied with the organisation’s products and services in order to develop a stronger reputation and credibility; the current research argues that it is imperative to satisfy customers rather than concentrating only on CSR activities.

5.3.1 Theoretical Contribution

The vast number of marketing and CSR literature referred to in the theoretical framework for this study has contributed to an understanding of CSR and its implications for business. Meanwhile the outcome of the present study significantly contributes to proliferation of knowledge related to CSR activities and customer satisfaction, and their roles in corporate reputation and credibility.

The effects of CSR on customer satisfaction, corporate reputation and credibility have been studied in various ways. Studies in the service industry indicate that CSR is used by some organisations as a marketing ploy (Choi and La, 2013; Chomvilailuk and Butcher, 2013; Pomering and Dolnicar, 2006; Lee, 2008), while some use it to build better corporate image in
terms of reputation and credibility (Wattanakamolchai et al., 2014; Poetz et al., 2013; Mandhachitara and Poolthong, 2011; Kantsperger and Kunz, 2010; Cretu and Brodie, 2009). However, as the business world evolves, the reputation and credibility of organisations is becoming multi-dimensional. Indeed, reputable organisations have the ability to hold on to their customers a lot longer than non-reputable ones. However, proliferating competition demands a more holistic reputation rather than reputation from one specific angle. Though satisfaction is the cornerstone of holding on to customer interest and prolonging loyalty, the role of satisfaction in converting CSR efforts to reputation and credibility is frequently neglected. As such, the present study, whilst acknowledging the existence of specific knowledge on CSR in business, adds a new dimension to the understanding of what other roles satisfaction plays in enhancing the effect of CSR on corporate reputation and credibility.

Interestingly, newer knowledge was gained as, though all three CSR aspects of social, ethics and environment are positively and significantly related to customer satisfaction in this study, CSR-ethics seem not to be significant in relationship with corporate credibility. This clearly adds new knowledge to the theories and findings of the past. CSR as a whole may be seen as building blocks for reputation and credibility but in some industries and contexts, namely services like banking, credibility of the organisation is not seen as significantly influenced by the organisation's ethical conduct. As discussed above, FACDs may be expected to behave ethically as they are a government initiative to improve credit facilities for Taiwanese farmers. Accordingly, good ethical behaviour may not be considered as part of CSR nor is credibility based on such behaviour. Therefore, it is crucial to understand the context and undertake relevant CSR activities.

Moreover, customer satisfaction is a mediator in the relationship between CSR initiatives and corporate reputation but not in the relationship between CSR initiatives and corporate
credibility. This outcome may be unique to the credit department sector, as the mediating effect was not established due to the non-existence of the relationship between ethics and corporate credibility. Thus, customer satisfaction may be a mediator in the relationship if the CSR efforts are effective efforts that significantly relate to credibility. As such, theoretically, when CSR activities are seen as an overall initiative, credibility and reputation may benefit, but when these initiatives are studied individually, customers may be more particular about what they want their organisation to be involved in under the guise of CSR.

The present study adds to the theoretically acknowledged relationship between CSR initiatives, customer satisfaction, and corporate reputation, while adding new knowledge to customer satisfaction’s mediating role in this relationship. Moreover, this study established that CSR-environment negatively influences corporate reputation and credibility. This, again, may be unique to the study context. As the farming business is close to environment, saving animals and paper, though it affects reputation and credibility, may not be appropriate initiatives for FACDs in Taiwan. In order to gain a good reputation, it is not enough to embark on CSR initiatives without first ensuring that customers are satisfied with the organisation's products and services. Moreover, any CSR initiatives that are introduced might be more effective if they are specific to the context and stakeholders.

5.3.2 Practical Contribution

Although this study focused on the specific industry of banking and finance retail, namely a credit department catering for Taiwanese Farmers, the findings may be relevant for all commercial banking and finance marketing managers and CSR managers. Other service
organisation managers may benefit from the findings, since CSR has become an in-house management term and widely used in corporate reporting with some organisations using it to simply fit into the current business arena. CSR is quickly gaining recognition as an enduring tool to increase corporate image. However, not all CSR initiatives are capable of translating into positive behaviours (Bouvain et al., 2013; McDonald and Rundle-Thiele, 2008) that would encourage positive word of mouth and economically benefit the organisation (Bouvain et al., 2013; Martinuzzi and Krumay, 2013; McDonald and Rundle-Thiele, 2008; Koh and Boo, 2004; Levesque and McDougall, 1996).

