INVESTIGATION OF THE ROLE OF PUBLIC RELATIONS IN MANAGING CORPORATE IMAGE IN THE BANKING INDUSTRY

(A CASE STUDY OF ATWIMA KWANWOMA RURAL BANK)

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I hereby declare that this submission is my own work towards the MBA and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the ward of any other degree of the University, except where due acknowledgement has been made in the text

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ABSTRACT

This study traces the role of public relations activities in managing corporate image of Atwima Kwanwoma Rural Bank. The objectives of the study focus on the Public Relations activities of the bank, management of corporate image and the relationship between Public Relations activities and management of corporate image of Atwima Kwanwoma Rural Bank. The study involves both primary and secondary data. The primary data was gathered from two sources; the customers of Atwima Kwanwoma Rural Bank through questionnaire design; the Public Relations Officer of Atwima Kwanwoma Rural Bank through an interview guide. The study revealed that Public Relations activities are planned and organized to meet specific objectives set out to be achieved by Atwima Kwanwoma Rural Bank. The Public relations activities organized by the bank include media relations and community relations. Employee and financial relations are not specifically defined as public relations actives of the bank, yet the bank believes that they play important role in the management of their corporate image. It was also found that the bank manages its corporate image with their product and services, communications, behaviour and attitude of staff and physical environment. The bank's operations and achievements are well communicated to the public. The study recommended that Atwima Kwanwoma Rural Bank should create separate department for Public relations, increase education on their operations, media relations focus on radio and communications aspect of employee and financial relations considered as public relations.

Key words: *Public Relations, Management of Corporate Image, Banking Industry*

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DEDICATION

To my Mother Cecilia Aboraa and my late Father Mr. George Kankam

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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background

The banking industry has undeniably experienced rapid changes. Today, the banking industry is characterized by globalization, standardization, fast technological changes and large-scale advantages. Because of these changes it has resulted in questions being raised among banks, such as "Who are we?" and "What kind of business do we operate?" these according to Balmer (2001) are closely related to management of strong corporate image. As markets become globalized, companies have had to create good image that can be a competitive factor to expand locally and internationally which ensures differentiation from competitors.

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The nature of the industry has prompted banks to understand the image perceived by their internal and external stakeholders of the organization (Yavas and Shemwell, 1996). Each corporation has an "image" whether the company does anything about it or not. Corporate image is formed based on stakeholder perceptions of specific company actions as well as associated industry issues. To a great extent, this image influences stakeholders' reactions to specific corporate actions. Gregory (1999) confirms this and says; "every company has an image, whether planned or not and a good image can offer much to an organization's success". Ferrand and Pages (1999) believe corporate image to be of such value that they refer to it as "image capital" adding that it can serve to differentiate organizations that in other respects may be similar if not identical.

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Smith (2001) says that, with the era of globalization, it has become increasingly important for organizations to differentiate themselves in order to remain competitive, especially where they appear to provide the same service such as banks.

The heightened level of competition in the banking industry has led to strategic questions regarding how the banks should differentiate themselves from competitors. It has been argued that developing a strong corporate image is an effective way for banks to find a unique position in the financial market (Flavián *et al.*, 2004). Thus, developing a strong corporate image has become an imperative task for most banks and, according to Worcester (1997), is not an optional activity; rather, it is an important part of the bank's strategy.

Increase in competition has made it difficult for companies to differentiate themselves from each other. To Balmer and Grey (2000), by communicating a unique identity, companies can reach a differential factor that adds value in the mind of the organization's publics. They continue that increasingly, society is more aware of the community problems and is demanding high levels of corporate social responsiveness to companies. Companies should try to communicate both internally and externally in order to carry out actions to create a good image. Smith and Taylor (2006) suggest that corporate image is formed from internal and external communications.

Banks, in order to create effective and mutually satisfactory relationship with various publics and stakeholders both internal and external, need a variety of public relations. With each public, creation of a favourable image is paramount. Firms in an industry have one thing in common–the need to create a favourable image or an effective

corporate identity; Kreitzman (1986).

Researchers believe that one of the tools that can be used to manage and project such images is public relations. Hon (1998) found that Public relations helps organizations to establish images and improve community relationships. Hon continues that public relations can help achieve organizational targets such as good corporate image.

Kitchens (2004) identifies the following Public Relations activities that can help the organizations to achieve corporate image as; employee relations, community relations, financial or investor relations, media relations, Industrial relations, Lobbying, Corporate social responsibility and Corporate hospitability

Kitchens continues that firms in a competitive environment need to ensure a strong relationship with the people they communicate with, which will lead to the achievement of a greater corporate image.

Bank's most effective tool to monitor and manage the perception and opinion of the public is through extensive use of PR activities. Due to the obvious importance of PR activities in the banking industry, the aim of this study is to shed more light over the role of PR activities in managing corporate image of Atwima Kwanwoma Rural Bank.

1.2 Problem Statement

The ability of public relations role to influence the management of corporate image has long occupied the attention of both public relations writers and researchers. The widely held view is that public relations activities are tools for managing a company's corporate image. The relationship between public relations and managing corporate image has been facilitated by the difficulty in measuring the role public relations plays in shaping the opinions of the various 'publics' to effectively manage the corporate image of

organization.

The problem with the role of public relations in managing corporate image is that banks communicate with the public both internal and external. The public brings on board its own perception and opinions about the company. The sectional activities of the company determine the level of image within that section. The combination of perceptions and opinions from the various publics determine the total corporate image of the organization. This makes it difficult for public relations programmes to be clearly identified with the various dimensions of the bank.

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The problem with Public relations activities is that its role in an organization has been considered as not been self-defining and self-regulating system. Thus, public relations role is considered subordinated to other organizational functions. Kotler (1994) observed that PR has generally been treated as a marketing stepchild an after-thought to more serious promotional planning.

The prevailing consensus is that most public relations practitioners work as technicians rather than as managers. Dozier (1992) argued that, unless public relations activities are considered in a management role, the organizational influence of understanding the role of public relations will be minimized.

The seemly difficulty in identifying the exact role of public relations in managing corporate image in the banking industry has necessitated the study into the area. The aim of this research therefore is to investigate into the role of public relations in managing corporate image of the Atwima Kwanwoma Rural Bank.

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1.3 Research Objectives

The main objective of the study is to investigate the role of public relations in the management of corporate image

The Specific objectives include to;

- investigate the management of corporate image of Atwima Kwanwoma Rural Bank
- examine the public relations activities of Atwima Kwanwoma Rural Bank
- assess the role public relations play in managing corporate image of Atwima Kwanwoma Rural Bank.
- recommend critical factors in determining the role of public relations in managing corporate image of Atwima Kwanwoma Rural Bank

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1.4 Research Questions

The research questions are stated following the problem statement;

- How does the bank manage its corporate image using public relations?
- How can Public relations activities of the bank be described?
- What is the Public relations role in managing corporate image of Atwima Kwanwoma Rural Bank?

1.5 Significance of the Study

The research into the role of public relations in managing corporate image in banks is significant for a number of reasons. There is increased competition between banks which has led to changes in strategy - clients are recruited through offers of bursaries, loans,

and credit facilities. They are approached by means of telephone canvassing as well as below-the-line direct mailings. The banking institutions are very visible in promotion which includes public relations and sponsorships, and in terms of locality with regard to branches and ATMs. Banking services, for example cheque accounts, offer more or less similar advantages at different institutions.

The findings and suggestion will therefore afford policymakers the opportunity to develop effective public relations programmes that can help manage their corporate image.

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The findings will help establish theories on which aspects of public relations programmes can be used effectively to manage corporate image. The research findings will also resolve the problem of how to understand and appreciate the role of public relations in the management of corporate image. The findings and recommendations will help Atwima Kwanwoma Rural Bank in policy direction towards differentiating themselves from competitors in the industry through public relations activities. Finally, the research will also serve as a reference material for future studies.

1.6 Overview of Research Methodology

The research is a case study which specifically focused on the role of public relations in managing corporate image of Atwima Kwanwoma Rural bank. Primary and secondary data were gathered for the study. The primary data were gathered from the customers and the marketing department. The secondary data was gathered from the bank's

website. The bank has a customer population of thirty six thousand (36,000). A sample size of 120 customers was selected from all the six branches of the bank and the public relations officer was chosen from a population of eight (8). Twenty (20) customers were selected from each branch. Convenient and Purposive (non-probability) sampling technique were use to gather the primary data. Questionnaire was designed to illicit views of the customers. Interview guide was designed to gather data on the views of the Public relations manager of the bank. Excel spread sheet was used to derive frequency tables and charts for the analysis of the data gathered from the customers and the public relations manager of Atwima Kwanwoma Rural bank.

