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Linking Cause Assessment, Corporate Philanthropy, and Corporate Reputation

Abstract

This study analyzes the link between cause assessment, corporate philanthropy, and dimensions of corporate reputation from different stakeholders' perspectives, using balance theory as a conceptual framework and the telecommunications industry in Austria and Egypt as the empirical setting. Findings show that corporate philanthropy can improve perceptions of the corporate reputation dimensions, but the results vary between customers and non-customers and depend on the country setting.

Introduction

One important dimension of business success is good corporate reputation. This may be achieved by demonstrating social responsiveness (Brammer and Millington 2005; Luo and Bhattacharya 2006); several authors refer to corporate social responsibility (CSR) as one of the key elements of reputation (e.g., Fombrun and van Riel 2004). In fact, CSR-related perceptions (i.e., *citizenship*, *governance*, and *workplace*) have been found to comprise 42% of an organization's overall reputation (Reputation Institute 2012a), and corporate citizenship activities have been identified as the most salient determinants (Weiss 2007). Corporate philanthropy (CP)—as part of a firm's citizenship activities—is a “dominant category of CSR” (Pelozo and Shang 2011: 120). In addition, enhanced corporate reputation is often stated as the main business goal of philanthropic programs (McKinsey 2008). While this indicates that a positive link between CP and corporate reputation is taken for granted by managers (Brønn and Vidaver-Cohen 2009), consumers are often uncertain about what companies are doing “to deliver on citizenship.” Only 6% of companies are perceived as strong on corporate citizenship.¹ Even the most reputable companies, such as Walt Disney and Microsoft, do not receive excellent scores on CSR (Reputation Institute 2012b).

Companies invest in CP, prepare CSR reports, and communicate their efforts in the media. However, the fundamental question is whether these programs enhance reputation.² Despite increasing attention to companies' philanthropic activities,³ academic research on the reputation effects of these initiatives is unclear. Theory suggests that companies displaying high levels of corporate responsibility should have a good reputation (Ricks 2005; Waddock 2002; Williams and Barrett 2000), but research finds mixed results (Brammer and Pavelin

¹ For more details, see the 2012 CSR RepTrak 100 Study (Reputation Institute 2012b).

² A different question would address whether companies should engage in CP only in order to enhance their reputation, or if CP can be considered a moral/societal duty. While this is an important issue for debate, this paper does not pursue this argument.

³ Prominent examples are The Coca-Cola Foundation, which awarded US\$26 million in grants to 85 community organizations during the first quarter of 2012 (CSRWire 2012a), or Deloitte, announcing that its multi-year investment in pro bono services will rise to US\$110 million by 2015 (CSRWire 2012b).

2005). Hillenbrand and Money (2007) note that the link between corporate responsibility and reputation is contingent upon stakeholders, who may differ in terms of their expectations of responsibility. Thus arises our central research question: *How effective is corporate philanthropy in improving perceptions about corporate reputation?*

Researching this question contributes to the extant literature in three ways: first, little research exists on the impact of different corporate philanthropic activities on corporate reputation. Extant research focuses mainly on either consumer perceptions of CP (e.g., Lii and Lee 2012; Bhattacharya and Sen 2003) or on customer-based corporate reputation (e.g., Walsh et al. 2009), yet it has overlooked the link between cause assessment, corporate philanthropy, and corporate reputation. Second, our research follows the call for a more nuanced understanding of corporate reputation (Walker and Dyck 2014). By focusing on specific dimensions of corporate reputation and by analyzing customers and non-customers, our study offers a granular analysis of the relationship between CP and corporate reputation. This provides guidance to managers on dimensions of corporate reputation and which stakeholder groups are affected by corporate philanthropy. Finally, we analyze how CP is shaping corporate reputation in different country contexts. Gautier and Pache (2013) find that almost 90% of CP-related academic studies come from the US or UK. Our study responds to a call for comparative CP research across countries (Brammer et al. 2009; Vaidyanathan 2008).

The paper is structured as follows: first, we give an introduction to the debate about CP. Next, we focus on the relationship between CP and corporate reputation, develop hypotheses, and introduce the study model. Following a description of the data collection and measurement approach, we analyze the data and test our hypotheses. The paper closes with a discussion of the findings, limitations, and suggestions for future research.

Theoretical framework and research propositions

Corporate philanthropy

CP is not uniformly defined; some scholars (e.g., Carroll 1991) view CP as an integrative part of CSR, while others (e.g., Dowling and Pfeffer 1975; Chen et al. 2008) see it as an independent instrument to gain social legitimacy. Although there are growing expectations of firms' charitable activities, these are generally described as entirely voluntary (Hemingway and MacLagan 2004), and decisions concerning CP are often at management's discretion (Buchholtz et al. 1999).

CP may be depicted on a continuum ranging from *altruism* to *strategic philanthropy* (Burlingame and Frishkoff 1996), where the latter is defined as “giving of corporate resources to address non-business community issues that also benefit the firm's strategic position and, ultimately, its bottom line” (Saiia et al. 2003: 170). For this research, we regard CP as a subset of CSR—i.e., “a direct contribution by a corporation to a charity or cause, most often in the form of cash grants, donations and/or in-kind services” (Kotler and Lee 2005: 144).

Sen and Bhattacharya (2001) suggest that socially responsible activities often have a positive effect on customers' perceptions of the company. Such activities signal a company's responsiveness to the needs of the society upon which it depends for survival (Marin et al. 2009; Hoeffler et al. 2010). Whether and to what extent a firm engages in charitable causes will have an impact on how stakeholders relate to the firm (Bhattacharya and Sen 2003; Lee et al. 2009) and will affect the firm's financial outcome (Wang et al. 2008; van Beurden and Gossling 2008).

However, philanthropic acts may also create negative reactions (Dean 2003) and raise protests from customers and other stakeholders. Brown and Dacin (1997) have found that

“negative CSR associations ultimately can have a detrimental effect on overall product evaluations” (p. 69). Yoon et al. (2006) refer to the “backfire effect” of corporate philanthropy, resulting in a negative image; further, Sheikh and Beise-Zee (2011) state that customers holding a negative cause affinity might turn away from the firm. These findings indicate a need to analyze stakeholder reaction to CP in greater depth.

Corporate reputation

Corporate reputation—the collective opinion of an organization held by its stakeholders—is increasing in importance (Kitchen and Laurence 2003; MacMillan et al. 2002). Scholars have demonstrated that reputation is a substantial asset (e.g., Campbell 1999; Casalo et al. 2007; Jensen and Roy 2008; Roberts and Dowling 2002; Shamsie 2003) and a key factor in achieving corporate success (Kay 1993). As reputational capital (Fombrun 1996), it presents a valuable resource that should be managed by the firm (Barney 2002; Dowling 2004).

Good corporate reputation plays a significant role in improving firm value (Gregory and Wiechmann 1991; Fombrun and Shanley 1990), enhancing product quality perceptions (Grewal et al. 1998), raising employee morale (Turban and Cable 2003), and permitting access to cheaper capital (Beatty and Ritter 1986). For consumers, corporate reputation helps to reduce transaction costs while positively influencing trust and loyalty (Caruana et al. 2004; Roberts and Dowling 2002). As a result, companies with a good reputation are likely to attract more customers (Gardberg and Fombrun 2002; Gotsi and Wilson 2001; Groenland 2002) and investors (Gregory and Wiechmann 1991).

The literature indicates little agreement as to whether corporate reputation is a unidimensional or multidimensional construct (e.g., Walker 2010). The unidimensional

construct characterizes the general perceptions of the public about a company in question (Smaiziene and Jucevicius 2010). For example, ratings such as *Fortune's* America's Most Admired Companies or an empirical study by Park et al. (2014) offer unidimensional measures. The multidimensional construct, on the other hand, suggests that reputations embody the often contradictory interests of constituents (such as investors, employees, or customers) (e.g., Walsh and Beatty 2007; Davies et al. 2003). Walker's (2010) review of the corporate reputation literature finds that: (1) reputation may have different dimensions and is issue-specific, and (2) different stakeholder groups may have different perceptions of corporate reputations. Furthermore, "companies may have multiple reputations depending on which stakeholders and issues are being looked at" (Walker 2010: 370).

We follow the argument that an organization has multiple reputations, one of them being the corporate reputation as perceived by customers. In this regard, we consider the various dimensions of the customer-based corporate reputation concept of merit. These are: Customer Orientation, Good Employer, Reliable and Financially Strong Company, Product and Service Quality, and Social and Environmental Responsibility (Walsh et al. 2009a, Walsh and Beatty 2007). Customer-based corporate reputation, unlike other corporate reputation measures, explicitly considers customers' personal experiences and perceptions about a firm. It is defined as "the customer's overall evaluation of a firm based on his or her reactions to the firm's goods, services, communication activities, interactions with the firm and/or its representatives or constituencies (such as employees, management, or other customers) and/or known corporate activities" (Walsh and Beatty 2007: 129). Customer-based corporate reputation must be distinguished from brand associations, as it focuses on customers' overall evaluations of a company rather than a brand. For example, consumer-based brand equity, a seemingly similar concept to customer-based corporate reputation, focuses on loyalty, perceived quality, brand awareness, and willingness to buy. However, it

does not include other focal elements, such as CSR, by which reputation may be formed. Yoo and Donthu (2001)—the developers of the customer-based brand equity scale—list corporate image as a potential antecedent of consumer-based brand equity, implying that the two concepts (i.e., consumer-based brand equity and customer-based corporate reputation) are not identical. Customer-based corporate reputation has also been developed especially for service-oriented companies, and therefore better fits our research purposes.