The present study found that ethical behaviour of an organisation may simply be what is expected by the customers of the organisation, rather than categorising as CSR. However, an organisation's ethics may be recognised as CSR when dealing with other organisations that are equally ethical and invest in ethical enterprises. As the current study picked up customers’ perception of FACDs' ethical behaviour toward them, organisations are liable for their responsibilities to their customers. The present study went beyond the traditionally asserted relationship between CSR and corporate reputation and credibility by using selective CSR initiatives to provide insights to customers’ true understanding of CSR as practiced by an organisation set up for them and by them. Moreover, as service at retail outlets, such as credit departments, lacks consistency, customers’ interest and beliefs in the company’s image is rather difficult to capture and maintain. As such, managers ought to be careful and diligently work on a set of CSR activities that do not clash with the customers’ expectation of organisational duties and obligations.

The customers of Taiwanese FACDs are members of farmers’ associations, who with the government’s initiative, have established a cooperative-like credit department (Chen and Lu,
Lee and Shen, 2014; Liu, 2007; Burmeister et al., 2001; Lai, 1991). As such, ethics in relation to CSR should be separated from ethics in relation to the organisation’s duties and obligations, such as ethics in relation to employee treatment (Bain, 2000) and ethics in terms of investments and dealings with suppliers and stakeholders. Moreover, CSR activities that promote environmental sustainability and safety may be considered an unnecessary expense for a cooperative. Thus, environmental related CSR activities may need to be very specific and cost cutting for the organisation. Endeavours such as less use of energy, reduction of paper and plastics, and use of energy saving equipment in the day-to-day operation of the office may be closer to the customers’ hearts, while introduction of replanting of trees would require the purchase of saplings and land to plant. Past studies indicate CSR activities dear to customers or close to the causes they fight for, may be more appreciated and consequently provide a more positive image of the organisation (Poetz et al., 2013; Tong et al., 2013). Interestingly enough, it has also become competitive amongst the business organisations to offer best possible CSR activities that would gain more publicity and news coverage. Hence, the findings from the present study ought to be a reminder to managers to be involved in CSR activities that are appreciated by their customers and suppliers rather than for the organisation’s own benefit. Jumping on the CSR bandwagon is easy for organisations with big budgets but critical examination of CSR activities may reveal the appropriate ones to provide customers the necessary satisfaction to evoke a positive attitude toward the organisation.

Previous studies also revealed customers as the primary stakeholders and that CSR initiatives that are correlated directly to them and are of value to them, will reveal better results. These initiatives may be tangible benefits such as funds, or intangible benefits such as satisfaction, happiness and fulfilment of a dream, which are relevant humanitarian issues that may draw a positive attitude (McDonald and Lai, 2011; Wigley, 2008; Oh, 1999). As environmental issues
are of lesser concern, managers may be able to promote relatively simple initiatives that customers would be able to see, get involved in, and appreciate. The banking and finance industry is more likely to be appreciated if processes are simplified, legalities are documented and well explained, and customer queries are resolved quickly; efficient processing is a crucial marketing element for service organisations (CIM, 2015; Wattanakamolchai et al., 2014; Wirtz et al., 2012; Lovelock and Wirtz, 2005). Furthermore, experienced and educated employees who are capable of resolving problems and assisting customers are more appreciated by customers, fulfilling yet another marketing element (Wattanakamolchai et al., 2014; Wirtz et al., 2012; Akroush, 2011; Gruber, 2011; Lovelock and Wirtz, 2005).

5.3.3 Methodological Contribution

Though the measuring items with high reliability and validity were borrowed from previous studies, they were assessed again for this study based on the data collected specifically from 334 farmer’s association credit department customers in Taiwan. The qualifying round of assessment was based on reliability and validity tests, with the final reliability revealing a Cronbach’s alpha coefficient of above 0.77, fulfilling the requirement for academic and management research (Nunnally, 1978). Prior to the reliability test, EFA and CFA were carried out on the measuring items to ensure validity. This led to the strengthening of the items, as some were removed to keep only items that loaded highly to the construct it related to. This process reduced the items relating to CSR-social to three items, removing CS2, CS3 and CS4, which generally describes health and safety of employees and assists underprivileged communities and the disadvantaged. The respondents may not have understood these items coherently as some may think provision of safety and healthy environment for a banking staff is not necessary, similarly one may have wondered how a banking and finance company have the expertise in assisting the disadvantaged and underprivileged when there is the government.
and tax payers’ money to provide for such needs. Three measuring item from CSR-environment construct relating to saving animals, planting trees and involvement in sustainability projects were removed. Again this act strengthened the validity with items generally relating to environment such as paper wastage and reducing carbon footprint. The CSR-ethics items were reduced by one, namely honesty to customers, an item that may be difficult to judge since it is one person's opinion on honesty compared to another; this might have been too loose a term that cannot be quantified. The customer satisfaction construct was reduced by two items that were quite general terms stating that FACDs takes care of all one’s financial needs, which may be an overstatement. Two items were removed from the corporate reputation construct, these items being CR4 and CR7, both of which were statements on efficient services and innovative financial products. As FACDs are meant specifically to meet the requirements of farmers, innovative products may not been seen by their customers. Finally, the items for corporate credibility were reduced by three, mainly linked to trust, truthfulness, and false information. Judging by the items that have been removed, the remaining items seem to be more distinctive towards the context of the study and the operations of FACDs. As such, methodologically this study contributes a set of measuring items that are suitable for research on retails such as cooperatives, and more specifically on banking retails. However, the removed items could be useful in other context and studies.