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1.7 Scope of the Study

The study was conducted in the service sector specifically in the banking industry. This is because of the growth, competition and globalization of the industry today. Atwima Kwanwoma Rural bank was chosen as the case study because of their current exploits amongst the rural banks in Ghana. They are rated as the leading rural bank in Ghana since 2003 according ARP APEX bank. They are sometimes compared with the commercial bank because of their achievements and activities.

Atwima Kwanwoma Rural Bank was selected as a single case study because it represented a useful tool to achieve the objectives of the investigation. The study was therefore limited to selected customers in all the six branches of the bank and the public relations activities from their main office at Pakyi II.

1.8 Limitations

A study of this nature should have covered the entire banking industry; this could have provided the basis for generalization of the research findings to the companies in the industry. It could have provided a fair reflection of the nature of public relations activities use in managing corporate image in the industry. The researcher decided to select Atwima Kwanwoma Rural Bank Limited for a case study. The researcher also encountered problems such as time constraints and resources.

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1.9 Organization of the Study

This research is structured into five main chapters. Chapter one is an introduction laying the foundation for this research. This covers background to the study, problem statement, research objectives, significance of the study, and scope of the study, organization of the study and limitations of the research. Chapter two covers a thorough literature review relevant to this study. Issues with regard to public relations and corporate image were discussed. The concept of public relations, public relations tools and the concept and importance of managing corporate were reviewed. In chapter three, research methodology employed for the study was considered. The various research methodologies include research design, data sources, population, sample size, sampling technique, data collection method and data analysis method. Chapter four takes care of the presentation of research findings and analysis. Chapter five, the final one concludes the work with suggestions and recommendations based on the objectives and the findings of the research.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviews relevant literature in the area of the relationship between Public Relations (PR) and corporate image. The theories connected to the research area is reviewed and presented in a conceptual framework. The existing literature in the area of PR is vast and numerous. To be able to answer the research questions and reach the objectives, the researcher has been selective in the search of relevant theories and concepts. Some of the selected theories are concept of public relations, Proactive PR and reactive PR, Public Relations activities. Theories considered under corporate image; concept of corporate image, management of corporate image. Relevant literature on the relationship between PR and corporate image is presented in this chapter.

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2.1 Concept of Public Relations

Public Relations (PR) is a promotional tool which is an element of marketing communication. Definitions of public relations (PR) are indescribable because the PR concept covers broad spectrum of activities. The research area of PR is vast and wide with a number of definitions regarding the term PR and what it actually involves. People working with PR tend to view their activities as having a strategic impact, while many marketers view PR as only a tactical ingredient of the promotion mix. This confusion has undermined the development of PR and added to the blurring of what exactly includes in the area of PR. (Lages & Simkin, 2003)

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A review of PR history gives a number of definitions and approaches to the field (Hutton, 1999). In the early definitions, the dominant theme in PR was "using communications to build and hold goodwill". The term has evolved and a review of recent PR definitions in literature and academic journals suggests a number of common themes, but there is still no true convergence. The most common components in the definition of PR appear to be "management", "organization", and "publics".

An example of a widely quoted definition is: "Public relations is the management function which evaluates public attitudes, identifies the policies and procedures of an organization with the public interest, and executes a program of action to earn public understanding and acceptance" (Hutton, 1999). Lages and Simkin (2003) propose that PR scholars conceptualize PR as a management discipline, which is a change form of the traditional view of PR as mainly a communication activity. Other authors referred by Lages and Simkin (2003) agree with Hutton (1999) and defines PR as the "management of communication between an organization and its publics"; and emphasize: "this definition equates public relations and communication management".

Public Relations is also defined as "the management function that identifies, establishes and maintains mutually beneficial relationships between an organization and the various publics on whom its success or failure depends". Further, Lages and Simkin (2003) define PR as "relationship management", this means that the focus of public relations is the management of an organization's relationships with its publics through the four step management process of analysis, planning, implementation and evaluation. In this context PR is used to communicate strategically (Lages and Simkin (2003).

According to Belch and Belch (2004), PR is the management function which evaluates

public attitudes, identifies organizations' polices and procedures from public perspective, and executes a program of action and communication to earn public understanding and reception.

Jefkins (1978) defines PR as: "Public relations consist of all forms of planned communication, outwards and inwards, between an organization and its publics for the purpose of achieving specific objectives concerning mutual understanding".

This definition points out that PR should be planned and organized similarly as production, sales and advertising programmes. The principal objective, mutual understanding means that the PR practitioner seeks to understand other people and their attitudes, as well as to create an understanding of his organization and its people, policies, products, or services. Such interaction is the essence of communication. By the term objective, the author means that the system of management by objectives is implemented to deliberately planned and sustained PR. Also a separate PR strategy can and should be planned, budgeted and executed alongside marketing. Ideally this should be part of a complete management system, using PR to achieve company objectives Jefkins (1978).

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2.2 Models for Defining Public Relations

Grunig and Hunt (1994) suggest a useful way of looking at the concept of public relations. They suggested the four models of communicational relationships with the public: press agentry/publicity model, public information model, two-way asymmetrical model and two-way symmetrical public relations. The press agentry/publicity model is the kind of activity that people associate with public relations. The aim of this type of

model is to secure coverage for a client.

The public information model provides information for people and does not seek to persuade the audience and tends to rely on one-way communication. Two-way asymmetric public relations introduce the idea of two way communication, but only asymmetrically because the intended change is in the audience's attitudes rather than the organization's practices. Two-way symmetrical public relations is a more equal communication, where each part is willing to alter their behaviour (Theaker, 2001).

Van Ruler and Vercic (2003) conceptualized public relations into four models.

In the Information model, Public Relations is seen as the dissemination of information about the organization. The aim is to reduce uncertainty as knowledge is gained. It is based on the theoretical field of mass media on which communication science is based.

In the persuasion model, Van Ruler and Vercic suggest that Public Relations is seen as a means to promote the organization to others. The aim is to enable the organization to continue its functions. The focus is for target groups to accept the organization's perspective on relevant issues.

In the relationship model, they explain that Public Relations is seen as establishing and maintaining mutually beneficial relationship between an organization and its publics. The aim is to create consensus on important issues and avoiding conflict by assuring cooperation. Public Relations is seen as negotiating with public.

In the dialogue model, Van Ruler and Vercic conclude that Public Relations is seen as the facilitation of dialogue intention between the organization and its public. The aim is the development of learning process. It is based on creating as many meaning as possible, which is based more on a battle of interest than on harmony of interest.

2.3 The Role of Public Relations

Hutton (1999) develops a three dimensional cube to provide a framework by which to analyze PR roles. There are three dimensions that explain the substantive differences among the various definitions of PR; interest, initiative and image.

The "interest" dimension can be described as the "balance of intended effects". It describes to what degree PR functions are focused on client interest versus public interest. In other words, is the focus mainly on the organizations direct customers or is the focus on the public in general?

The "initiative" dimension explains to what extent the PR function is reactive versus proactive. This can be measured by PR activities designed to predict and help to shape up emerging organizational issues.

The "image" dimension describes to what extent the organization is focused on perception versus reality, or image versus substance. This dimension represents the general focus of an organization's philosophy, thoughts and actions.

According to Hutton (1999) when PR activities are analyzed in the context of this framework, there appear to be six relatively distinct orientations of the role of PR: persuasion, advocacy, public information, cause-related public relations, image-reputation management, and relationship management.

Hutton explains that the six orientations of pubic relations practice work together to enhance the corporate image of an organisation. He however, laid emphasis on image-reputation management and relationship management.

This role focuses on the image or reputation of the organization, as measured by its

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popularity or value as a supplier, buyer, partner, employer, lender, citizen or investment. Image/reputation management looks primarily to publicity, spin control and the creation and manipulation of symbols as its primary tactics. It has grown in importance recently, and has deep roots in the practices of early PR pioneers. Hutton (1999)

Relationship management refers to the practice of PR as an exercise in identifying mutual interests, values and benefit between a client-organization and its publics. While acting primarily on the client's behalf, such an approach to PR seeks to operate on behalf of the client in a responsible manner, in line with the public interest, in belief that public support and consent are vital to achieving the organizations long-term objectives. The emphasis is on mutual trust, compromise, cooperation, and whenever possible, a win-win situation between the organization and the publics. Hutton (1999).

Broom and Smith (1979) in Gruing (1992) conceptualized four theoretical roles of public relations.