Hypotheses and conceptual model

Balance theory (Heider 1958) belongs to the group of cognitive consistency theories, which encompass the belief that customers value harmony among their thoughts, feelings, and behaviors, and they are motivated to maintain consistency among these elements. It examines relational triads and considers relations among entities an individual may perceive as related. The evaluation of an object is affected by how the evaluation will fit with other related attitudes held by the individual. In accordance with earlier studies (e.g., Basil and Herr 2006; Dean 2002; Crimmins and Horn 1996), we base our arguments for explaining desired outcomes of corporate philanthropic activities on balance theory, and we consider the following three entities as linked in a triangular relationship: the company, the specific cause supported by the company, and the customer (see Figure 1).

In this triad, the customer evaluates the pairing of two separate elements: the company and the cause. In this context, (in)congruence can be perceived between the customer and the corporate philanthropic activity, between the customer and the firm, and between the firm and the corporate philanthropic activity. There are two types of mutually interdependent relationships in this triad: unit and sentiment relations. The company and the cause form a unit when the customer perceives these two as belonging together. Sentiment relations occur between the customer and the company and between the customer and the cause. A balanced

state occurs when the unit relationship (i.e., the company and the supported cause) and sentiment relations (i.e., valuation of the company and the cause) co-exist without stress; thus, there is no pressure toward change (cf. Heider 1958). Consequently, when the three positive relationships are harmonious, a balanced state is reached. Similarly, a balanced state occurs when both the company and the supported cause are perceived negatively by the customer. Imbalance occurs when, for example, the customer likes the company but does not approve of the cause the company is supporting. While imbalance creates a tension, balance may not necessarily indicate a pleasant situation. Jordan (1953) points out that for a situation to be pleasant, both balance and positive relations are required.

Please include Figure 1 about here

The above arguments suggest that different stakeholders bound in this triangular relationship strive for balanced sentiments toward both entities of the unit. Therefore, we propose the following:

- H1: Cause will be associated with the attitude toward a company's philanthropy.
- H2: Attitude toward a company's philanthropy will be associated with the perception of that company in terms of (a) Customer Orientation (b) being a Good Employer, (c) being a Reliable and Financially Strong Company, (d) offering Product and Service Quality, and (e) being Socially and Environmentally Responsible.

Furthermore, stakeholders differ in what they value within organizations (Hillenbrand et al. 2012; Walker and Dyck 2014). In this regard, we differentiate between customers of the philanthropic company and non-customers. Previous studies report a strong positive link between corporate reputation and customer loyalty (Walsh et al. 2009b; Walsh and Wiedmann 2004). Thus, customers who are loyal to a philanthropic company (e.g., already

consuming the services of a telecommunications company) might appreciate the generosity of their provider even more and develop stronger ties with the corporate reputation dimensions.

However, a closer relationship with the company may also mean that customers are more sensitive to any negatively perceived corporate reputation dimension. This suggests that customers of a philanthropic company may perceive the philanthropy-related information differently from non-customers. The customer status may thus play a moderating role in the unit and sentiment relations. Thus, philanthropy may provide the frame within which negative cognitions about a reputation dimension (e.g., Customer Orientation) do not seem as important as they otherwise might. Customers may therefore have skewed attributions due to their existing link to the company. This tendency is rooted in a need to maintain a positive self-concept (self-serving bias; see Heider 1958). Thus, customer status interacts with the associations in the cause–philanthropy and philanthropy–reputation relationships. As a result, we hypothesize:

- H3: The association between the cause and the attitude toward a company’s philanthropy will be stronger for customers than for non-customers.
- H4: The association between the attitude toward a company’s philanthropy and the perception of (a) Customer Orientation, (b) being a Good Employer, (c) being a Reliable and Financially Strong Company, (d) offering Product and Service Quality, and (e) being Socially and Environmentally Responsible will be stronger for customers than for non-customers.

Figure 2 depicts the key constructs and the hypothesized relations.

Please include Figure 2 about here

In our paper, corporate reputation consists of five dimensions, each of which denotes customer-relevant facets that are separate constructs. The direct effect shown between Cause Assessment and Attitude toward Corporate Philanthropy is in line with our theoretical focus (i.e., balance theory). Cause Assessment refers solely to the evaluation of the cause (e.g., support of children), not the company-cause link. We postulate that stakeholders' affinity toward a certain cause will influence their attitude toward the company that supports that specific cause. Hence, Cause Assessment in our model influences Attitude toward Corporate Philanthropy directly, and the five dimensions of corporate reputation indirectly. Adapted from balance theory, stakeholders form their attitudes toward CP based on both their Cause Assessment and their attitude toward the pairing of the cause with the company.

Method

Our research consists of two studies. Study 1 tests customer responses to corporate philanthropy in Austria. Study 2 tests whether the results obtained in Austria hold in a country with a significantly different environment (Egypt).

Empirical setting

We use data collected through an online questionnaire in Austria and Egypt. These countries were chosen because there are substantial cultural and economic differences between them. For example, they score differently on the GLOBE cultural dimensions (House et al. 2004).⁴ With a GDP of 42,600 USD per capita (CIA 2014), Austria represents one of the most developed European Union countries. Egypt is a member of the Common Market for Eastern and Southern Africa and has a GDP of 6,600 USD per capita (CIA 2014).

Design and respondents

The online questionnaire was developed and used in English for both Austrian and Egyptian respondents. Respondents were asked to evaluate a leading telecommunications company in their home country and its selected philanthropic activity. Both companies in the survey are CSR frontrunners within their industry.⁵

⁴ Egypt is a collectivist society, while Austria an individualist society. Especially on the humane orientation (society practices) dimension, Egypt scores highly compared to Austria (4.73 and 3.72, respectively). Humane orientation is defined as “the degree to which an organization or society encourages and rewards individuals for being fair, altruistic, friendly, generous, caring, and kind to others” (House et al. 2004: 569). In these societies, people are responsible for promoting the well-being of others (the state is not actively involved). In contrast, on the humane orientation society values (should be) dimension Austria scores highly (5.76) compared to Egypt (5.17). This indicates that Austrians aspire to a greater humane orientation. Austria is classified in band A, which includes countries with the highest scores on the construct. Egypt belongs to band C (among countries with low scores on the construct).

⁵ At the time of this study, the Austrian telecommunications company had recently been awarded the Austrian Sustainability Reporting Award, while the Egyptian telecommunications company was a member of the Dow Jones Sustainability Index.

The telecommunications industry context was considered interesting for three reasons: first, it is a rapidly growing sector and one of the major providers of employment in the world (DJSI 2014; Plunkett Research 2014). Second, it has high customer service provider employee contact and interaction opportunities (Batt 2000). Finally, reputation is particularly important for service firms due to the intangible nature of their products (Hardaker and Fill 2005). Therefore, service firms may rely on their reputation more than other firms (Kim and Choi 2003; Fombrun 1996; Gautier and Pache 2013).

In the survey, we first asked about the country of residence. Next, respondents were requested to assess the importance of corporate support for a specific cause without mentioning any concrete company. The cause used corresponds to what the telecommunication companies are supporting in their respective countries. Then, we provided a list of firms (for mobile phone, internet, TV, or fixed line service) and asked respondents whether they are currently customers of any of these companies. If they selected our focal telecommunications company, we asked them how long they had been a customer. Subsequently, to measure perceptions of the focal telecommunications company, the five-factor, fifteen-item Customer-Based Corporate Reputation scale was adopted from Walsh et al. (2009a). To operationalize Attitude toward Corporate Philanthropy, we captured donation proximity (see, e.g., Russel and Russel 2010; Rampal and Bawa 2008; Grau and Folse 2007; Varadarajan and Menon 1988) by including the domestic and global facets of CP. Attitudes toward the aforementioned philanthropic activity supported domestically and globally were gathered by slightly adapting the Attitude toward the Product/Brand scale by Batra and Stayman (1990). Finally, demographic information was gathered and a space was provided for additional comments. All study constructs and individual items are reported in Appendix A.

To reduce common method bias, we assured anonymity and used fact-based, unambiguous questions. The questionnaire in English was distributed through a link sent to students and staff of two major business universities in Austria and Egypt. University students are an appropriate sample as they regularly use the services of telecommunications companies. Because both universities use English as their teaching language, we could assume that the respondents have a good understanding of English.

Results

Sample characteristics

In Study 1, a total of 837 people answered the questionnaire. After data cleaning, mainly excluding respondents who did not live in Austria, 756 remained in the final sample. Most of the respondents (87.6%) are 18–29 years of age, followed by 30–39 years (10.3%); the gender composition was balanced (50.9% female). The majority of the sample holds either a high school or bachelor's degree (55.7% and 25.3%, respectively). Almost half of the respondents (46.8%) were customers of the focal telecommunications company in Austria.

In Study 2, a total of 206 people answered the questionnaire. After data cleaning, mainly through excluding respondents who did not live in Egypt, 187 remained in the final sample. Most of the respondents (74.9%) are 18–29 years of age, followed by 30–39 years (19.8%); there were more female respondents (64.2%). The majority holds either a bachelor's or a master's degree (61.0% and 19.8%, respectively). Almost two-thirds of the respondents (64.2%) were customers of the focal telecommunications company.