5.4 Limitations and Delimitation of the Study

The present study sought to understand customers’ perception of CSR initiatives, its connection to their satisfaction with the organisation, and the influence of these on corporate reputation and credibility. As such, the primary limitation of this study is the sample of respondents, whereby a sample of customers of FACDs in Taiwan was approached for data collection. As the respondents come from various districts in Taiwan, they face various units of
FACDs, with various facilities and employees. Thus, satisfaction and CSR activities may not be the same to achieve the same impact. Moreover, if FACDs undertake any impactful CSR activity it may be at the headquarters level and could have been missed by those in more rural areas. Certain CSR activities may not be viewed viable and important by those in rural areas, especially when FACDs are rural development banks.

The timing of the study may also be considered as a limitation since the study was cross-sectional by seeking to understand concepts that may not be in the forefront of the respondents’ mind at the time of data collection. An experimental design may have contributed a better understanding, as data collection before and after a significant CSR initiative carried out by a FACD would have provided immediate recognition. Similarly, a longitudinal study may have also enriched the interpretation of the findings, as it would have provided a pattern of views based on changes taking place in the respondents’ needs and the organisation’s involvement in various CSR projects. This, however, would have needed participation from a panel of customers who are regular users of FACD facilities and they would have had to remain in the panel until the data collection was completed; this would therefore have required time and money to undertake and sustain. Also, the data collection was undertaken using a self-administered questionnaire and it is common for respondents to response without thinking or reading the questions carefully (Conway and Lance, 2010; Meade et al., 2007). This study utilized a questionnaire survey of FACDs’ members and customers as the sole data collection method and this may have caused common method bias (Bernerth et al., 2007). It is suggested that multiple methods of data collection be used to collect research data from various sources in future research in order to enrich the research findings (Bernerth et al., 2007).
As for delimitations, the present study limited its constructs of CSR to two predominant dimensions, ethics and discretionary, which were represented by social and environmental related CSR activities. These CSR activities are the most appropriate for the context of this study since they are the most practiced by the organisations in this industry. Therefore, CSR activities that are specific could be more visible to the respondents, rather than a broad understanding of ethics, social, and environment CSR. Furthermore the present study indicated customer satisfaction as imperative in building corporate reputation and credibility, whereas there could be other suitable constructs leading to or intervening in these relationships. Therefore the findings and conclusions for this study have been based on the fact that all other possible constructs and variables remain the same at the point of time when the data was collected.

Moreover, following Baron and Kenny’s (1986) suggestion on recognising a mediating construct, customer satisfaction failed to be a mediator in the relationship between CSR initiatives and corporate credibility due to the direct relationship between CSR-ethics and corporate credibility, which does not exist. Thus, the mediating effect of customer satisfaction could not be confirmed. Furthermore this study chose to use SEM-AMOS, hence neither a summated nor an average response to CSR initiatives was used for this test, and instead it was ensured that all the direct relationships existed prior to suggesting mediation.

5.5 Recommendations for Future Research

Based on the limitations and delimitations mentioned above, future research projects may consider using specific activities of CSR undertaken by organisations in order to understand customers’ perception and understanding. In other words, the consequences of the
organisation’s involvement in social activities may be stated as involvement in charity drive for the underprivileged instead of this being an item in the questionnaire. Other constructs such as economic and legal dimensions of CSR may also be contributors to customer satisfaction, as one of the main functions of most financial organisations, including FACDs, is to remain financially viable in order to lend money to their customers.

In addition, the limitation of the current study may be an indication for a new study whereby a comparison may be carried out between the perception of FACD customers of the urban and rural areas of Taiwan. CSR activities carried out by FACDs in the urban area may not be recognised by rural customers. Furthermore, customers in the rural areas are likely to have a different perception compared to customers in the urban areas. Typically their knowledge, profile, wants and needs differ. With this in mind, future researchers may be able to utilise the current research framework to compare outcomes based on rural customers and urban customers.

