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The Reputation Quotient as a corporate reputation measurement in the Malaysian banking industry: A confirmatory factor analysis

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Abstract

The Reputation Quotient is one of the popular measurements for corporate reputation. It has been tested within a cross-cultural setting among countries in the United States, Europe and Australia. However, there is no reliable evidence that the Reputation Quotient is fit for Malaysia. The purpose of this paper is to empirically examine the Reputation Quotient model when it was applied to measure corporate reputation for the Malaysian banking industry. We resort to the standard confirmatory factor analysis tests. Workplace environment dimension was found weaker in the second order test. This paper seeks to introduce Reputation Quotient studies in Malaysia.

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1. Introduction

Corporate reputation is an intangible asset of a corporation that leads to numerous strategic benefits, some of which are: attracting applicants (Fombrun, 1996; Turban & Greening, 1997), customers (Fombrun, 1996), and investors (Srivastava *et al.*, 1997). Corporate reputation also enables companies to charge premium prices (Deephouse, 2000; Fombrun & Shanley, 1990; Rindova *et al.*, 2005), lower firm costs (Deephouse, 2000; Fombrun, 1996), increase

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