Construct validity and reliability measures

We investigated convergent and discriminative validity by multi trait scaling (Table 1). Items measuring Attitude toward Corporate Philanthropy (ACP) and those measuring the five dimensions of corporate reputation show acceptable Spearman correlations (0.37 to 0.77 for ACP items and 0.36 to 0.64 for the five reputation dimensions) and low cross-correlations (-0.01 to 0.23), the exception being ACP6 and ACP12, which were subsequently removed. ACP3 has also been removed, as it loaded highly on Customer Orientation in the final model. For the reputation dimensions, the correlations indicate that the items for Customer Orientation, Good Employer, and Social and Environmental Responsibility have a higher correlation among themselves than with items of any of the other reputation dimensions. For some items belonging to Reliable and Financially Strong Company (RFSC) and Product and Service Quality (PSQ), we find substantial correlations with other items from other reputation dimensions. This is mainly the case for an item of PSQ that correlates substantially with Good Employer (GEM) items and for items of RFSC and PSQ. Hence, these items do not show high divergent validity between these dimensions. For conceptual reasons and because the scale is derived from literature, we decided to maintain RFSC and PSQ as individual constructs rather than subsuming them into one construct. We accommodate the possible relations between reputation dimensions by allowing free correlations between them in the final model. Each of the final sets of items measuring a latent construct appears reliable judging by the greatest lower bound (Bentler and Woodward 1980) and alpha (Cronbach 1951).⁶ In addition, the domestic (ACP 1 through 6) and global (ACP 7 through 12) facets of CP showed high relations in both samples, justifying the operationalization of ACP as one construct.

⁶ For ACP we find $glb=0.96$, $alpha=0.9$, for Customer Orientation $glb=0.82$, $alpha=0.82$, for Good Employer $glb=0.76$, $alpha=0.76$, for Reliable and Financially Strong Company $glb=0.74$, $alpha=0.73$, for Product and Service Quality $glb=0.73$, $alpha=0.72$, and for Social and Environmental Responsibility $glb=0.71$, $alpha=0.7$.

Please include Table 1 about here

Data analysis

All calculations were carried out in R 3.1.0 (R Core Team 2014). The reliability coefficients were calculated with functions from the package psych 1.4.2 (Revelle 2014), and the structural equation models with the lavaan package 0.5-16 (Rosseel 2012).

To account for the setup with latent variables and measurement errors, we use a multi-group structural equation modeling approach (e.g., Bollen 1998; see Figure 3). We fit two models: the first being a multi-group model of the Austrian vs. the Egyptian sample (two group model). This answers H1 and H2a through H2e. The second model compares the four groups defined by the cross-classification of country (Austria and Egypt) and customer status (yes/no). This answers H3 and H4a through H4e. For the measurement model, we fix the loadings to be equal across the two and four groups, respectively (measurement invariance can be upheld). We control for possible common method variance by including an unmeasured latent method construct on which all the manifest indicators can load freely (Podsakoff et al. 2003). This setup allows for the investigation of differential effects of the latent regressions with correction for a possible common method bias.

Please include Fig. 3 about here

We employ a maximum likelihood approach to fit the model, but we use robust standard errors (Huber 1967) and the Satorra-Bentler correction (Satorra and Bentler 2001) to correct for possible misspecification of the multivariate likelihood. Various fit measures are used to evaluate the models: log likelihood, the chi-square value and the associated degrees

of freedom, the comparative fit index (CFI) (Bentler 1990), the Tucker-Lewis-Index (TLI) (Bearden et al. 1982), Akaike's Information Criterion (AIC) (Akaike 1987) and Bayesian Information Criterion (BIC) (Schwartz 1978), root mean square error of approximation (RMSEA) (e.g., Hooper et al. 2008), and the standardized root mean square residual (SRMR) (e.g., Hu and Bentler 1999). The fit measures and the general model summary for both models are given in Table 2. We judge the fit to be acceptable and note that the two group model describes the data better than the four group model.

Please include Table 2 about here

In Tables 3 and 4, we report the estimated path coefficients (B), their robust standard error, z-value and *p*-value for the z-test with the null hypothesis of no effect, the 95% confidence interval (CI), and the standardized coefficients (std.B, standardized to the standard deviation of the latent variable) for the two group and four group model. In the text we limit ourselves to the std.B and the *p*-value.

Please include Table 3 and 4 about here

Below, we focus our interpretation on the latent regression model, as this is central to our hypotheses. For completeness, however, Appendix B and Appendix C list the estimated latent variance–covariance matrix for each group in both models. Additionally, Appendix D and Appendix E provide information on the measurement, such as factor loadings on the latent constructs (including the latent method factor), their standard error, z- and *p*-values, and group-wise standardized loadings (which are calculated by standardizing both the latent and the manifest variables) for both models.

Cause assessment and Attitude toward Corporate Philanthropy

In the Austrian sample, the estimated effect of a more positive appraisal of the cause is positively associated with a positive attitude toward corporate philanthropy (std.B=0.143, $p=0.006$). This was not replicable in the Egyptian sample (std.B=0.06, $p=0.533$). We therefore find support for H1 in the Austrian sample but find no support for H1 in the Egyptian sample.

When contrasting customers and non-customers, we find that a more positive appraisal of the philanthropic cause is positively associated with a more positive attitude toward the philanthropic behavior in Austrian non-customers (std.B=0.199, $p=0.006$). For the customers, this effect is weaker and close to zero (std.B=0.072, $p=0.212$). For Egyptian non-customers, the standardized effect is 0.017 ($p=0.88$), and for customers it is 0.063 ($p=0.47$). Therefore, the effect of cause appraisal is positive in all four groups but only large enough for Austrian non-customers to yield a low p -value. We therefore find no support for H3.

Attitude toward Corporate Philanthropy and Customer Orientation

For the Austrian sample, the effect of a more positive attitude toward corporate philanthropy on the reputation dimension of Customer Orientation was positive (std.B=0.192, $p<0.001$). The effect was lower but still positive in the Egyptian sample (std.B=0.140, $p=0.1$). We take this as support for H2a in the Austrian sample.

Distinguishing between customers and non-customers, we find a more positive Attitude toward Corporate Philanthropy among Austrian non-customers associated with the perception of a higher Customer Orientation (std.B=0.285, $p<0.001$). For customers, this effect is weaker (std.B=0.096, $p=0.12$). For Egyptian non-customers, the effect is slightly negative (std.B=-0.032, $p=0.796$), and for customers the effect is again positive (std.B=0.251,

$p=0.024$). We see that the effect of cause appraisal is diametric in the different groups: Austrian non-customers and Egyptian customers behave similarly. The test of equivalence of a model with the same effect for customers and non-customers in Egypt leads to chi-square difference of 2.4 at $df=1$ ($p=0.12$). Overall, we fail to provide evidence for H4a for Austria. In the Egyptian sample the effects speak more strongly against the null hypothesis of no effect, but based on the Benjamini-Hochberg (1995) correction and the test of effect equivalence, we do not take this as support for H4a.

Attitude toward Corporate Philanthropy and Good Employer

For the Austrian sample, the effect of a more positive attitude toward corporate philanthropy on perceiving the company as a good employer is positive ($std.B=0.243$, $p<0.001$). The effect was not found beyond reasonable doubt in the Egyptian sample ($std.B=0.098$, $p=0.266$). The results, therefore, support H2b based on the Austrian sample.

When looking at customers and non-customers, we find that the positive association between Attitude toward Corporate Philanthropy and the reputation dimension Good Employer in Austrian non-customers is responsible for the observed large pooled effect ($std.B=0.344$, $p<0.001$). For customers this effect is once again less pronounced ($std.B=0.122$, $p=0.06$). For Egyptian non-customers the effect is slightly negative ($std.B=-0.030$, $p=0.844$), and for customers the effect is positive but small ($std.B=0.172$, $p=0.102$). Therefore, we conclude that none of these results support H4b.

Attitude toward Corporate Philanthropy and Reliable and Financially Strong Company

Once again, we find a positive association in the Austrian sample, with the point estimate $\text{std.B}=0.207$ ($p<0.001$). In the Egyptian sample the effect is weaker ($\text{std.B}=0.082$, $p=0.349$). Therefore, H2c is accepted for the Austrian sample.

In the Austrian sample, there are differences in the strength of the positive association between Attitude toward Corporate Philanthropy and Reliable and Financially Strong Company for non-customers and customers. For the former, the strength is $\text{std.B}=0.28$ ($p<0.001$), and for the latter $\text{std.B}=0.122$ ($p=0.092$). In the Egyptian sample, the effects were difficult to distinguish from zero with $\text{std.B}=0.054$ ($p=0.744$) for non-customers and $\text{std.B}=0.109$ ($p=0.283$) for customers. Therefore, our results do not support H4c.

Attitude toward Corporate Philanthropy and Product and Service Quality

In the Austrian sample, the effect of Attitude toward Corporate Philanthropy on Product and Service Quality is $\text{std.B}=0.245$ ($p<0.001$). In the Egyptian sample the effect is weaker and not significant ($\text{std.B}=0.139$, $p=0.121$). Therefore, the results support H2d based on the Austrian sample.

When dividing the samples into the non-customers and customers, the association between Attitude toward Corporate Philanthropy and Product and Service Quality is again strongest for Austrian non-customers ($\text{std.B}=0.305$, $p<0.001$). Austrian customers show a weaker but still positive effect ($\text{std.B}=0.164$, $p=0.039$). In the Egyptian sample the effects are again less pronounced (for non-customers $\text{std.B}=0.020$, $p=0.893$, and for customers $\text{std.B}=0.221$, $p=0.045$). Judging from direction and magnitude of the effects as well as the p -values, we do not find support for H4d in either sample.