Furthermore, as suggested a longitudinal study may be appropriate to understand customers’ point of view on FACDs overall CSR activities, as in a cross sectional study the latest CSR activity may be the one referred to, in inducing satisfaction. A longitudinal study may also provide reaction and behaviours to recent CSR campaigns, helping to monitor changing behaviour.

It is also recommended that future research look into a qualitative research in enriching the understanding of customers’ feelings. A qualitative research with either a focus group of FACD customers or in-depth interviews of customers in various farming areas will enable the researcher to obtain an enriched view.
5.6 Chapter Summary

This chapter discussed the findings in Chapter 4, while addressing the research questions in the context of the conceptual framework as described in Chapter 2. It explained that Taiwanese FACD customers participating in this study were mainly middle-aged women with tertiary education. The constructs for this study are connected with CSR-social, ethics, and environment, which are the independent variables, while corporate reputation and credibility are the dependent constructs; and customer satisfaction was introduced as a mediator in the relationships. While CSR was divided into ethics and discretionary (social and environment), CSR initiatives were considered based on the existence of all three relationships.

5.7 Conclusion of the Study

The study found that customer satisfaction mediates the relationship between CSR initiatives and corporate reputation. However, the study failed to confirm the mediating role of customer satisfaction in the relationship between CSR initiatives and corporate credibility. Nonetheless, positive relationships are noted between all three CSR initiatives and customer satisfaction, similarly between satisfaction, corporate reputation and credibility. However, there is no relationship between CSR-ethics and corporate credibility, and the CSR-environment initiative is negatively related to credibility and reputation.

It is clear from the findings of this study that the survey respondents are well aware of CSR initiatives and understand the benefit of being a farmer’s association member and a customer of the related credit department. Respondents find FACDs’ CSR initiatives contribute to their satisfaction with their FACD. However, the respondents' perception of corporate reputation and credibility is noteworthy, since CSR initiatives on social activities such as charity work is
thought to contribute to both corporate reputation and credibility. The social activities concerning charity and other people-related movements may have been thought to have a direct implication on farmers. The nature and function of FACDs is to socially assist farmers with their financial challenges, hence the respondents could believe that both reputation and credibility of FACDs can be affected by social initiatives.

When it comes to CSR initiatives on ethics, namely transparency in credit department’s dealings with customers, it is seen to affect corporate reputation but not credibility. This might have to do with the measurement items for reputation that cover a range of customers’ experiences with FACDs' deliverance of financial products and services. Meanwhile, credibility of FACDs was measured using the organisation’s professionalism, experience and honesty. Interestingly, an ethical business is a business that shows professionalism by providing honest and true information. As FACDs is a government initiative to assist the farmers, they are naturally expected to be ethical, as such ethics need not be a CSR initiative that is covered and reported to gain credibility. CSR initiatives relating to environment is a bigger revelation, as respondents perceive these initiatives to be negatively related to both corporate reputation and credibility. This is surprising but it may be caused by the objective of FACDs' existence. Experience with FACDs and its efficiency in managing its costs and increasing its assets through smart investments could have led respondents to view CSR initiatives relating to environment as costly and wasteful, and as such reducing FACDs reputation and credibility as a credit department. Moreover, the farming industry is closely related to the environment and as such FACDs would most likely benefit in supporting organic farming and help overcome other natural calamities farmers often face. This study was only able to verify customer satisfaction as a necessity to enable CSR initiatives to build corporate reputation. Nevertheless, the
respondents’ believed that their satisfaction with the FACDs would positively affect both reputation and credibility.

In conclusion, this study verifies past theories, establishing measurement items for this context while suggesting to marketing and CSR managers to be innovative in their CSR activities by introducing activities that are relevant to the context and nature of the industry. FACD marketers may benefit by employing experienced and educated staff to provide better information and service to customers, as well as making smart investments to increase the company's assets. As a service organisation, simpler processes and excellent customer services may help add to FACDs' reputation and credibility as these are effective customer satisfaction tools. Future studies should examine the mediating effect of customer satisfaction on the relationship between individual CSR aspects and reputation and credibility of FACDs. Furthermore, a qualitative research may identify more specific CSR initiatives that are relevant to the context. Although a cross-sectional study was used for this study due to research constraints, a longitudinal study may provide better insights from customers by including the relevance of time and more details of specific CSR activities.
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Appendix A: Participant Information Statement

FACULTY OF BUSINESS AND LAW

Appendix A: Participant Information Statement

Approval Number: H-2015-0198
Information Statement for the Research Project:

The intervening effect of customer satisfaction in the relationship between corporate social responsibility and reputation and credibility: Case of Credit Departments of Taiwan’s Farmer Association

Dear Sir/Madam:

You are invited to participate in the research project identified above which is being conducted by Dr. Canon Tong, Newcastle Business School and Chien Lu, Lin Hsiang Libby, a candidate of the Doctor of Business Administration degree from the same institute.