The expert prescriber role suggests that Public Relations takes responsibility for defining the problem and developing and implementing a programme. According to Cutlip et al, (2000), the result of this role is that of passive management involvement in the problem-solving process.

The communication facilitator role indicates that Public Relations serves as liaisons or "go between" interpreters and mediators between the organization and its publics. Steyn (2000) suggests that this role facilitates exchange, keep channel of communication open by removing barriers in relationships and provide information needed for making decisions.

The problem solving process helps management to systematically assess problems in order to define and solve those problems. Cutlip et al., (2000) suggest that this role works collaboratively with management and becomes part of the strategic planning team and transforms public relations thinking into management thinking.

The corporate communication role of Public relations executes the communications actions directed at publics as decided by the dominant coalition. This role of public relations provides the communication and journalistic skills essential for communication programmes.

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Following Broom and Smith conception of the role of Public Relations in 1979, Van Ruler and Vercic (2003) also conceptualized four dimensional roles of public relations.

Managerial role is mainly concerned with the organizational mission and strategy aimed at commercial and other groups. The developing of strategies is aimed at gaining public trust and or mutual understanding through relations between the organization and its public.

Van Ruler and Vercic (2003) continue that the operational role of Public Relations aimed at implementing and evaluating the communication process formulated on behalf of the organization by preparing a means of communication.

Educational role is concerned with the behaviour of the members of the organization and is aimed at internal public group. This role assists members of the organization in becoming communicatively competent, in order to respond to social demands

Reflective role of Public Relations is concerned with organizational standards and values aimed at the decision makers within the organization. This role is responsible for the analysis of the changing standards and values in society. This is essential for an

organization when focusing on social responsibility and legitimacy, in order to adjust the standards and values of the organization. Van Ruler and Vercic (2003). According to Steyn (2000) reflective Public Relations is a strategic process which involves the interaction between the organization's internal and external environment. The internal refers to the organization's vision, mission, values, philosophy, culture and policies. The external environment consists of four categories, namely the remote (social, economic, political, technological and ecological), industry, operating and functional/internal environment.

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2.4 Approaches to Public Relations Activities

Public Relations activities can be approached either as proactive or reactive. Proactive PR is dictated by a company's objectives. It is oriented offensively rather than defensively, and opportunity seeking rather than problem solving. The major role of proactive PR is to promote the organizations products and services. Integrated with other promotional activities, proactive PR give a product or service additional exposure, newsworthiness, and credibility. The last factor, credibility, largely accounts for the effectiveness of proactive PR. By comparison, reactive PR describes the conduct of public relations in response to outside influences. It is undertaken as a result of external pressures and challenges brought by competitive actions, shifts in consumer attitudes, changes in government policy, or other external influences. Reactive PR typically deals with change that has negative consequences for the organization, and attempts to repair a company's reputation, prevent market erosion, or regain lost sales. (Shimp, 2000).

2.5 Planning Public Relations Activities

The necessity of public relations planning is determined by the use of peculiarities of public relations and the variety of possible means of communication. Different authors indicate a little bit different stages of planning. Cutlip (2000) divides the entire process into four (4) main stages; each of them consists of several minor activities:

Problem definition. The most important aspect of this stage is problem identification.

Planning and programming. The programme base is formed in this stage – goals and tasks are defined, purposive auditorium is defined here too.

Execution and communication. The strategy of public relations is prepared in this stage, which covers all future actions and its execution methodology.

Programme assessment. A plan of programme assessment is made in this stage and its feedback is ensured.

Wilcox (2003) recommends eight (8) stages approach to Public Relations activities;

Situational analysis. Situational analysis covers traditional trends of marketing environment analysis: external environment, internal environment, company's benefits and shortcomings, etc.

Determination of goals. This stage Wilcox (2003) stressed is important, because the determined goals of public relations, related to any activity or company and determine further stages of planning– strategy and tactics.

Determination of purposive auditorium. Public relations is an element of promotion, they are inter-linked with proper auditorium. Brassington and Pettitt (2000) highlight these purposive groups:

- financial groups.

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- commercial groups.
- authorities.
- mass-media groups.
- internal groups of company.
- public.

However, Rumbutis (2005) suggests that public relations mostly try to inform a larger part of public, without concretizing purposive groups of particular company

Strategy. Strategy defines primary programme guidelines that must be considered in all planning stages (Wilcox, 2003). Depending on public relations goals, one general or several different goals orientated strategies may be formed.

Tactics. Tactics is generally grounded during strategy formation by the determined guidelines of public relations related activities and may be assessed as a stage of strategy concretizing, where the level of public relations programme execution is reached.

Creation of a timetable-schedule. This covers three (3) main elements: intended time of public relations campaign launch and the sequence of actions. A timetable is closely related to tactical decisions of public relations

Budgeting. Very often, budget of public relations is very subjective. Its size is determined by particular company's management and its attitude towards the need of public relations and the availability of financial resources or by the abilities of particular marketing director to ensure company's management to allot financial resources.

Programme assessment. According Blythe (2003) and Harrison (2000), the efficiency of communication with public is assessed having compared their programme's results with the goals determined in that programme. They highlight these results related to

communication with public assessment components:

- assessment of specific goals and tasks
- assessment of results-outcome related to public relations.
- assessment of business or organizational activities.

2.6 Public Relations Activities

Public relations activities are targeted at the public. The public are both internal and external. Internal public are the employees whilst external public are the community, media and investors. Public relations programmes are conducted to cover the public because the beliefs, opinions, and perception they (the public) hold about the firm represents its (the firm's) corporate image. Public relations activities are therefore targeted at the public to influence their opinions and perceptions about the firm. Well et al.,(2003)

2.6.1 Media relations activities

According to Wells et al., (2003) media relations focuses on developing a relationship with media and find out who might be interested in the organizations story. The term "public relations" is mostly associated with publicity, which indicates the importance of this media function. The organization initiates publicity and provides appropriate information to media.

A successful relationship between a PR person and the editors in the media is built on a PR person's reputation for honesty, accuracy and professionalism. If this reputation is tarnished or lost, the PR person cannot function effectively as a liaison between a

company and the media. (Wells et al., 2003). According to Desiere and Sha (2007), media relations makes up the core of public relations activities and most PR campaigns cannot be waged successfully without media relations.

Wren (2006) suggests that media relations activities have four main tasks:

Monitoring. Media relations finds and informs leadership of what is being said about the organization in the uncontrolled media – print, electronic and online - so leadership can respond effectively and persuasively. He maintains that media relations pays close attention to expressed opinions and perceptions of economically essential individuals and audiences. A second part of monitoring is to contact publishers of inaccurate information about the company and to correct them.

Message development and presentation. Media relations helps develop messages and message presentation to business reporters for the purpose of informing economically essential individuals and audiences. This maintains message accuracy, accurate understanding of a company's brand promise in the minds of the public. Wren (2006)

Message distribution and relationship building. Media relations activities help get organizational messages to the public through uncontrolled media by fostering relationships with business reporters and answering their queries. This identifies fair and opened minded reporters and approaches them with facts about the company, Gains attention for a company's message among reporters in key media, coordinates with investor relations and marketing to insure an integrated presentation of company message(s). Wren (2006)

Measure success. In getting messages into uncontrolled business media and before the

public, Media relations develops and implements metrics that gauge the economic value of its activity. Wren (2006)

2.6.2 Employee relations activities

Employee relations programmes communicate information to employees. The function of employee relations belongs both to PR and human resource management. These kinds of programmes are often called internal marketing. (Wells et al., 2003)

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Griffeth et al., (2000) noted pay and pay-related variables are employee relations tools that have a great effect on employee motivation. They continue that management must compensate employees adequately. They should pay employees based on their performance and in addition they should given employees incentives like individual bonus, lump sum bonus, sharing of profits and other benefits. Griffeth et al., (2000)

According Meaghan et al. (2002) knowledge accessibility, the extent of the organisation's "collaborativeness" and its capacity for making knowledge and ideas widely available to employees is a tool that can ensure employee motivation. This accessibility of information would lead to strong performance from the employees and create strong corporate culture Meaghan et al., (2002).

Workforce optimization, the organisation's success in optimizing the performance of the employees by establishing essential processes for getting work done, providing good working conditions, establishing accountability and making good hiring choices would

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provide employees motivation in the organisation. (Badawy, 1988)

Brooke and Price (1989) also suggest that good employee relations activities include job satisfaction, career satisfaction, and organisational commitment that reflect a positive attitude towards the organization, thus having a direct influence on employee intentions. (Brooke and Price, 1989).