Attitude toward Corporate Philanthropy and Social and Environmental Responsibility

For the Austrian sample, we estimate an effect of Attitude toward Corporate Philanthropy on Social and Environmental Responsibility of $\text{std.B}=0.148$ ($p=0.007$). In the Egyptian sample the effect is considerably larger $\text{std.B}=0.318$ ($p=0.002$). Our results therefore support H2e in both country samples.

Distinguishing between non-customers and customers, we see that the association between Attitude toward Corporate Philanthropy and Social and Environmental Responsibility is strongest for Egyptian customers $\text{std.B}=0.479$ ($p<0.001$). For Egyptian non-customers, we find a slightly negative association of $\text{std.B}=-0.163$ ($p=0.33$). In the Austrian sample the effects are $\text{std.B}=0.184$ ($p=0.014$) for non-customers and $\text{std.B}=0.105$ ($p=0.132$) for customers. Therefore, H4e is not supported in the Austrian sample, but it is supported in the Egyptian sample. Table 5 summarizes our hypotheses and their support/non-support.

Please include Table 5 about here

Discussion

We focus on the link between cause assessment, corporate philanthropy, and different dimensions of corporate reputation. Anchoring our research in balance theory, we take a stakeholder perspective to measure the relationships among three entities: the individual (customer or non-customer), the company, and the cause. Five dimensions of Corporate Reputation measure the sentiment relationship between the individual and the company, Cause Assessment measures the sentiment relationship between the individual and the cause, and Attitude toward Corporate Philanthropy measures the unit relationship between the company and the cause. The key findings are:

Corporate philanthropy can be positively associated with the supported cause and the five customer-based corporate reputation dimensions. However, this association depends on the country and the customer status. Observing the overall samples in both countries, Austrian stakeholders reveal positive associations between Cause Assessment and Attitude toward Corporate Philanthropy, indicating that the supported cause has an influence on how stakeholders perceive CP. This is not the case in Egypt, where Cause Assessment had no effect on Attitude toward Corporate Philanthropy. Moreover, the different country settings reveal dissimilar associations with Attitude toward Corporate Philanthropy and reputation dimensions. In Austria, stakeholders appear to perceive the link between CP and the five reputation dimensions (i.e., Customer Orientation, Good Employer, Reliable and Financially Strong Company, Product and Service Quality, and Social and Environmental Responsibility) positively; in Egypt, only the Social and Environmental Responsibility dimension turned out to be positively associated with CP.

Customers and non-customers also reveal different associations. Within the Austrian sample, non-customers associate the relationships between the cause, CP, and the company more strongly than customers do. In Egypt, the differences between customers and non-customers are less prevalent. Between the country sub-samples, results suggest that Austrian and Egyptian non-customers are different: the former have positive associations among the cause, CP, and the company, while the latter reveal no significant associations among these three entities. Interestingly, neither Austrian nor Egyptian customers link CP with the supported cause and all reputational dimensions. Among Austrian customers, only Product and Service Quality is associated positively with CP; among Egyptian customers, this is the case only with Social and Environmental Responsibility. Egyptian customers very strongly associate CP with Social and Environmental Responsibility. Thus, Austrian customers are skeptical about CP, while Egyptian customers appreciate the company's generosity. This is in

line with Yoon et al.'s (2006) finding, which identifies that suspicion and perceived sincerity about CSR activities affect a company's image.

The Austrian results may be attributed to bad experiences (e.g., nontransparent tariffs, impolite shop assistance), or negative media news,⁷ which could have caused customers to feel betrayed and doubtful about the company's actions (including its philanthropy). One customer expressed this as follows: "I think it is hard to say if a company's social work is truly honest or dishonest. Many companies use CSR as a marketing tool and many customers know that. So even if it is truly honest customers might think of it as a marketing campaign."

In Egypt, philanthropic activities have the ability to strengthen the emotional bond between the customer and the company. Moreover, CP is an important component of advertising strategy, and high media spending on CP aims to strengthen the loyalty of existing customers. Particularly throughout the month of Ramadan, philanthropy is a main topic in Egypt, and firms are keen to show their generosity during this time. After the revolution in 2011, CSR activities have become a top priority for many Egyptian companies, and there are strong public expectations regarding corporations' roles in advancing overall wellbeing. Moreover, many companies communicate with their customers via social media. CSR-focused advertising and an increasing participation in social media contribute to a higher percentage of CP awareness. The strong positive association between philanthropy and the Social and Environmental Responsibility reputation dimension among Egyptian customers reflects this public support. However, the Egyptian telecommunications company faces strong criticism as well, as stated by an Egyptian respondent: "I think that corporations like [the telecommunications company] rip us off and what it gives back to our communities is very small and if it were not for their huge media campaigns nothing would have noticed to have an impact."

⁷ Concerning the recent corruption scandal of the Austrian telecommunications company.

In terms of balance theory, the Austrian results confirm balanced and pleasant relationships within the non-customer–company–cause triad. Non-customers form positive sentiment and unit relationships pertaining to all five reputation dimensions. As regards the strength of the relationships, respondents may favor a specific cause receiving corporate support; however, their assessment of the cause associates indirectly with the corporate reputation dimensions via the specific company’s philanthropic activity. This corresponds to the finding that cause choice influences the attitude towards the company–cause fit (Gupta and Pirsch 2006). The customer–company– cause triad in Austria indicates a positive cause–company unit relationship and a positive customer–company sentiment relationship in terms of the Product and Service Quality reputation dimension. However, results do not support a significant positive customer–cause sentiment relationship. This suggests a possible tension or imbalance. Here again, the company–cause relationship seems to be of greater importance than the customer–cause relationship.

In Egypt, there is a positive customer–company sentiment relationship and a positive cause–company unit relationship in terms of the Social and Environmental Responsibility reputation dimension. However, as in Austria, the results do not support a significant customer–cause sentiment relationship, which leads to a potential imbalance in the triad.

Contributions

At the outset we raised the question: *How effective is corporate philanthropy in improving corporate reputation?* Our findings show that the relationship between CP and corporate reputation is context specific. Contrary to many studies that support a general positive association (e.g., Brammer and Willington 2005; Godfrey 2005; Maden et al. 2012; Williams and Barrett 2000), our research suggests that the cultural background may affect this relationship.

Academic contributions

First, while our findings support the notion that stakeholder groups differ in their reputation ratings (Walker and Dyck 2014), we advance the understanding of this relationship by offering a more granular analysis. Specifically, we separately examine customers and non-customers, who were aggregated in previous research (see Walker and Dyck 2014), and find that non-customers rate socially responsible firms higher than do customers.

Second, previous studies have embraced a global measure for reputation. In contrast, our five-dimensional reputation measure is more specific and shows how CP correlates with the different dimensions. By identifying which dimensions of corporate reputation are affected by CP, our study advances Park et al.'s (2014) work, which is based on a unidimensional measure for corporate reputation.

Third, our study offers a comparison of CP's relationship to corporate reputation in different international contexts. Most studies on CP focus on developed countries. Yet, corporate philanthropy is equally relevant in developing countries. Thus, it is important to compare the implications of CP activities in different country settings.

Last, based on the high correlations between domestic and global corporate philanthropy, our research suggests that the geographical proximity of CP may not matter to stakeholders. This result is interesting, especially in light of the so far contradicting outcomes in the literature (see, e.g., Ross et al. 1992; Grau and Folse 2007; Rampal and Bawa 2008).

Managerial contributions

By including a multidimensional measure for corporate reputation, our study offers managers guidance on what aspects of corporate reputation are affected by CP. Our study highlights that CP influences all five dimensions of corporate reputation in Austria, yet it affects only one dimension for the customer group in Egypt (social and environmental responsibility). Thus, investing in CP may be important in building a company's overall reputation in one country, but it may not be enough to affect a company's overall reputation in another country.

This study also provides guidance on how to best plan a philanthropic activity. Our results show that non-customers in Austria form their attitude toward corporate philanthropy based on the supported cause. Thus, managers responsible for CP are advised to identify the causes that matter for stakeholders before engaging in philanthropic activities, and to examine how these causes differ between stakeholder groups and across different countries.

The findings support the stakeholder orientation concept and what Hult (2011) refers to as "market orientation plus," which highlights the importance of incorporating various stakeholders at the strategic level. Corporate decision makers may consider communicating the company's philanthropy to both customers and non-customers. Communicating to customers is essential to sustain customer loyalty. Communicating to non-customers is equally necessary; in most cases they outnumber the customers and can have a significant impact on a company's reputation.

There are also implications for multinational corporations that frequently aim for a global philanthropy strategy. Our findings suggest reconsidering a standardized global philanthropy. Modest expectations of corporate philanthropic activities in a developed country—as evidenced in the positive relationship between CP and the corporate reputation dimensions in Austria—contrast higher expectations to contribute to society in a developing country (Egypt). In a developing country, where corporate philanthropic support is highly needed, CP may have the ability to evoke perceptions of the philanthropic company's social responsibility among existing customers. In contrast, in a developed country, CP may have the ability to improve reputation—especially as regards product and service—of the philanthropic company among stakeholders.

Limitations and future research

Although this research has resulted in some important findings, it is not without limitations. First, the online survey was administered in English, which is not the mother tongue of the respondents and may have resulted in a self-selection of participants. In this context, we accept that (despite accounting for common method bias), collecting data via single online surveys may have introduced systematic response biases. Second, at the very beginning of the survey, respondents were asked to assess corporate support for a cause. This may have resulted in positively biasing the CP–reputation link. Third, familiarity with the focal telecommunication company was not measured for non-customers. Fourth, we recognize that using only one philanthropic initiative in our studies poses a limitation. Finally, we acknowledge that the dynamic political situation in Egypt may have inadvertently impacted our findings.