The research is part of Chien Lu, Lin Hsiang Libby studies of Doctor of Business Administration at the University of Newcastle, supervised by Dr. Canon Tong.

Why is the research being done?

The purpose of this study is to investigate the effects of corporate social responsibility (CSR) initiatives (social, ethical, and environmental) on customer satisfaction, corporate reputation and credibility in the context of the Credit Department of Farmers' Associations (FACDs) in Taiwan. In addition, the theoretical and managerial implications of the results, discussions and limitations will suggest direction for future research.
Who can participate in the research?
We are inviting current members or customers of the Credit Department of Farmers' Associations (FACD) in Taiwan to participate in this research. To participate in this research, you are required to be 18 years old or above. If you are not currently meeting the above criteria, then unfortunately you are not eligible to participate.

What choice do you have?
Participation in this research is entirely voluntary. Only those people who give their informed consent will be included in this study. Whether or not you decide to participate, your decision will not disadvantage you. If you decide to participate, you may withdraw from the project at any time prior to returning of your completed questionnaire.

Please note that the questionnaire is to be completed anonymously, the data cannot be withdrawn from the study after you have returned the completed questionnaire to the researcher.

What would you be asked to do?
You are randomly invited to fill out an anonymous questionnaire about your perceptions on CSR, CSR initiatives on social, ethics, and environment dimensions and customer satisfaction, corporate reputation and corporate credibility of FACD honestly and to the best of your knowledge and experience. You are also requested to return the questionnaire to the researcher after completion.

How much time will it take?
The anonymous questionnaire will take approximately 15 minutes to complete.

What are the risks and benefits of participating?
There will be no personal benefit for you to participate in this research. At the same time, there is no legal and other risk of participating in this study. However, interested participants may contact the researcher for a copy of the research findings when the research is completed. the findings will also shed lights on the managers of FACDs, enabling more appropriate strategies be developed, which will eventually enhance customer satisfaction.

How will your privacy be protected?
All information provided by you will be treated as strictly confidential, and as it is an anonymous questionnaire, it will not be possible to identify you from your answer.
to the data is only limited to the student researcher and supervisor, except as required by law. All completed questionnaire will be stored securely in a locked cabinet and electronic file, which will be protected with a password that will not be released to any other party. The questionnaires will be shredded after final acceptance of the dissertation by the University of Newcastle’s Office of Graduate Studies. Prior to being shredded, all data will be securely stored in Chien Lu, Lin Hsiang Libby’s office, and password-protected electronic files will only be accessible by the researcher.

As this is a University research, at least a verified electronic copy of data will be securely stored at the Newcastle Business School, University of Newcastle, for a minimum period of 5 years from the date of final acceptance of the dissertation.

**How will the information collected be used?**
The information collected will be summarized, analysed and used in a dissertation to be submitted by Chien Lu, Lin Hsiang Libby as part of his Doctor of Business Administration degree. Individual participants' details will not be identified in any reports arising from the study.

You may contact the researcher for a copy of the report on the questionnaire. The findings of this study may be published in a scholarly journal and you will not be named or be able to be identified from the published report.

**What do you need to do to participate?**
Please read this Information Statement and be sure you understand its contents before you consent to participate. If there is anything you do not understand, or you have questions, please ask the student researcher.

If you would like to participate, please do the following:
1. Complete the anonymous questionnaire, which will take approximately 15 minutes to complete.
2. Return the completed questionnaire back to the researcher.

**Further information**
If you need any further information please contact Dr. Canon Tong (please refer to the contact information on the first page of this letter) or Chien Lu, Lin Hsiang Libby in Taiwan at Tel:
(886) 33589282 or by emailing at C3117930@uon.edu.au

Thank you for considering this invitation.

________________________________________  __________________________________________
Dr. Canon Tong (Supervisor)     Mrs. Chien Lu, Lin Hsiang Libby
                          (DBA candidate)

*Complaints about this research*
This project has been approved by the University’s Human Research Ethics Committee, Approval No. H-2015-0198.

Should you have concerns about your rights as a participant in this research, or you have a complaint about the manner in which the research is conducted, please contact the researcher, or, if an independent person is preferred, please contact the Human Research Ethics Officer, Research Office, The Chancellery, The University of Newcastle, University Drive, Callaghan NSW 2308, Australia, telephone 61 2 492 16333, email Human-Ethics@newcastle.edu.au.