Superiors who empower subordinates by delegating responsibilities to them leads to subordinates who are more satisfied with their leaders and consider them to be fair and in turn to perform up to the superior's expectations (Keller and Dansereau, 1995). All these make employees to be committed to the organization and ensure good employee relations.

2.6.3 Financial relations activities

Financial relations is creating and maintaining the investors' trust and promoting cordial relationships with the financial sector. According to Wells et al., (2003), financial relations includes all communication efforts aimed at the financial community, such as press releases sent to business publications, meetings with investors and analysts, and annual reports which the government require of public held companies. (Wells et al., 2003)

Baskin et al. (1997) suggest that financial relations is the building of positive relationships with the financial community. Marston (1996) defines investor relations as the link between a company and the financial community, Savage (1970) describes the

financial community as 'those through whom the buyers and sellers of securities transact their business'. In his definition of investor relations, Andrew (1990) refers to specific members of the financial community, namely financial institutions, investment analysts, shareholders and the financial press. Similarly, Marston and Straker (2001) include analysts, investors and potential investors in the financial community. Arfin (1994) refers to financial relations as 'managing the interface' to describe the flow of information between a company, investors and those who influence investors.

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In a small number of cases, financial relations is defined in a broader sense. Buchner (1994) defines financial public relations as 'the science of communicating with specific target audiences, respectively or generally, about a company's trading activities and conditions, financial status, strategy, and values, on a consistent basis, so that they may accurately evaluate their investment'.

Although it is commonly thought that shareholders are the only target audience of investor relations, other target audiences include financial institutions, creditors, financial analysts, customers, employees, government, opinion leaders, the general public, the media, trade unions and pressure groups (Buchner 1994).

2.6.4 Community relations activities

According to Soderberg (1986) Organizations conduct a variety of special programs to improve community relations, including providing employee volunteers to work on community projects, sponsoring educational and literacy programs, staging open houses and conducting plant tours, celebrating anniversaries, and mounting special exhibits.

Organizations are recognized as good community citizens when they support programs that improve the quality of life in their community, including crime prevention, employment, environmental programs, clean-up and beautification, recycling, and restoration.

2.7 Concept of Corporate Image

In marketing literature, the focus of image is on external organisational aspects, emphasising the feelings and beliefs that various external observers have about a company (Abratt and Mofokeng, 2001). Consequently, an image is formed in the minds of external observers and can be seen as a symbol of a person's perception of an organisation. In that way, image is subjective and is developed as the actors interact with the firm. In organisational theory, image is defined as how the employees of an organisation believe external actors perceive the organisation (Dutton and Dukerich, 1991). From that perspective, image is seen as an internal issue and as an expression that an organisation wishes to project to certain external actors.

Various definitions of corporate image exist. Corporate image is sometimes seen as synonymous with corporate reputation (Abratt, 1989; Dowling, 1993) or as different to corporate reputation but interrelated (Bromley, 2001). Part of the confusion results from the various uses of the term 'corporate image' by both practitioners and academics to the extent that corporate image and corporate identity are often used interchangeably and imprecisely (Abratt, 1989). Corporate image is the net result of the interaction of a person's beliefs, ideas, feelings and impressions about a company and exists in the mind

of that person (Van Rekom, 1997). Corporate image is the totality of a stakeholder's perceptions of the way an organization presents itself, either deliberately by controllable sources or accidentally by uncontrollable sources.

A firm's image is strongly linked to its vision and mission and is considered a manageable resource. Abratt and Mofokeng (2001) argue that as the vision and mission guide the company in its daily interaction with external actors, those principles will logically be reflected in the corporate image. Because the corporate image is believed to be the visible element of a firm's image, the firm has the ability to create and manipulate a desired picture of itself in the minds of the external actors. To achieve a desired image firms must encourage and facilitate constant two-way communication with their target audiences. Thus, firms must be fully aware of the image they are sending to both their external and internal audiences (Balmer and Stotvig, 1997). Image affects not only the perceptions that external observers have of the firm but also the employees' perception of the firm (Christensen and Askegaard, 2001).

2.8 The Importance of Corporate Image

Gregory (1991 and 1999) says every company has an image, whether planned or not and a good image can offer much to an organization's success. Ferrand and Pages (1999) believe corporate image to be of such value that they refer to it as "image capital" adding that it can serve to differentiate organizations that in other respects may be similar if not identical. They say image can create value and impacts on consumer behaviour but can include perceptions, which may or may not reflect the objective truth.

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Corporate image is considered a strategic tool of great value for the financial sector, since besides helping to achieve long-term objectives Abratt and Mofokeng (2001) it can turn into a source of competitive advantage.

Gooch (1999) believes that "image is everything" and Lewis (2001) says reputation is an asset of immense value that enables organisations to charge a premium for their products and services. Schroff (2002) agrees saying that a good image can compel consumers to prefer a product to a lower-priced though equally good one.

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Boyd (2001) says a good corporate image contributes to improved behaviour and better attitudes on the part of its employees and Boyle (2002b) says it is a treasure, not easy to find but very easy to lose. Gregory (1999) contends such perceptions have an enormous impact on a company's ability to survive in the complex and competitive marketplace of today and Steidl and Emery (1997) say a strong, positive corporate image gives an organisation a long-term sustainable competitive advantage.

Conversely, an article in Business Insurance (Anonymous, 2002b), says a bad reputation can result in the loss of employee, customer and shareholder confidence and can not only cost a company dearly, but even drive it out of business.

Poon et al., (2000) and Petrick et al., (1999) agree that as no firm can do all things to all people, they must create an image that will appeal to those they wish to target then project that image to their targets.

Greener (1991) agrees with Kotler and Armstrong (1996) that organizations can differentiate themselves from their competitors and gain a competitive advantage through projecting an image that focuses on subtle differences such as service, reliability, speedy delivery, and safety.

Alan et al., (2001) suggest that images represent people's perceptions of their own reality and conclude that people act or choose not to act based on the reality that they perceive. Staw and Epstein (2000) identify significant relationships between the positive economic performance of organizations and the public's admiration of them. Whether what people perceive is indeed a reality may be debatable, but there can be little doubt that people's behaviours and choices are affected by their perceptions. Staw and Epstein (2000) say that leaders who use the latest management techniques are assumed to be competent irrespective of their actual effectiveness and even the perception that such techniques are being used when in fact they are not, is sufficient to enhance the leader's image and the firm's corporate image. They go as far as to say that appearances can count as much as, if not more than, reality.

Few organisations are unique in the kind of product or service they offer and to attract a larger market share in the face of competition necessitates the organization differentiating itself or its brand in some way (Piercy, 1997). Backman (2000) tells how the Texas-based radio station KLIF-AM achieved this by projecting a logo that said simply "Talk" and differentiating itself by projecting an image as a talk station.

A company with a good corporate image will attract and retain high-calibre employees (Highhouse et al, 1999; Edwards, 2000; Vinocur, 2001). Kmetovicz (1999) agrees adding that this gives a company an advantage over its competitors. However, this refers to its image as an employer and this may or may not be consistent with how it is perceived by other targets such as customers.

Nevertheless, an organisation's employees can be an asset or a liability and where there is high turnover of staff; recruitment and training costs diminish profitability. Conversely, educated, talented and versatile individuals are usually more creative, decisive and productive than average (Kmetovicz, 1999). The attitudes of the organisation's employees are, by definition, its self image. Projecting the image that will both attract and retain the right kind of employees should be on any organisation's strategic planning agenda (Highhouse et al, 1999; Vinocur, 2001). Gray and Balmer (1998) agree adding that corporate image ought to be managed as a strategic corporate resource. Bickerton (2000) cites an empirical study of leading US and UK companies by Fombrun and Rindova (1998) in which they found that companies with a more positive image projected their corporate image in a more systematic and consistent manner than companies with lower corporate image rankings.

Jenkins (1991) emphasizes the need for organisations to have a visual identity, to project their self-image by distinctive and expensively designed logos. As one who admits to having "been personally involved" with such projects, there may be some bias in his assertions concerning how effective they have been in altering public perceptions of the

organisations.

Wells et al., (1999) say that implementing a successful community image program is important for effective business communication but Vendelo (1998) goes even further and says it is necessary if customers are to consider them capable and reliable suppliers of product. He adds that organisations acquire a good image by doing a good job.

Thus people's experience with the company will lead to references and, where such loyalty is nurtured, affiliations will develop which will further enhance the organisation's image. This can happen quickly and be rather inexpensive.