In terms of future research, one of the pressing issues is the need for cross-national comparisons. Conducting studies, especially in non-English-speaking countries, could shed further light on the importance of cultural factors in CP assessments. Including a measurement of the institutional environment (such as the Country Institutional Profile by Kostova and Roth 2002) could prove a useful addition to previously employed measures of country-level effects. It is also recommended that future cross-country studies should aim for more balanced sample sizes. Our findings show associations in Egypt in many cases different from zero; however, due to the relatively small sample size, the effects are weak. Future studies should also offer a more in-depth examination of the reasons behind the varying views of stakeholder groups and nationalities in terms of CP and corporate reputation. To this end, variables such as fit, motivation, and timing could be investigated. Moreover, for reasons of parsimony, we examined only two stakeholder groups (customers and non-customers). Future research should compare a wider selection of stakeholder groups to gain a richer comparative view on their reputational opinions. Another promising research avenue may involve experiments. While our research method does not allow us to identify causal effects, experimental designs can overcome this shortcoming. Finally, in terms of balance theory, further investigation should focus on capturing attitudinal change. Do stakeholders resolve imbalance by reconsidering the attitude toward the company, the cause, or both?

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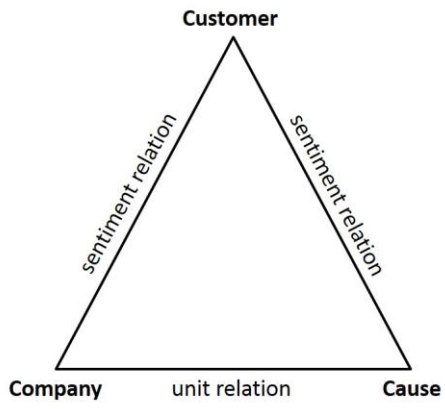
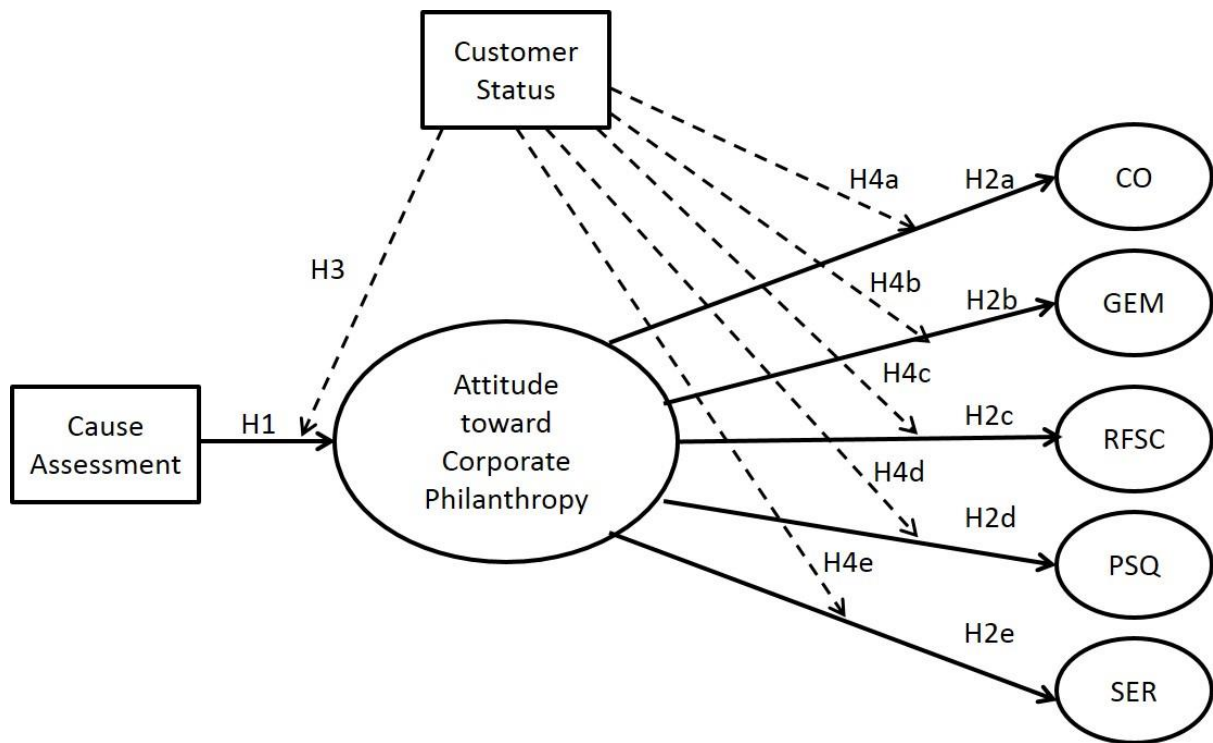
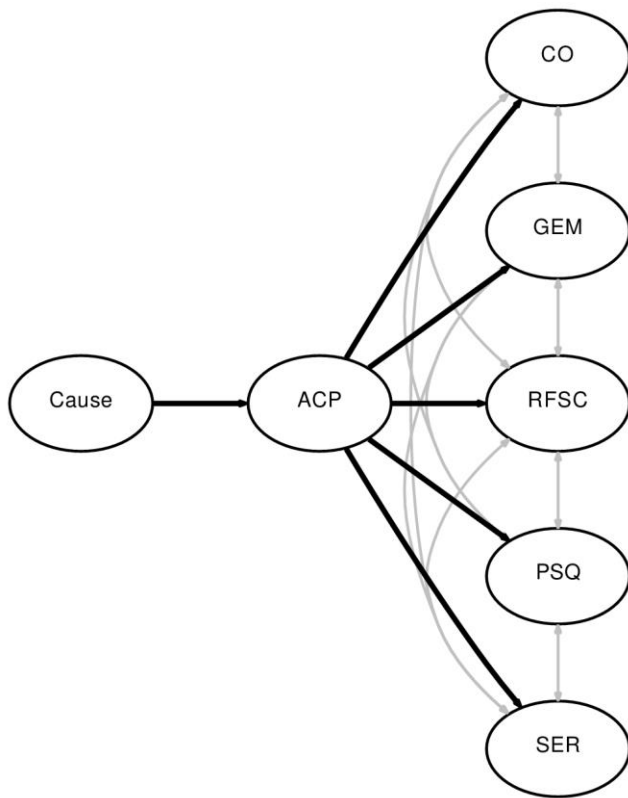


Figure 1: The Customer–Company–Cause Triad



Note: Latent constructs are shown in ellipses and observed variables are shown in rectangles. CO = Customer Orientation; GEM = Good Employer; RFSC = Reliable and Financially Strong Company; PSQ = Product and Service Quality; SER = Social and Environmental Responsibility; CP = Corporate Philanthropy.

Figure 2: Conceptual Model



Note: ACP = Attitude toward Corporate Philanthropy, CO = Customer Orientation, GEM = Good Employer, RFSC = Reliable and Financially Strong Company, PSQ = Product and Service Quality, SER = Social and Environmental Responsibility