FACULTY OF BUSINESS AND LAW

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商業與法律學,
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電子郵件：canon.tong @ newcastle.edu.au

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聯繫電話：（886）33589282
電子郵件：C3117930@uon.edu.au

研究項目信息資料聲明：
顧客滿意度如何干預影響企業社會責任措施與企業聲望與信譽的研究—以台灣農會信用部為案例

尊敬的先生/女士：

我們邀請你參加上述研究，該研究是由紐卡素商學院唐博士及博士生呂玲香一同進行。這是呂玲香的工商管理學博士學位的部份課程，並由唐博士監督及指導。

為什麼要做這項研究？
本研究目的是探討顧客滿意度如何干預影響企業社會責任措施與企業聲望與信譽以台灣農會信用部為案例。這項研究的研究結果將提供關於企業社會責任（社會、道德、環保）措施、顧客滿意度、組織聲望及信譽等主要層面的新見解並有利於學術研究和管理實踐。此外，有關本研究結果、討論及限制在理論及管理上之影響，將建議作為未來研究之方向。

誰可以參與研究？
我們邀請在台灣農業信用部的會員或顧客參與這項研究。參與這項研究，你必須年滿18口或以上。如果您目前未符合上述標準，那麼很遺憾你不能參與這項研究。

你有什麼選擇呢？
參與這項研究是完全自願的。只有那這些表示了同意之人士才將被納入本研究。無論你是否決定參加，你的決定不會對您口生不利影響。即使您決定參加，您可以在交回您所完成的問卷之前任何時候退出這項研究。

請注意，這問卷以匿名方式完成，交回研究人員後之填妥問卷口的數據不能退出研究。
你將會被要求做的？
你被隨機邀請填寫匿名問卷調你對企業社會責任措施（社會，道德及環保），企業聲望和企業信譽，顧客滿意度的想法，請盡量根據你的知識和經驗如實作答。還請你完成後，交回問卷調口。

需要多少時間？
匿名問卷調口大約需要 15 分鐘完成。

什麼是參與的風險和收益？
參加本次研究不會有任何個人利益。與此同時，參與這項研究沒有法律和其他風險。當研究工作完成後，感興趣之參加者可與研究人員聯繫索取研究結果之拷貝。此研究結果將能使農會信用部之管理者明白發展更多適當的策略，最終才能提高顧客之滿意度。

如何將您的隱私受到保護？
您所提供的所有資料將被嚴格保密，並且因你是一個匿名的問卷，它不會有可能從你的答案識別您。對數據的使用僅限於學生研究員和導師，除非法律要求。所有完成的問卷將被安全地存儲在一個上鎖的櫃子和電子文件。該電子文件將使用密碼保護並不會被公佈給任何其他人士。問卷將於有關研究生的論文被紐卡素大學的研究生辦公室接收後切碎。被銷毀之前，所有的數據將被安全地存儲在呂玲香的辦公室，以及密碼保護的電子文件將只能被研究員接觸。

由於這是大學的研究，至少一個已驗證的數據電子副本將被安全地存儲在紐卡素大學之紐卡素商學院，存儲最低期限從有關論文的最終驗收合格之日起計 5 年。

如何使用收集到的資料？
所收集的資料將被總結，分析，並作為呂玲香提交的工商管理博士學位論文的一部分使用。個別參與者的細節將不會在從研究而生的任何報告被識別。

您可以聯繫研究員索取問卷的報告副本。這項問卷研究的結果可能會發表在學術期刊，你的名字不會被提出或能從公佈的報告中指出。

你有什麼需要做才可參與？
請仔細讀本聲明的信息，並確保您同意參加之前瞭解它的內容，如果你有什麼不明白，或您有任何疑問，請向學生研究員提出。

如果您願意參加，請進行以下：
1. 填寫匿名問卷，這將需要大約 15 分鐘完成。
2. 將填妥的問卷交回研究員。

進一步的資料
如果您需要任何進一步的資料，請聯繫唐博士（請參見這封信的第一頁聯繫人資料）或呂玲香在台灣電話：(886) 3589282 或電郵 c3117930@uon.edu.au。

感謝您考慮接受這邀請。

唐博士（主管導師）
呂玲香女士（工商管理學博士候選人）

有關這項研究的投訴
這項目已通過 University’s Human Research Ethics Committee 批准，批准文號 H-2015-0198。

如果您關注作為有關這項研究的參與者的權利，或者你投訴有關於這項研究的進行方式，請聯繫研究者，或者，如果偏向找一位獨立人士，請聯絡 Human Research Ethics Officer, Research Office, The Chancellery, The University of Newcastle, University Drive, Callaghan NSW 2308, Australia，電話 61 2 492 16333，電子郵件 Human-Ethics@newcastle.edu.au。
Appendix B: Questionnaire

Approval Number: H-2015-0198

FACULTY OF BUSINESS AND LAW

Newcastle Business School,
Faculty of Business and Law,
Level 3, University House,
University of Newcastle,
Callaghan 2300,
NSW, Australia.