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2.9 The Management of Corporate Image

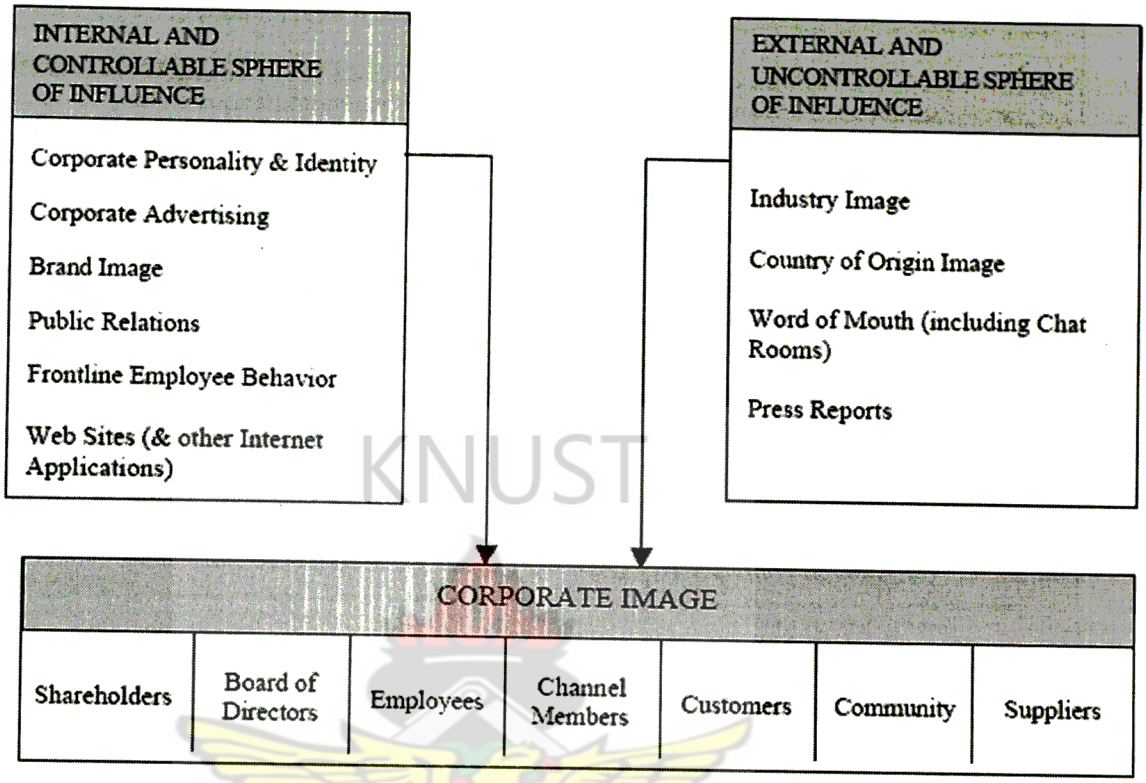
According to Villonova, Zinkhan and Hhymn (1990), the first step in attempting to influence and manage the corporate image of an organization is to understand the process by which corporate image is formed. They provide a conceptual framework of the corporate image formation process.

Figure 1 of the framework suggests that there are numerous sources that influence and hence affect the image of an organization. These sources are broadly classified into two major groups of influence:

a) internal and controllable sphere of influence; and

b) external and non-controllable sphere of influence.

Figure 1: Corporate Image Formation Process



Source; Villonova, Zinkhan and Hhymn (1990),

They explain that within the internal sphere of influence are at least five major sources that help form a corporate image:

a) corporate personality and identity;

b) corporate advertising;

c) brand image;

d) public relations; and

e) frontline employee behavior.

Impressions of organizations can be formed through indirect contact. Information received second-hand through personal experiences of friends and colleagues can

influence a stakeholder's image of a corporation. Information from the popular press regarding the activities of the company or its financial health can impact on a corporation's image.

Major sources of information within the external sphere that play a major role in the corporate image formation process are:

a) industry image;

b) country-of-origin image;

c) word-of-mouth; and

d) press reports.

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These sources are beyond the direct control of the company but may be influenced indirectly. Smith and Taylor (2006) have a similar point of view from the areas where the image is formed. They declare: "images and perceptions are created through all senses (sight, sound, smell, touch, taste) and feeling experienced through product usage, customer service, the commercial environment and corporate communications" which shown is in figure 2. According to them a corporate image is formed from four areas:

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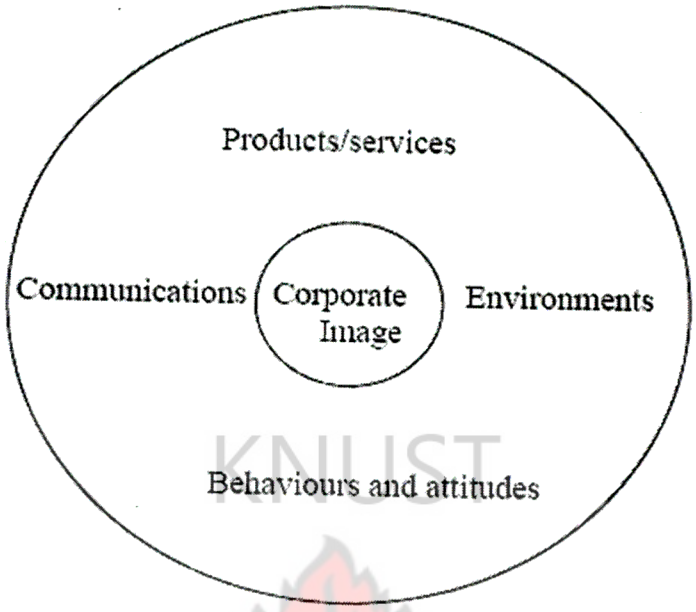
Figure 2: Corporate Image-Mix,



Source; (Smith and Taylor, 2006, p666)

Product and services are everything related to the physical product as well as the added services (the quality of the products, its design, its guaranty, and so on, for example). Environments refer to the commercial environment. How offices, factories, receptions, meeting rooms, stores, showrooms and so on are built, designed, decorated, and presented. Behaviours and attitudes are issues like social responsibility, corporate citizenship, ethical behaviour and community affairs.

They suggest that communications include advertising, personal relationships, personnel communications and public relations.

Researchers and writers have proposed and argue various ways in which corporate image can be managed. Hutton *et al.,* (2001) and Fombrun (2000) have approached corporate image management from different perspectives. They argue that corporate image can be managed by comparing communications management versus organisational policy. Hutton *et al.,* (2001), strongly question image management as a

separate discipline. He suggests that there appear to be strong operational and applied theoretical links between image management and relationship management to indicate the need for close dialogue.

2.10 Relationship between Public Relations Role and Corporate Image

In order to establish the relationship between public relations and corporate image there is the need to identify and define the publics of the organization. Kotler and Keller (2006) define publics as any group that has an actual or potential impact on a company's ability to achieve its objectives. Publics are people both internal and external that the organization communicates to. The internal publics are the employees and the staff while the external publics include; community, investors/financial, media, customers.

Worcester (1997) emphasizes the importance of identifying the organizations important publics. Every bank should undertake careful evaluation of the audiences it must deal with in order of priority. In many financial institutions for example the customers often hold this position. Knowing accurately who to target first means that expenditure decisions can be based on relevance. Beavers-Moss (2001) states that after identifying the various publics of a bank, relationships should be established according to every group's needs and wants.

Organizations are recommended by Wells & Spinks (1999) to establish ongoing communications with the public and community as a whole. Schultz & Barnes (1999) suggest that the relationship with specific publics should be emphasized. After deciding if the organizations publics are going to be defined wide or narrow, companies can utilize traditional segmentation bases such as Geographic's, demographics and psychographics.

According to Grunig and Grunig, (2002) Public relations units play an important role in the strategic management of their organisations. They identify critical publics that affect or are affected by management decisions and who can create issues and crises for the organization.

In order to realize the use of public relations in managing corporate image there is the need to consider the role of PR and their relationship with corporate image.

2.10.1 Media relations activities and corporate image

Wells and Spinks (1998) suggest that it is crucial to businesses and organisations to remember that they operate within communities where they have substantial audiences. Media is one of their audiences which needs a great care in terms of building and maintaining relationships as well as co-operating.

Organizations continuously strive for developing their image and improving their long-term relationship with key publics (Grunig, 1990); where Wells and Spinks (1999a) suggest, ethics and honesty enhance positive "media exposure" while dealing with publics. This positive media exposure needs to be taken into the core of every organisation activities, in order to increase chances of improving corporate image.

Thus, well established media relations offer organisations and businesses a higher exposure to publics and community. However, sustaining community image will not happen, unless organizations have concrete media relations. Therefore, they need to be on-line, in papers, on TV and radios with positive comments on them. As it would not

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always be possible to have good news; dissemination of bad news needs to be well structured and justified in order to save organizations image and reputation.