Figure 3: Multi-Group Structural Equation Model

	ACP1	ACP2	ACP3	ACP4	ACP5	ACP6	ACP7	ACP8	ACP9	ACP10	ACP11	ACP12	CO1	CO2	CO3	GEM1	GEM2	GEM3	RFSC1	RFSC2	RFSC3	PSQ1	PSQ2	PSQ3	SER1	SER2	SER3
ACP1	1	0,48	0,61	0,7	0,55	0,17	0,77	0,39	0,49	0,6	0,5	0,16	0,08	0,1	0,09	0,1	0,11	0,1	0,08	0,09	0,11	0,16	0,09	0,15	0,03	0,06	0,03
ACP2	0,48	1	0,44	0,44	0,49	0,41	0,38	0,75	0,37	0,38	0,4	0,37	0,15	0,19	0,22	0,2	0,19	0,13	0,07	0,1	0,17	0,19	0,19	0,17	0,17	0,22	0,18
ACP3	0,61	0,44	1	0,7	0,51	0,21	0,51	0,35	0,71	0,56	0,44	0,17	0,03	0,05	0,06	0,05	0,08	0,01	0,07	0,09	0,1	0,09	0,08	0,09	0,04	0,06	0,02
ACP4	0,7	0,44	0,7	1	0,57	0,18	0,6	0,4	0,58	0,74	0,54	0,16	0,09	0,09	0,09	0,09	0,09	0,09	0,1	0,1	0,13	0,16	0,07	0,16	0,03	0,07	0,03
ACP5	0,55	0,49	0,51	0,57	1	0,34	0,43	0,44	0,39	0,47	0,71	0,27	0,09	0,12	0,12	0,11	0,08	0,08	0,1	0,08	0,08	0,11	0,1	0,08	0,09	0,14	0,1
ACP6	0,17	0,41	0,21	0,18	0,34	1	0,12	0,38	0,19	0,15	0,24	0,74	0,08	0,15	0,22	0,18	0,21	0,17	0,1	0,08	0,17	0,11	0,21	0,04	0,25	0,24	0,27
ACP7	0,77	0,38	0,51	0,6	0,43	0,12	1	0,41	0,55	0,68	0,54	0,13	0,05	0,06	0,03	0,08	0,07	0,02	0,03	0,05	0,06	0,1	0,05	0,15	0	0,01	0,01
ACP8	0,39	0,75	0,35	0,4	0,44	0,38	0,41	1	0,39	0,42	0,45	0,38	0,13	0,2	0,23	0,19	0,17	0,14	0,06	0,09	0,18	0,17	0,2	0,16	0,21	0,22	0,2
ACP9	0,49	0,37	0,71	0,58	0,39	0,19	0,55	0,39	1	0,64	0,47	0,17	-0,01	0,05	0,06	0,07	0,07	0	0,07	0,03	0,08	0,06	0,03	0,09	0,06	0,07	0,03
ACP10	0,6	0,38	0,56	0,74	0,47	0,15	0,68	0,42	0,64	1	0,61	0,18	0,06	0,06	0,04	0,08	0,07	0,05	0,05	0,05	0,09	0,09	0,03	0,15	0,04	0,06	0,01
ACP11	0,5	0,4	0,44	0,54	0,71	0,24	0,54	0,45	0,47	0,61	1	0,27	0,06	0,09	0,06	0,06	0,07	0,04	0,08	0,08	0,09	0,09	0,1	0,11	0,06	0,08	0,04
ACP12	0,16	0,37	0,17	0,16	0,27	0,74	0,13	0,38	0,17	0,18	0,27	1	0,14	0,2	0,22	0,16	0,19	0,16	0,12	0,09	0,19	0,12	0,19	0,06	0,23	0,21	0,27
CO1	0,08	0,15	0,03	0,09	0,09	0,08	0,05	0,13	-0,01	0,06	0,06	0,14	1	0,62	0,51	0,35	0,37	0,28	0,27	0,2	0,19	0,39	0,27	0,36	0,11	0,17	0,06
CO2	0,1	0,19	0,05	0,09	0,12	0,15	0,06	0,2	0,05	0,06	0,09	0,2	0,62	1	0,64	0,34	0,38	0,31	0,3	0,27	0,29	0,4	0,33	0,36	0,15	0,2	0,13
CO3	0,09	0,22	0,06	0,09	0,12	0,22	0,03	0,23	0,06	0,04	0,06	0,22	0,51	0,64	1	0,4	0,42	0,32	0,25	0,29	0,28	0,39	0,35	0,36	0,23	0,3	0,19
GEM1	0,1	0,2	0,05	0,09	0,11	0,18	0,08	0,19	0,07	0,08	0,06	0,16	0,35	0,34	0,4	1	0,58	0,44	0,28	0,26	0,32	0,45	0,3	0,38	0,23	0,28	0,14
GEM2	0,11	0,19	0,08	0,09	0,08	0,21	0,07	0,17	0,07	0,07	0,07	0,19	0,37	0,38	0,42	0,58	1	0,46	0,24	0,2	0,24	0,45	0,27	0,34	0,22	0,26	0,14
GEM3	0,1	0,13	0,01	0,09	0,08	0,17	0,02	0,14	0	0,05	0,04	0,16	0,28	0,31	0,32	0,44	0,46	1	0,38	0,29	0,31	0,41	0,33	0,33	0,27	0,21	0,16
RFSC1	0,08	0,07	0,07	0,1	0,1	0,1	0,03	0,06	0,07	0,05	0,08	0,12	0,27	0,3	0,25	0,28	0,24	0,38	1	0,52	0,36	0,34	0,37	0,35	0,14	0,11	0,12
RFSC2	0,09	0,1	0,09	0,1	0,08	0,08	0,05	0,09	0,03	0,05	0,08	0,09	0,2	0,27	0,29	0,26	0,2	0,29	0,52	1	0,5	0,3	0,44	0,28	0,14	0,14	0,08
RFSC3	0,11	0,17	0,1	0,13	0,08	0,17	0,06	0,18	0,08	0,09	0,09	0,19	0,19	0,29	0,28	0,32	0,24	0,31	0,36	0,5	1	0,38	0,44	0,25	0,29	0,2	0,2
PSQ1	0,16	0,19	0,09	0,16	0,11	0,11	0,1	0,17	0,06	0,09	0,09	0,12	0,39	0,4	0,39	0,45	0,45	0,41	0,34	0,3	0,38	1	0,4	0,54	0,19	0,19	0,07
PSQ2	0,09	0,19	0,08	0,07	0,1	0,21	0,05	0,2	0,03	0,03	0,1	0,19	0,27	0,33	0,35	0,3	0,27	0,33	0,37	0,44	0,44	0,4	1	0,4	0,29	0,28	0,25
PSQ3	0,15	0,17	0,09	0,16	0,08	0,04	0,15	0,16	0,09	0,15	0,11	0,06	0,36	0,36	0,36	0,38	0,34	0,33	0,35	0,28	0,25	0,54	0,4	1	0,19	0,13	0,01
SER1	0,03	0,17	0,04	0,03	0,09	0,25	0	0,21	0,06	0,04	0,06	0,23	0,11	0,15	0,23	0,23	0,22	0,27	0,14	0,14	0,29	0,19	0,29	0,19	1	0,38	0,37
SER2	0,06	0,22	0,06	0,07	0,14	0,24	0,01	0,22	0,07	0,06	0,08	0,21	0,17	0,2	0,3	0,28	0,26	0,21	0,11	0,14	0,2	0,19	0,28	0,13	0,38	1	0,48
SER3	0,03	0,18	0,02	0,03	0,1	0,27	0,01	0,2	0,03	0,01	0,04	0,27	0,06	0,13	0,19	0,14	0,14	0,16	0,12	0,08	0,2	0,07	0,25	0,01	0,37	0,48	1

Note: ACP = Attitude toward Corporate Philanthropy, CO = Customer Orientation, GEM = Good Employer, RFSC = Reliable and Financially Strong Company, PSQ = Product and Service Quality, SER = Social and Environmental Responsibility

Table 1: Item-wise Spearman correlations

	2 Group Model	4 Group Model
Chi-square	1513,785	2194,838
Df	512	1066
Satorra-Bentler Correction	1,222	1,219
Loglikelihood (model)	-24311,07	-24149,624
Loglikelihood (unrestricted)	-23385,969	-22811,636
free parameters	188	334
AIC	48998,139	48967,248
BIC	49909,764	50586,837
CFI	0,89	0,878
TLI	0,871	0,862
RMSEA (90% CI)	0.064 (0.061;0.068)	0.067 (0.063;0.071)
SRMR	0,05	0,061

Table 2: Model Information

Group	DV	IV	Estimate	Standard Error	Z value	P value	95% CI (lower)	95% CI (upper)	Standardized Coefficient
AT/noCustomers	ACP	~ cause	0,112	0,041	2,761	0,006	0,032	0,191	0,199
AT/noCustomers	CO	~ ACP	0,252	0,053	4,785	0	0,149	0,355	0,285
AT/noCustomers	GEM	~ ACP	0,368	0,063	5,844	0	0,245	0,492	0,344
AT/noCustomers	RFSC	~ ACP	0,302	0,065	4,675	0	0,176	0,429	0,28
AT/noCustomers	PSQ	~ ACP	0,322	0,063	5,083	0	0,198	0,446	0,305
AT/noCustomers	SER	~ ACP	0,126	0,051	2,468	0,014	0,026	0,226	0,184
AT/Customers	ACP	~ cause	0,046	0,037	1,248	0,212	-0,026	0,119	0,087
AT/Customers	CO	~ ACP	0,107	0,069	1,555	0,12	-0,028	0,242	0,096
AT/Customers	GEM	~ ACP	0,135	0,073	1,856	0,063	-0,008	0,278	0,122
AT/Customers	RFSC	~ ACP	0,148	0,088	1,686	0,092	-0,024	0,32	0,122
AT/Customers	PSQ	~ ACP	0,174	0,069	2,523	0,012	0,039	0,309	0,164
AT/Customers	SER	~ ACP	0,073	0,048	1,506	0,132	-0,022	0,167	0,105
EG/noCustomers	ACP	~ cause	0,016	0,107	0,15	0,88	-0,193	0,226	0,024
EG/noCustomers	CO	~ ACP	-0,027	0,104	-0,258	0,796	-0,23	0,177	-0,032
EG/noCustomers	GEM	~ ACP	-0,029	0,146	-0,196	0,844	-0,315	0,258	-0,03
EG/noCustomers	RFSC	~ ACP	0,041	0,126	0,327	0,744	-0,206	0,289	0,054
EG/noCustomers	PSQ	~ ACP	0,016	0,118	0,134	0,893	-0,215	0,247	0,02
EG/noCustomers	SER	~ ACP	-0,073	0,075	-0,973	0,331	-0,219	0,074	-0,163
AT/Customers	ACP	~ cause	0,061	0,085	0,723	0,47	-0,105	0,227	0,086
AT/Customers	CO	~ ACP	0,205	0,091	2,264	0,024	0,028	0,383	0,251
AT/Customers	GEM	~ ACP	0,171	0,104	1,633	0,102	-0,034	0,375	0,172
AT/Customers	RFSC	~ ACP	0,101	0,095	1,073	0,283	-0,084	0,287	0,109
AT/Customers	PSQ	~ ACP	0,167	0,084	2,002	0,045	0,004	0,331	0,221
AT/Customers	SER	~ ACP	0,298	0,068	4,395	0	0,165	0,431	0,479

Note: DV = dependent variable, IV = independent variable, CI = confidence interval, AT = Austria, EG = Egypt, ACP = Attitude toward Corporate Philanthropy, CO = Customer Orientation, GE = Good Employer, RFSC = Reliable and Financially Strong Company, PSQ = Product and Service Quality, SER = Social and Environmental Responsibility