Background information:

This is a survey about the relationship between corporate social responsibility (CSR), specifically in the dimensions of social, ethics, and environment, customer satisfaction and consequently their impact on reputation and credibility of Credit Department of Farmers’ Association (FACD) in Taiwan. It is conducted by Chien Lu Lin Hsiang Libby, DBA Student of University of Newcastle, Australia.

背景資料：
這是一個關於台灣農會信用部企業社會責任(CSR)，特別是在社會，道德，環境，顧客滿意，其結果將干預影響農會信用部在台灣的聲望和信譽。它是由呂玲香，澳洲紐卡素大學的工商管理博士研究生進行研究。
How to complete the questionnaire:
Please respond to all questions based on your personal judgment by giving a tick (√) to Questions in sections A1-G3, and providing numbers to G4-G5. You should be completely the survey in 15 minutes and first impression is usually your most accurate impression.

如何填寫調查問卷：
請根據你的個人判斷回覆所有問題並以剽號(√)回覆 A1 至 G3 的問題，及以以數字回覆 G4-G5 的問題。你的第一印象通常是你最準確的印象，你應該能以約 15 分鐘完成調查。
### QUESTIONNAIRE

調查問卷

#### A. The statements below are on the social dimension of Corporate Social Responsibility practiced by FACD

(請就農會信用部在企業社會責任中社會層面的表現作評論)

<table>
<thead>
<tr>
<th>CS1</th>
<th>It is important for a FACD to provide educational support.</th>
<th>1 2 3 4 5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>農會信用部對提供教育支持是很重要的。</td>
<td></td>
</tr>
<tr>
<td>CS2</td>
<td>It is important for a FACD to provide a safe and healthy working conditions for its employees.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td></td>
<td>農會信用部對提供一個安全和健康的工作條件給員工是很重要的。</td>
<td></td>
</tr>
<tr>
<td>CS3</td>
<td>I like my FACD to actively support the disadvantaged.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td></td>
<td>我喜歡我這家農會信用部積極支持弱勢者。</td>
<td></td>
</tr>
<tr>
<td>CS4</td>
<td>Important for me to see my FACD supporting under privileged communities where it does its business.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td></td>
<td>對我而言，看到我這家農會信用部支持特權社區團體經營其事業是重要的。</td>
<td></td>
</tr>
<tr>
<td>CS5</td>
<td>It is nice to know my FACD provides for charitable activities.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td></td>
<td>我知道我這家農會信用部提供慈善活動是好的。</td>
<td></td>
</tr>
<tr>
<td>CS6</td>
<td>FACDs support local sportsmen/women activities.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td></td>
<td>農會信用部支持當地的運動員及婦女從事活動。</td>
<td></td>
</tr>
</tbody>
</table>
B. The statements below are on the *ethics* dimension of Corporate Social Responsibility practiced by FACD

(請就農會信用部在企業社會責任中道德層面的表現作評論)

<table>
<thead>
<tr>
<th>CE1</th>
<th>FACDs must be honest to their customers.</th>
</tr>
</thead>
<tbody>
<tr>
<td>CE2</td>
<td>It is important for me that my FACD is transparent with charges.</td>
</tr>
<tr>
<td>CE3</td>
<td>Customers must be informed of all charges of a FACD.</td>
</tr>
<tr>
<td>CE4</td>
<td>FACDs must pay interests as per their promise.</td>
</tr>
<tr>
<td>CE5</td>
<td>All information on service charges by FACD must be given clearly.</td>
</tr>
<tr>
<td>CE6</td>
<td>FACDs must assist customers truthfully.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>CE1</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>CE2</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>CE3</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>CE4</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>CE5</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>CE6</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
C. The statements below are on the environment dimension of Corporate Social Responsibility practiced by FACD

(請就農會信用部在企業社會責任中環保層面的表現作評論)

| CEnv1       | The FACD ought to ensure there is no paper waste in their dealings  
|             | 這家農會信用部應當確保在他們業務處理中沒有浪費紙張                  |
| CEnv2       | It is important for FACD not to be involved in projects that harm the environment.  
|             | 對這家農會信用部而言，不參與破壞環境的計畫是重要的。                   |
| CEnv3       | FACD ought to support projects that saves animals.  
|             | 這家農會信用部應該支持拯救動物的計畫。                                |
| CEnv4       | It is important for me to see FACDs plant trees.  
|             | 對我而言，看到農會信用部種樹是重要的。                                |
| CEnv5       | I respect a FACD that is involved in environment sustainability.  
|             | 我尊敬這家農會信用部參與環境永續經營。                                |
| CEnv6       | I would enjoy my association with a FACD that reduces carbon footprint.  
|             | 我會喜歡跟隨這家農會信用部實施減碳事蹟。                              |
D. The statements below are on Customer satisfaction on FACDs