Surprisingly, according to Bland et al. (2001) there are still some practitioners who dedicate less time on media relations. To clarify the necessity of media relations and its impact, Theaker (2001) argue, good media relations would contribute to strategic objectives of organisations where, different channels would be used by organization for different purposes. Furthermore, Zikmund and d'Amico (1995) argue that press releases create a favourable image in the publics' minds; which would benefit the long-term strategic vision of an organisation. Wells and Spinks (1999b) explain that under "effective communication systems"; where organisations employ various communication channels to reach their target audience.

Consequently, it appears that organisations need to evaluate the effectiveness of their relationships with media on a regular basis, as effective media relations enhance chances of creating image (Hill and White, 2000). Media relations is remarkable, however, it is essential to think of the end result; which is the disseminated message to the publics.

Media alongside technology has been improved over the past couple decades; this enables organisations to set their story and shape their corporate image. Well established media relations disable speculation and rumour, if organisations take strategic approach and cooperate with media.

2.10.2 Employee relations activities and corporate image

Employees are one of the most important audiences a company has, and an ongoing public relations program is necessary to maintain employees good will as well as to uphold the company's image and reputation among its employees. The essence of a good employee relations program is keeping employees informed and providing them with channels of communication to upper levels of management. Bechtel Group, a privately held complex of operating companies, published an annual report for its employees to keep them informed about the company's operations. The company used surveys to determine what information employees considered useful. A range of other communication devices were used, including a monthly tabloid and magazine, a quarterly video magazine, local newsletters, bulletin boards, a call-in telephone service, and "brown bag" lunches where live presentations were made about the company. Suggestion systems are another effective way to improve employee-management communications.

Other public relations programs focusing on employees include training them as company public relations representatives; explaining benefits programs to them; offering them educational, volunteer, and citizenship opportunities; and staging special events such as picnics or open houses for them. Other programs can improve performance and increase employee pride and motivation. Public relations can also play a role in recruiting new employees; handling reorganizations, relocations, and mergers; and resolving labour disputes.

Smith and Taylor (2006) Harmonize employee relations. Effectively managed corporate

identity will create a sense of common purpose within organizations. According to Ind, N (1992) "the most important audience and communicators are the employees". Employees are the ones who are in contact with the other audiences. The better they will perceive a positive image and perception of the company, the better communication of the company will be sent out to the rest of the audiences. They continue that a positive image helps the company to attract and maintain skilled personnel.

2.10.3 Financial relations activities and corporate image

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Financial relations involves communicating not only with a company's stockholders, but also with the wider community of financial analysts and potential investors. An effective investor relations plan can increase the value of a company's stock and make it easier to raise additional capital. In some cases special meetings with financial analysts are necessary to overcome adverse publicity, negative perceptions about a company, or investor indifference. Such meetings may take the form of full-day briefings, formal presentations, or luncheon meetings. A tour of a company's facilities may help generate interest among the financial community. Mailings and ongoing communications can help a company achieve visibility among potential investors and financial analysts.

Annual reports and stockholder meetings are the two most important public relations tools for maintaining good investor relations. Some companies hold regional or quarterly meetings in addition to the usual annual meeting. Other companies reach more stockholders by moving the location of their annual meeting from city to city. Annual reports can be complemented by quarterly reports and dividend check inserts. Companies that wish to provide additional communications with stockholders may send

them a newsletter or company magazine. Personal letters to new stockholders and a quick response to inquiries insure an additional measure of good will. Smith and Taylor (2006) advice organizations to strengthen their financial relations. Positive communicated corporate identity will help to make the organization's presence known to influential players. It might increase awareness, understanding and support.

Among these stakeholders, Balmer and Dinnie (1999) identify seven categories of actors who would constitute the most important target audiences to whom financial communication has to be intensified. These seven main categories are: the staff, the investors (shareholders+bankers+bondholders), the clients, the suppliers, the local authorities, the media and the government. Within this framework, de Bruin (1999) has defined financial communication as "every activity involving financial information and the promotion of the financial corporate image". According to Fu and Qiu (2007) the emergence of institutional investors has necessitated the rise in financial relations. They continue that such investors are pushing for more protection on their investment right and interest and this has made firms establish financial relations management as a strategic activity. As stated by Bourke et al., (2000), such financial relations activity is necessary in order to "ensure cohesion, maintain the employees' enthusiasm and a good social climate" which project good corporate image.

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2.10.4 Community relations activities and corporate image

Desatnik (2000) refers community relations to the various methods companies use to establish and maintain a mutually beneficial relationship with the communities in which they operate. The underlying principle of community relations is that when a company

accepts its civic responsibility and takes an active interest in the well-being of its community, then it gains a number of long-term benefits in terms of community support, loyalty, and good will. Community involvement builds public image and employee morale, and fosters a sense of teamwork that is essential in long-term success.

Desatnik (2000) continues that comprehensive, ongoing community relations program can help virtually any organization achieve visibility as a good community citizen and gain the good will of the community in which it operates. Banks, utilities, radio and television stations, and major retailers are some of the types of organizations most likely to have ongoing programs that might include supporting urban renewal, performing arts programs, social and educational programs, children's programs, community organizations, and construction projects. On a more limited scale, small businesses may achieve community visibility by sponsoring local sports teams or other events. Support may be financial or take the form of employee participation.

Organizations have the opportunity to improve good will and demonstrate a commitment to their communities when they open new offices, expand facilities, and open new factories. One company increased community awareness of its presence by converting a vacant building into a permanent meeting place. Another company built its new headquarters in an abandoned high school that it renovated. One of the more sensitive areas of community relations involves plant closings. A well-planned public relations campaign, combined with appropriate actions, can alleviate the tensions that such closings cause. Some elements of such a campaign might include offering special programs to laid-off workers, informing employees directly about proposed closings,

and controlling rumours through candid and direct communications to the community and employees. Increasingly, society is more aware of the environmental problems and is demanding high levels of corporate social responsiveness to companies. Companies should try to communicate and carry out social actions to create a good image. Balmer and Grey (1999)

Pressures from outside publics and informed self interest groups, along with community development requirements, have directed attention to many aspects of social responsibility (Goldstein and Nolan, 2001). While there is some shortage of accord as to the exact parameters of social responsibility, it is evident that failure to react affirmatively and timely to this matter can create negative impacts on the company through detrimental publicity against the company. Kroszner and Strahan, (2001), also suggest that failures to ensure good community relations can engender discontent among important publics and weaken bank financial position.

Numerous bank managers have responded to the necessity for complying with effective community relations through social responsibility requirements Ogrizek (2002). According to Gore (1998) some have communicated this by using public relations efforts through publications, discussion forums. In total, these indicators signal a change in attitudes from a focus on profit-making towards a more socially responsible orientation in banking. There is also a link between corporate social responsibility as community relations tool and public relations. According to Frankental (2001), community relations is often regarded as an add-on to public relations or a 'public relations exercise'. However, Seitel (2001) states that most firms view community relations as a way of life stressing on corporate social responsibility.