Table 3: Group-wise path coefficients of the latent regression model for the four groups

Group	DV	IV	Estimate	Standard Error	Z value	P value	95% CI (lower)	95% CI (upper)	Standardized Coefficient
Austria	ACP	~ cause	0,079	0,028	2,767	0,006	0,023	0,135	0,143
Austria	CO	~ ACP	0,193	0,045	4,303	0	0,105	0,281	0,192
Austria	GEM	~ ACP	0,262	0,049	5,347	0	0,166	0,359	0,243
Austria	RFSC	~ ACP	0,246	0,056	4,393	0	0,136	0,355	0,207
Austria	PSQ	~ ACP	0,264	0,049	5,359	0	0,168	0,361	0,245
Austria	SER	~ ACP	0,1	0,037	2,708	0,007	0,028	0,172	0,148
Egypt	ACP	~ cause	0,041	0,066	0,623	0,533	-0,089	0,171	0,06
Egypt	CO	~ ACP	0,12	0,075	1,613	0,107	-0,026	0,267	0,14
Egypt	GEM	~ ACP	0,098	0,088	1,112	0,266	-0,074	0,27	0,098
Egypt	RFSC	~ ACP	0,073	0,078	0,936	0,349	-0,08	0,226	0,082
Egypt	PSQ	~ ACP	0,112	0,072	1,551	0,121	-0,029	0,253	0,139
Egypt	SER	~ ACP	0,178	0,057	3,116	0,002	0,066	0,29	0,318

Note: DV = dependent variable, IV = independent variable, CI = confidence interval, ACP = Attitude toward Corporate Philanthropy, CO = Customer Orientation, GE = Good Employer, RFSC = Reliable and Financially Strong Company, PSQ = Product and Service Quality, SER = Social and Environmental Responsibility

Table 4: Group-wise path coefficients of the latent regression model for the two groups

		Austria	Egypt
Cause -> Attitude toward Corporate Philanthropy	H1	supported	not supported
Attitude toward Corporate Philanthropy -> Customer Orientation	H2a	supported	not supported
Attitude toward Corporate Philanthropy -> Good Employer	H2b	supported	not supported
Attitude toward Corporate Philanthropy -> Reliable and Financially Strong Company	H2c	supported	not supported
Attitude toward Corporate Philanthropy -> Product and Service Quality	H2d	supported	not supported
Attitude toward Corporate Philanthropy -> Social and Environmental Responsibility	H2e	supported	supported
Cause -> Attitude toward Corporate Philanthropy (customers)	H3	not supported	not supported
Attitude toward Corporate Philanthropy -> Customer Orientation (customers)	H4a	not supported	not supported
Attitude toward Corporate Philanthropy -> Good Employer (customers)	H4b	not supported	not supported
Attitude toward Corporate Philanthropy -> Reliable and Financially Strong Company (customers)	H4c	not supported	not supported
Attitude toward Corporate Philanthropy -> Product and Service Quality (customers)	H4d	not supported	not supported
Attitude toward Corporate Philanthropy -> Social and Environmental Responsibility (customers)	H4e	not supported	supported

Table 5: Hypotheses Testing Summary

Appendix A

Study Constructs

Cause Assessment^a

Austrians: Please assess the following statement: “It is important for companies to support children and youngsters”

Egyptians: Please assess the following statement: “It is important for companies to support communities in the area of education.”

Attitude toward Corporate Philanthropy^b

What do you think about [telecom. company's] effort of supporting socially marginalized children and youngsters/schools worldwide?

good_bad

honest_dishonest

useful_useless

positive_negative

charitable_greedy

unique_standard

What do you think about [telecom. company's] effort of supporting socially marginalized children and youngsters/schools in Austria/Egypt?

good_bad

honest_dishonest

useful_useless

positive_negative

charitable_greedy

unique_standard

Customer Orientation^c

Has employees who treat customers courteously.

Has employees who are concerned about customer needs.

Is concerned about its customers.

Good Employer^c

Looks like a good company to work for.

Seems to treat its people well.

Seems to have excellent leadership.

Reliable and Financially Strong Company^c

Tends to outperform competitors.

Seems to recognize and take advantage of market opportunities.

Looks like it has strong prospects for future growth.

Product and Service Quality^c

Is a strong, reliable company.

Offers high quality products and services.

Develops innovative services.

Social and Environmental Responsibility^c

Seems to make an effort to create new jobs.

Seems to be environmentally responsible.

Would reduce its profits to ensure a clean environment.

^a Items were measured on five-point Likert-type scales, in which 1 corresponds to “disagree completely” and 5 to “agree completely.”

^b Items were measured on a five-point semantic differential (very much / somewhat / neither / somewhat / very much).

^c Question asked: Please evaluate the following statements regarding [company X]. Items were measured on five-point Likert-type scales where 1 corresponds to “disagree completely” and 5 corresponds to “agree completely”.

Appendix B

Group-wise latent variance covariance matrix for the four-group model

		CO	GEM	RFSC	PSQ	SER	ACP	CMB
AT/noCustomers	CO	0,248						
	GEM	0,185	0,364					
	RFSC	0,11	0,174	0,37				
	PSQ	0,187	0,277	0,223	0,354			
	SER	0,043	0,095	0,077	0,092	0,149		
	ACP	0,08	0,117	0,096	0,102	0,04	0,317	
	CMB	0	0	0	0	0	0,001	0,005
AT/Customers	CO	0,352						
	GEM	0,172	0,351					
	RFSC	0,166	0,178	0,417				
	PSQ	0,201	0,243	0,237	0,319			
	SER	0,045	0,09	0,043	0,046	0,136		
	ACP	0,03	0,038	0,042	0,05	0,021	0,285	
	CMB	0	0	0	0	0	0	0,006
EG/noCustomers	CO	0,305						
	GEM	0,232	0,392					
	RFSC	0,116	0,144	0,249				
	PSQ	0,21	0,242	0,214	0,278			
	SER	0,085	0,095	0,067	0,071	0,086		
	ACP	-0,012	-0,012	0,018	0,007	-0,031	0,433	
	CMB	0	0	0	0	0	0	0,003
EG/Customers	CO	0,338						
	GEM	0,303	0,495					
	RFSC	0,231	0,314	0,435				
	PSQ	0,23	0,28	0,329	0,289			
	SER	0,133	0,161	0,133	0,145	0,196		
	ACP	0,104	0,086	0,051	0,085	0,151	0,505	
	CMB	0	0	0	0	0	0	0,002

Note: ACP = Attitude toward Corporate Philanthropy, CO = Customer Orientation, GE = Good Employer, RFSC = Reliable and Financially Strong Company, PSQ = Product and Service Quality, SER = Social and Environmental Responsibility, CMB = Common Method Bias, AT = Austria, EG = Egypt

Appendix C

Group-wise latent variance covariance matrix for the two-group model

		CO	GEM	RFSC	PSQ	SER	ACP	CMB
Austria	CO	0,308						
	GEM	0,182	0,355					
	RFSC	0,15	0,183	0,427				
	PSQ	0,204	0,266	0,251	0,354			
	SER	0,044	0,091	0,062	0,07	0,139		
	ACP	0,059	0,08	0,075	0,08	0,03	0,304	
	CMB	0	0	0	0	0	0,001	0,006
Egypt	CO	0,353						
	GEM	0,302	0,474					
	RFSC	0,22	0,272	0,384				
	PSQ	0,246	0,284	0,308	0,311			
	SER	0,113	0,131	0,108	0,117	0,151		
	ACP	0,058	0,047	0,035	0,054	0,085	0,48	
	CMB	0	0	0	0	0	0	0,002

Note: ACP = Attitude toward Corporate Philanthropy, CO = Customer Orientation, GE = Good Employer, RFSC = Reliable and Financially Strong Company, PSQ = Product and Service Quality, SER = Social and Environmental Responsibility, CMB = Common Method Bias, AT = Austria, EG = Egypt