(請就這家農會信用部的顧客滿意度作評論)

<table>
<thead>
<tr>
<th>CSat1</th>
<th>I am satisfied with my decision to use this FACD.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>我很滿意我的決定使用這家農會信用部。</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSat2</td>
<td>I am happy with my FACD.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>我對這家農會信用部感到很高興。</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSat3</td>
<td>My choice to use this FACD is a wise one.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>我選擇使用這家農會信用部是一個明智的決定。</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSat4</td>
<td>I feel good to be a customer of my FACD.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>我選擇成為這家農會信用部感覺良好。</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSat5</td>
<td>My FACD takes care of all my financial needs.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>我這家農會信用部能照顧我的所有金融需求。</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSat6</td>
<td>My FACD satisfies my financial needs.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>我這家農會信用部能滿足我的金融需求。</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
E. The statements below are on Corporate Credibility of a FACD

(請就這家農會信用部的企業信譽作評論)

<table>
<thead>
<tr>
<th></th>
<th>The statements</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>CC1</td>
<td>The FACD has vast experience in financial industry. 這家農會信用部在金融產業有豐富的經驗。</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CC2</td>
<td>The FACD is truthful about that they offer. 這家農會信用部所提供的業務事項是實在的。</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CC3</td>
<td>I trust this FACD. 我信任這家農會信用部。</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CC4</td>
<td>The FACD provide their service professionally. 這家農會信用部提供專業化的服務。</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CC5</td>
<td>The FACD is an expert in financial services. 這家農會信用部是一個金融服務方面的專家。</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CC6</td>
<td>My FACD has never given me false information. 這家農會信用部從來沒有給予錯誤的訊息。</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
F. The statements below are on Corporate Reputation of a FACD
(請就這家農會信用部的企業聲望作評論)

| CR1 | My FACD delivers what it promises.  
我這家農會信用部會達成對顧客的承諾。 | 1 | 2 | 3 | 4 | 5 |
| CR2 | My FACD well known for its excellent customer service.  
我這家農會信用部擁有對顧客服務極好的口碑。 | 1 | 2 | 3 | 4 | 5 |
| CR3 | The reputation of this FACD is better than financial institutions.  
我這家農會信用部的聲譽比其他金融機構要好。 | 1 | 2 | 3 | 4 | 5 |
| CR4 | This FACD offers innovative financial products.  
我這家農會信用部會提供創新金融商品。 | 1 | 2 | 3 | 4 | 5 |
| CR5 | The FACD is reputable for providing excellent financial service.  
我這家農會信用部是以提供極優質的服務著名的。 | 1 | 2 | 3 | 4 | 5 |
| CR6 | The FACD is reputable in attracting quality customers.  
我這家農會信用部是以信譽吸引優質客戶。 | 1 | 2 | 3 | 4 | 5 |
| CR7 | This FACD known for its efficient service.  
我這家農會信用部以提供效率的服務有名的。 | 1 | 2 | 3 | 4 | 5 |
G. Personal information

Please circle the appropriate numbers

<table>
<thead>
<tr>
<th>G1</th>
<th>Gender: 性別：</th>
<th>Male 男</th>
<th>1</th>
<th>Female 女</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>G2</td>
<td>Age: 年齡：</td>
<td>20 - 30 20 以上</td>
<td>1</td>
<td>31 - 40 30 以上</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>30 以下</td>
<td></td>
<td></td>
<td>40 以下</td>
<td></td>
</tr>
<tr>
<td></td>
<td>41 - 50 40 以上</td>
<td>3</td>
<td>51 - 60 50 以上</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>50 以下</td>
<td></td>
<td></td>
<td>60 以下</td>
<td></td>
</tr>
<tr>
<td></td>
<td>61-70 60 以上</td>
<td>5</td>
<td>≥70 70 以上</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td></td>
<td>70 以下</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G3</td>
<td>Education Level: 教育程度：</td>
<td>Primary 小學</td>
<td>1</td>
<td>Secondary 中學</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Tertiary 大專</td>
<td>3</td>
<td>Post-graduate 研究生</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>G4</td>
<td>Location/Region： 區域：</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G5</td>
<td>Farm Size： 耕種面積：</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>