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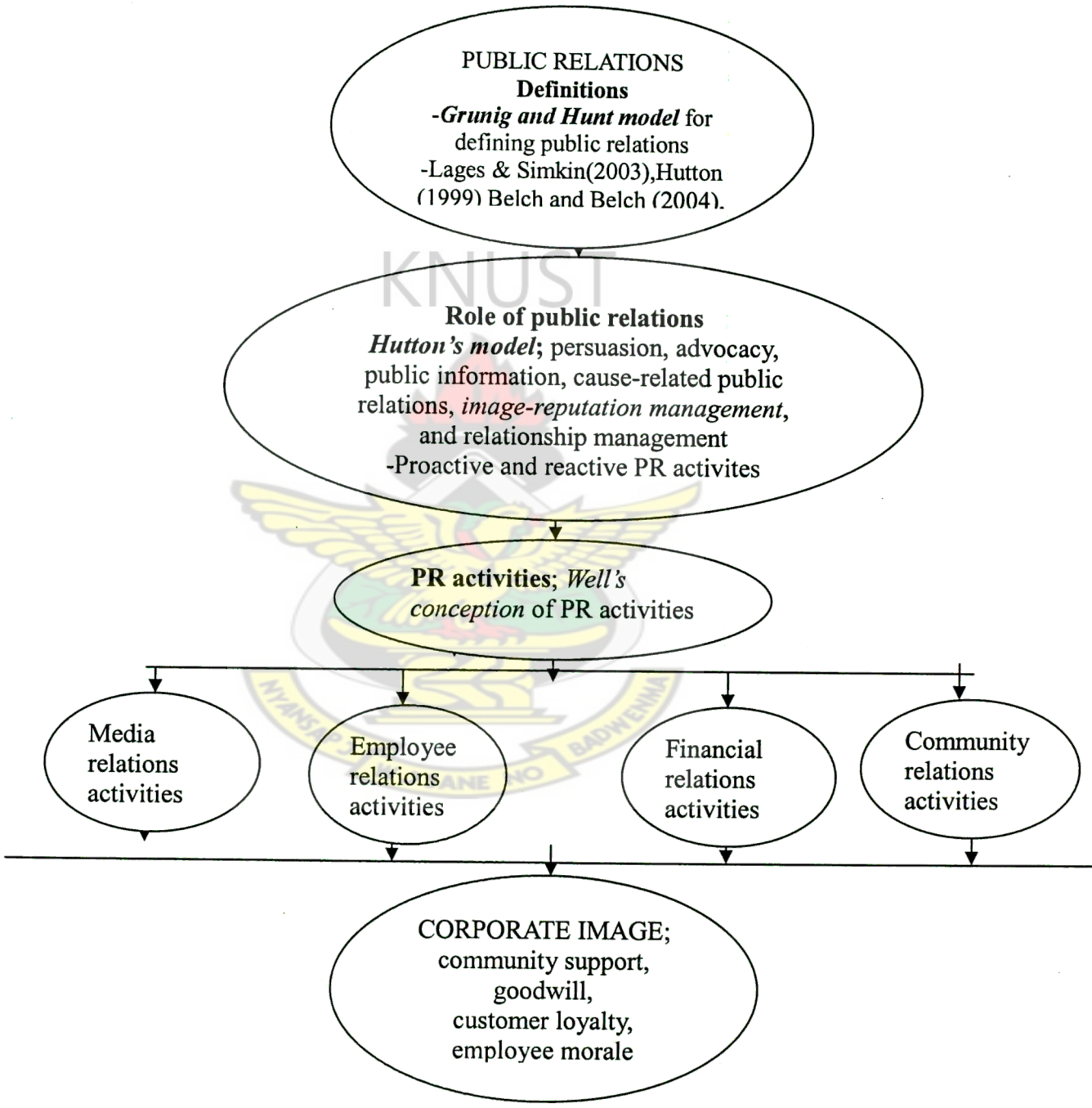
2.11 Conceptual Framework of the Role of Public Relations in Managing Corporate Image

Figure 3; Conceptual Framework



Source; researcher's construction (2009)

The conceptual framework traces the role of Public relations in managing corporate image.

The research area of PR is vast and wide with a number of definitions regarding the term PR and what it actually involves. This study is therefore using definitions from Lages & Simkin, (2003), Hutton (1999), Belch and Belch (2004), Jefkins (1978) and Grunig and Hunt model for understanding the concept of public relations.

The role of public relations used in the study is Hutton's (1999) orientations of understanding the role of Public relations which include persuasion, advocacy, public information, cause-related public relations, image-reputation management, and relationship management

Public relations activities are categorized into Proactive Public relations and Reactive Public relations according to Shimp (2000). Proactive Public relations is offensive oriented and opportunity seeking rather than problem solving. Reactive Public Relations deals with change that has negative consequences for the organization, and attempts to repair a company's reputation, prevent market erosion, or regain lost sales.

Wells (2003) recommend establishment of PR activities which involves community relations, employee relations, financial relations and media relations. Public relations activities towards the various public according to Wells (2003) help to identify the potential role of public relations in corporate image management.

In understanding the role of Public relations in managing corporate image, there is the need to define image. According to Dutton and Dukerich (1991) image is how the employees of an organization believe external actors perceive the organization.

Corporate image according to Van Rekom (1997) is the net result of the interaction of a person's beliefs, ideas, feelings and impressions about a company and exists in the mind of that person. Corporate image is strategic tool of great value for the financial sector and its long-term objectives can turn into a source of competitive advantage. Abratt and Mofokeng (2001). Villonova, Zinkhan and Hhymn (1990) suggest that the best way to manage corporate image is to understand the process by which corporate image is formed. Corporate image is formed through internal and controllable sphere of influence; and external and non-controllable sphere of influence. Smith and Taylor (2006) declare that corporate image is formed through four areas; communications, products/services, environment and behaviour and attitudes

Desatnik (2000) explains that favourable corporate image can be achieved through the use of public relations activities which, results in community acceptance and support, goodwill, customer loyalty and employee motivation.

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CHAPTER THREE

METHODOLOGY AND ORGANIZATION PROFILE

3.1 Introduction

In this chapter the methodology of the research and the organizational profile of the study area are presented. The selections and implications of the research methods used are explained together with justifications of the choices. The methodology used in the research comprises the sources of data, population, and sample size, sampling technique and questionnaire design, interview guide and data analysis tools.

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3.2 Research Design

The research is a case study. AKRB was selected to be studied. Primary data was gathered from the bank. Secondary data was also gathered from the web site of the bank. Target population was determined and a sample selected by the use of non-probability sampling. Interview guide and questionnaire were used to gather the data and Microsoft excel, tables and charts used to analyzed the data

3.3 Data Sources

Two set of data were use for the research; primary and secondary data. The primary data was collected from the public relations department and the customers of the bank. The secondary data used included the documents received from management and information on the bank's website www.AKRB.com.

3.4 Population

The population of interest of the study covers the customers of the six branches of the bank and the staff at the marketing department. The population size of customers is 36,000. The population size of the marketing department is eight (8).

3.5 Sample Size

A sample size of one hundred and twenty (120) was selected from all the six branches of the bank. Twenty (20) customers each from the six (6) branches of the bank were selected for the research and the head of the public relations was chosen to represent management views. Twenty (20) customers were selected from each branch to participate in the research because the nature and operations of bank is such that customers go through similar process except on special occasion. The customers have differences in background in terms of age, education which are likely to reflect on their views. It is however expected that because they go through similar process in transacting business with bank there is an element of homogeneity. This means that a sample size of 120 even though not a representative of the 36,000 customers, there are not likely to differ from the other. This is why a sample size of 120 was selected from a population of 36,000. Therefore for the purpose of convenience twenty (20) respondents were interviewed from each branch.

3.6 Sampling Technique

A non-probability sampling was used in order to achieve the objectives set for the research. Accidental or convenient sampling technique was used to sample the

customers whilst purposive/judgmental which is also a non-probability sampling technique was use to select a staff of marketing department. Convenient sampling was used because the nature of the respondents is such that they come to the bank to transact business and leave and are not permanent. Some of them may not be willing to response to the questionnaire. Therefore customers who were interested and willing to participate were interviewed. This justifies the use of accidental or convenient sampling. Purposive/judgmental was use to select a respondent to represent management views. The staff of the department is homogeneous who represent similar views. This is because the public relations activities and campaigns are organized through a policy document and as such they follow the principle laid in the document. It is therefore expected that all the members share common views on issues relating to their PR activities.

Questionnaire design

Questionnaire was designed to illicit the views of the customers on the corporate image of the bank and how their perception and opinions are influenced by the public relations activities of the bank. Structured questionnaire was designed for the customer in order to illicit standardized and focused responses.

Interview Guide

For the purpose of gathering adequate information for the studies, interview guide which focus mainly on public relations activities of the bank, management of corporate image and the relationship between public relations and management of corporate image was designed for the public relations officer. Interview guide was used to gather information from the public relations department because it offered an opportunity for the researcher

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to probe for detailed information through follow up questions and also because the respondent was a key informant.

3.7 Analysis of Data

The data collected were examined, categorized, tabulated and recombined the evidence to address the research objectives and the research questions. Information gathered from various respondents (customers) were first edited and tallied in frequency distribution tables. The values corresponding to frequencies were later converted into percentages to facilitate comparison between the responses. Microsoft Excel (spread sheet) was employed for the analysis.

The information gathered from the public relations department was analyzed by developing a case description and theoretical propositions that led to the case study. The objectives and design of the case study were based on such propositions, which in return reflected a set of research questions and review of the literature.

3.8 Organizational Profile of Case Study

3.8.1 History

Atwima Kwanwoma Rural Bank Limited was established on 6th September 1983 as a financial institution licensed by the Bank of Ghana with the prime aim and objective of providing financial services and intermediation within a defined operational area of 20 miles or 32km radius from Pakyi No.2 the Bank's main office. As the 68th Rural Bank to be established in Ghana, and the 13th in the Ashanti Region, the Bank has had a chequered history, going through a lot of teething problems before experiencing a

positive turn around.