Appendix D

Measurement model for the four-group model

							Standardized coefficients			
		Estimate	Standard error	Z value	P value	AT/noCustomers	AT/customers	EG/noCustomers	EG/customers	
CO	'=~'	CO1	1	0	NA	NA	0,674	0,698	0,778	0,713
CO	'=~'	CO2	1,242	0,065	19,06	0	0,815	0,819	0,931	0,829
CO	'=~'	CO3	1,081	0,063	17,094	0	0,687	0,701	0,77	0,816
GEM	'=~'	GEM1	1	0	NA	NA	0,709	0,673	0,747	0,755
GEM	'=~'	GEM2	0,845	0,049	17,333	0	0,731	0,705	0,769	0,75
GEM	'=~'	GEM3	0,885	0,063	14,135	0	0,633	0,598	0,701	0,724
RFSC	'=~'	RFSC1	1	0	NA	NA	0,658	0,667	0,537	0,68
RFSC	'=~'	RFSC2	1,079	0,071	15,176	0	0,745	0,723	0,578	0,798
RFSC	'=~'	RFSC3	0,94	0,066	14,164	0	0,64	0,625	0,631	0,714
PSQ	'=~'	PSQ1	1	0	NA	NA	0,729	0,719	0,783	0,661
PSQ	'=~'	PSQ2	0,97	0,064	15,13	0	0,616	0,539	0,62	0,652
PSQ	'=~'	PSQ3	1,093	0,064	17,16	0	0,712	0,665	0,783	0,72
SER	'=~'	SER1	1	0	NA	NA	0,543	0,521	0,4	0,559
SER	'=~'	SER2	1,381	0,125	11,036	0	0,721	0,693	0,566	0,805
SER	'=~'	SER3	1,27	0,126	10,088	0	0,575	0,586	0,439	0,683
ACP	'=~'	ACP1	1	0	NA	NA	0,766	0,805	0,8	0,759
ACP	'=~'	ACP2	0,796	0,064	12,385	0	0,509	0,449	0,63	0,659
ACP	'=~'	ACP4	1,055	0,035	29,826	0	0,819	0,845	0,785	0,834
ACP	'=~'	ACP5	0,99	0,051	19,53	0	0,646	0,584	0,623	0,71
ACP	'=~'	ACP7	1,027	0,045	22,853	0	0,806	0,784	0,789	0,816
ACP	'=~'	ACP8	0,802	0,069	11,663	0	0,519	0,471	0,599	0,701
ACP	'=~'	ACP9	1,018	0,051	19,921	0	0,695	0,655	0,824	0,797
ACP	'=~'	ACP10	1,083	0,049	22,093	0	0,843	0,839	0,87	0,908
ACP	'=~'	ACP11	1,073	0,057	18,726	0	0,703	0,648	0,723	0,788
CMB	'=~'	CO1	1	0	NA	NA	0,092	0,088	0,073	0,049
CMB	'=~'	CO2	2,038	0,798	2,554	0,011	0,182	0,169	0,144	0,093
CMB	'=~'	CO3	2,6	1,114	2,334	0,02	0,225	0,212	0,174	0,134
CMB	'=~'	GEM1	1,922	0,943	2,037	0,042	0,153	0,163	0,119	0,082
CMB	'=~'	GEM2	1,238	0,609	2,034	0,042	0,12	0,13	0,094	0,062
CMB	'=~'	GEM3	1,171	0,619	1,891	0,059	0,094	0,1	0,077	0,054
CMB	'=~'	RFSC1	0,218	0,533	0,409	0,683	0,016	0,017	0,012	0,009
CMB	'=~'	RFSC2	0,916	0,652	1,405	0,16	0,071	0,071	0,051	0,041
CMB	'=~'	RFSC3	1,966	1,014	1,939	0,053	0,149	0,151	0,137	0,09
CMB	'=~'	PSQ1	1,372	0,649	2,113	0,035	0,114	0,13	0,106	0,067
CMB	'=~'	PSQ2	2,878	1,351	2,13	0,033	0,208	0,212	0,181	0,143
CMB	'=~'	PSQ3	1,486	0,671	2,214	0,027	0,11	0,12	0,105	0,072
CMB	'=~'	SER1	2,398	1,179	2,034	0,042	0,229	0,253	0,17	0,12
CMB	'=~'	SER2	2,525	1,265	1,996	0,046	0,231	0,257	0,184	0,132
CMB	'=~'	SER3	3,046	1,579	1,93	0,054	0,243	0,285	0,187	0,147
CMB	'=~'	ACP1	-0,145	0,572	-0,253	0,8	-0,013	-0,016	-0,009	-0,006
CMB	'=~'	ACP2	9,126	4,358	2,094	0,036	0,702	0,719	0,57	0,421
CMB	'=~'	ACP4	-0,178	0,614	-0,291	0,771	-0,017	-0,02	-0,01	-0,008
CMB	'=~'	ACP5	2,467	1,272	1,939	0,052	0,194	0,204	0,123	0,099
CMB	'=~'	ACP7	-0,533	0,639	-0,834	0,404	-0,05	-0,057	-0,032	-0,024
CMB	'=~'	ACP8	9,393	4,494	2,09	0,037	0,731	0,771	0,554	0,458
CMB	'=~'	ACP9	-0,167	0,64	-0,261	0,794	-0,014	-0,015	-0,011	-0,007
CMB	'=~'	ACP10	-0,824	0,738	-1,115	0,265	-0,077	-0,089	-0,052	-0,038

CMB	'=~'	ACP11	1,53	0,905	1,69	0,091	0,121	0,129	0,081	0,063
CMB	'=~'	cause	1,71	0,905	1,89	0,059	0,142	0,153	0,124	0,092

Note: Listed are the estimated factor loadings (which were constrained to be equal across groups, Estimate), ACP = Attitude Toward Corporate Philanthropy, CO = Customer Orientation, GEM = Good Employer, RFSC = Reliable and Financially Strong Company, PSQ = Product and Service Quality, SER = Social and Environmental Responsibility, CMB = Common Method Bias, AT = Austria, EG = Egypt

Appendix E

Measurement model for the two-group model

			Estimate	Standard Error	Z value	P value	Austria	Egypt
CO	'=~'	CO1	1	0	NA	NA	0,692	0,728
CO	'=~'	CO2	1,221	0,064	19,15	0	0,817	0,862
CO	'=~'	CO3	1,062	0,062	16,992	0	0,691	0,812
GEM	'=~'	GEM1	1	0	NA	NA	0,689	0,757
GEM	'=~'	GEM2	0,852	0,05	17,186	0	0,721	0,763
GEM	'=~'	GEM3	0,888	0,063	14,107	0	0,613	0,722
RFSC	'=~'	RFSC1	1	0	NA	NA	0,68	0,628
RFSC	'=~'	RFSC2	1,049	0,069	15,11	0	0,736	0,712
RFSC	'=~'	RFSC3	0,907	0,062	14,744	0	0,635	0,682
PSQ	'=~'	PSQ1	1	0	NA	NA	0,735	0,72
PSQ	'=~'	PSQ2	0,95	0,061	15,633	0	0,58	0,644
PSQ	'=~'	PSQ3	1,083	0,059	18,242	0	0,695	0,759
SER	'=~'	SER1	1	0	NA	NA	0,526	0,503
SER	'=~'	SER2	1,391	0,134	10,406	0	0,706	0,726
SER	'=~'	SER3	1,293	0,13	9,924	0	0,583	0,606
ACP	'=~'	ACP1	1	0	NA	NA	0,783	0,773
ACP	'=~'	ACP2	0,793	0,068	11,688	0	0,482	0,64
ACP	'=~'	ACP4	1,053	0,035	30,313	0	0,831	0,815
ACP	'=~'	ACP5	0,988	0,051	19,348	0	0,615	0,677
ACP	'=~'	ACP7	1,023	0,044	23,215	0	0,795	0,805
ACP	'=~'	ACP8	0,8	0,073	10,919	0	0,497	0,665
ACP	'=~'	ACP9	1,011	0,05	20,341	0	0,675	0,801
ACP	'=~'	ACP10	1,081	0,048	22,39	0	0,84	0,893
ACP	'=~'	ACP11	1,074	0,057	18,794	0	0,68	0,768
CMB	'=~'	CO1	1	0	NA	NA	0,094	0,058
CMB	'=~'	CO2	1,922	0,713	2,696	0,007	0,176	0,109
CMB	'=~'	CO3	2,631	1,096	2,4	0,016	0,234	0,161
CMB	'=~'	GEM1	1,746	0,83	2,103	0,035	0,153	0,091
CMB	'=~'	GEM2	1,199	0,563	2,129	0,033	0,129	0,074
CMB	'=~'	GEM3	1,179	0,595	1,983	0,047	0,103	0,066
CMB	'=~'	RFSC1	0,234	0,506	0,461	0,645	0,018	0,011
CMB	'=~'	RFSC2	0,737	0,575	1,28	0,2	0,06	0,038
CMB	'=~'	RFSC3	1,757	0,875	2,007	0,045	0,142	0,101
CMB	'=~'	PSQ1	1,124	0,545	2,062	0,039	0,105	0,069
CMB	'=~'	PSQ2	2,588	1,175	2,203	0,028	0,201	0,15
CMB	'=~'	PSQ3	1,286	0,588	2,188	0,029	0,105	0,077
CMB	'=~'	SER1	2,271	1,073	2,116	0,034	0,242	0,14
CMB	'=~'	SER2	2,362	1,14	2,071	0,038	0,243	0,151
CMB	'=~'	SER3	2,889	1,445	2	0,046	0,264	0,166
CMB	'=~'	ACP1	-0,182	0,576	-0,317	0,752	-0,02	-0,01
CMB	'=~'	ACP2	8,438	3,9	2,164	0,03	0,703	0,468
CMB	'=~'	ACP4	-0,312	0,627	-0,498	0,618	-0,034	-0,017
CMB	'=~'	ACP5	2,271	1,148	1,979	0,048	0,194	0,107
CMB	'=~'	ACP7	-0,542	0,649	-0,835	0,404	-0,058	-0,029
CMB	'=~'	ACP8	8,84	4,093	2,16	0,031	0,754	0,504
CMB	'=~'	ACP9	-0,203	0,646	-0,315	0,753	-0,019	-0,011
CMB	'=~'	ACP10	-0,83	0,754	-1,101	0,271	-0,089	-0,047
CMB	'=~'	ACP11	1,382	0,82	1,685	0,092	0,12	0,068
CMB	'=~'	cause	1,634	0,828	1,973	0,049	0,15	0,107

Note: Listed are the estimated factor loadings (which were constrained to be equal across groups, Estimate), ACP = Attitude Toward Corporate Philanthropy, CO = Customer Orientation, GEM = Good Employer, RFSC = Reliable and Financially Strong Company, PSQ = Product and Service Quality, SER = Social and Environmental Responsibility, CMB = Common Method Bias