Atwima Kwanwoma Rural Bank Limited started with an initial share capital of 1,000,000.00 ordinary shares which was raised by the indigenes residing within the community and the 125,000.00 non Redeemable Preference shares contributed by the Bank of Ghana.

Over the years, the bank has progressed steadily to become the pacesetter and the leading Rural Bank in Ghana. The Bank presently has 6 Branches located in the following areas:

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1. Pakyi No.2 (off Obuasi Road)
2. Santasi (opposite Sarfo Hotel)
3. Old Tafo (near the market)
4. New Tafo (Statue House)
5. Ayigya (Near Top High)
6. Atonsu – Agogo (Monaco Junction)

3.8.2. Objectives and Set-up of the Atwima Kwanwoma Rural Bank

Atwima Kwanwoma Rural Bank was established on 6th September, 1983 at Pakyi No. 2 in the Ashanti Region to provide rural financial services and intermediation.

As the 68th rural bank to be established by the Bank of Ghana and the 13th in the Ashanti Region, the bank went through initial set up problems. The main objectives of the bank included.

- Mobilization of Rural Savings.

- Extension of credit to micro-enterprises in the rural areas to improve upon their living standards.
- Inculcation of saving habits among the rural folks in Pakyi and its surroundings.
- To provide financial products to meet the needs of the area.

3.8.3. Turbulent Period (1989-1993)

The fate of the bank started to deteriorate from 1989. The bank experienced high staff turnover. Dismissed staff turned against the bank, this led to low confidence in the bank. There was huge capital deficit of over GH□2.1million. There were several fraud cases and imbalances in the banks' book. The confidence in the bank was lost.

3.8.4. Turning Point

In 1993, Mr K.K. Mensah took over as the Board Chairman. It was within the same period that the Rural Financial Sector Restructuring Programme (FINSAP) initiated by the Bank of Ghana came to the bank to identify the problems facing the bank among which were:

1. Weak Management
2. Weak Internal Control
3. Embezzlement and Fraud
4. Large non-performing loans
5. Investment in non-profitable subsidiary.
6. Huge deficit in the bank's capital adequacy.
7. No system of motivating staff.
8. Large staff turnover.

9. Poor banking environment.

10. Lack of skilled personnel.

Bank of Ghana recommended policy change which led to the reconstruction of the bank. A new management was put in place after the restructuring exercise and that started to restore the fortunes of the bank. Today, Atwima Kwanwoma Rural is among the best rural banks in Ghana and they continue looking for more opportunity for improvement.

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CHAPTER FOUR

RESEARCH FINDINGS, ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter deals with the presentation of analysis of empirical findings and discussion of the data obtained from the field.

Public relations activities of Atwima Kwanwoma rural bank, how the bank manages its corporate image and the relationship between public relations activities and management of corporate image are analyzed in this chapter. It includes an overview of the views of management on the public relations activities of the bank and the views of customers on how Public relations activities influence their perception about the corporate image of Atwima Kwanwoma Rural Bank. The first part of the analysis looks at the general information on customers which captures the age distribution, educational background and period they have saved with the bank. Consideration was given to these characteristics because of their influence one attitude and their understanding of the operations of the bank.

The response rate of the research was hundred percent (100%). This was due to the fact that convenience sampling technique was used and all the 120 customers who participated willingly responded to the questionnaire.

4.2 Demographic Information of Respondents

The demographic information of respondents presented includes age distribution of respondents and educational background of the respondents.

4.2.1 Age Distribution of Respondent

A cursory observation of the age distribution of the respondents shows that 30 (25%) customers are within the age range of 18-29, whilst 45 (37.5) were between the ages of 30-39. About 37% of the respondents were more than 40 years. Between the ages of 50-59 were 6 showing 5%, whilst respondents who were above sixty year (60yrs) were 4 representing 3.3%. This age structure indicates that most of the customers at AKRB are youth.

Table 1; Age distribution of respondents

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Age	**Frequency**	**Percentage**
18-29	30	25
30-39	45	37.5
40-49	35	29.1
50-59	6	5
60 and above	4	3.3
Total	**120**	**100**

Sources; Researcher's field work (2009)

The youthful nature of the customers may be good news to the bank because they have attracted the economic active populace to transact business with the bank. According to the public relations officer interviewed this was a deliberate attempt to empower the youth.

4.2.2 Educational background of respondents

Educational background of customers is very important when considering organizing programmes to influence the perception of customers. This is because the educational

background may facilitate their understanding of issues. At AKRB the customers had variety of backgrounds as captured by the 120 customers who participated in the research. 14 (11.6%) customers mentioned that they have tertiary education. Customers whose education is up-to SHS/SSCE level were 42 which represent 35.0% of the total sample. 31 (25.8%) of the respondents have vocational/technical education.15 customers representing 12.5% MLSC/JHS, whilst 18 customers have no formal education. It is expected that with this variety of levels of education respondents views would be accurate and relevant to the needs of the study.

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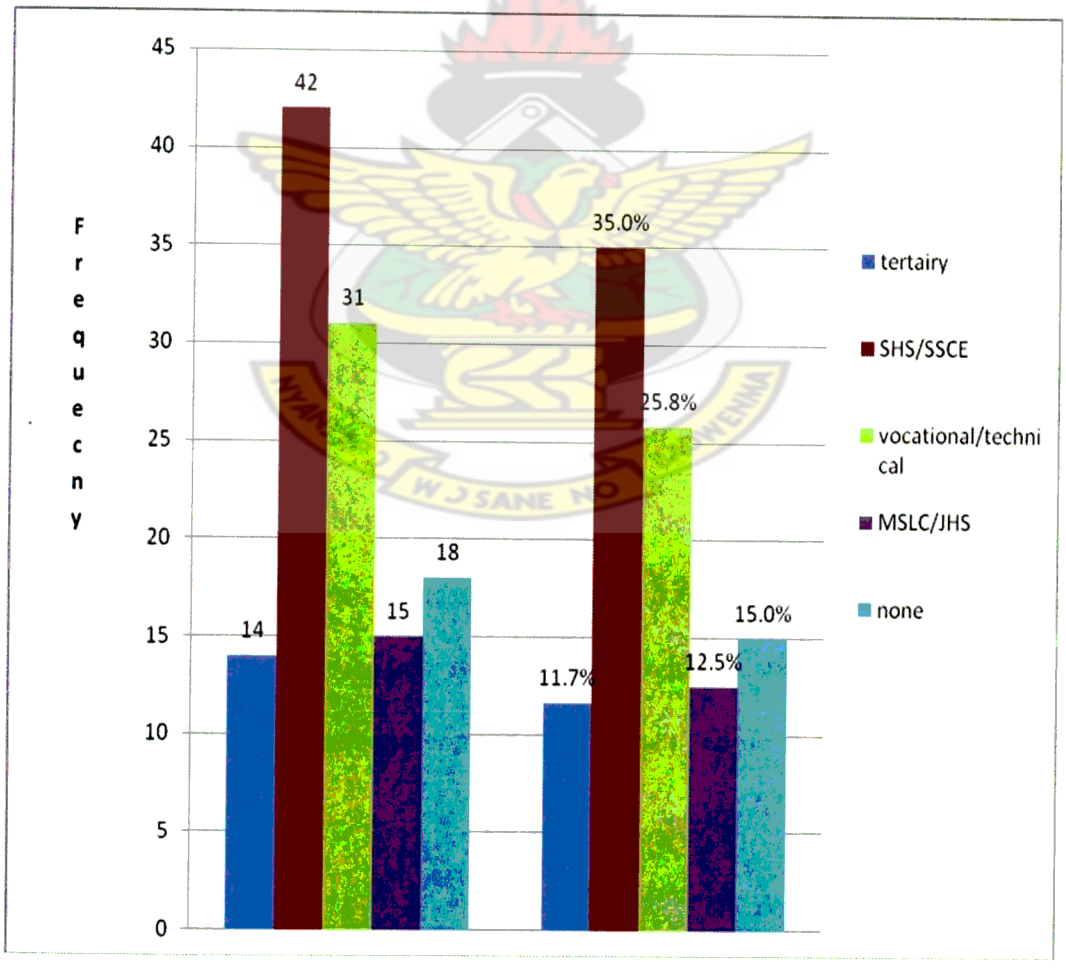
Figure 4; Educational level of respondents



Sources; Researcher's field work (2009)

Firms that deal with customers who are from dissimilar background in terms of education have to adopt different range of operational understanding. The data gathered from the customers of AKRB suggested that customers understanding of Public relations activities would be divided among their level of education.

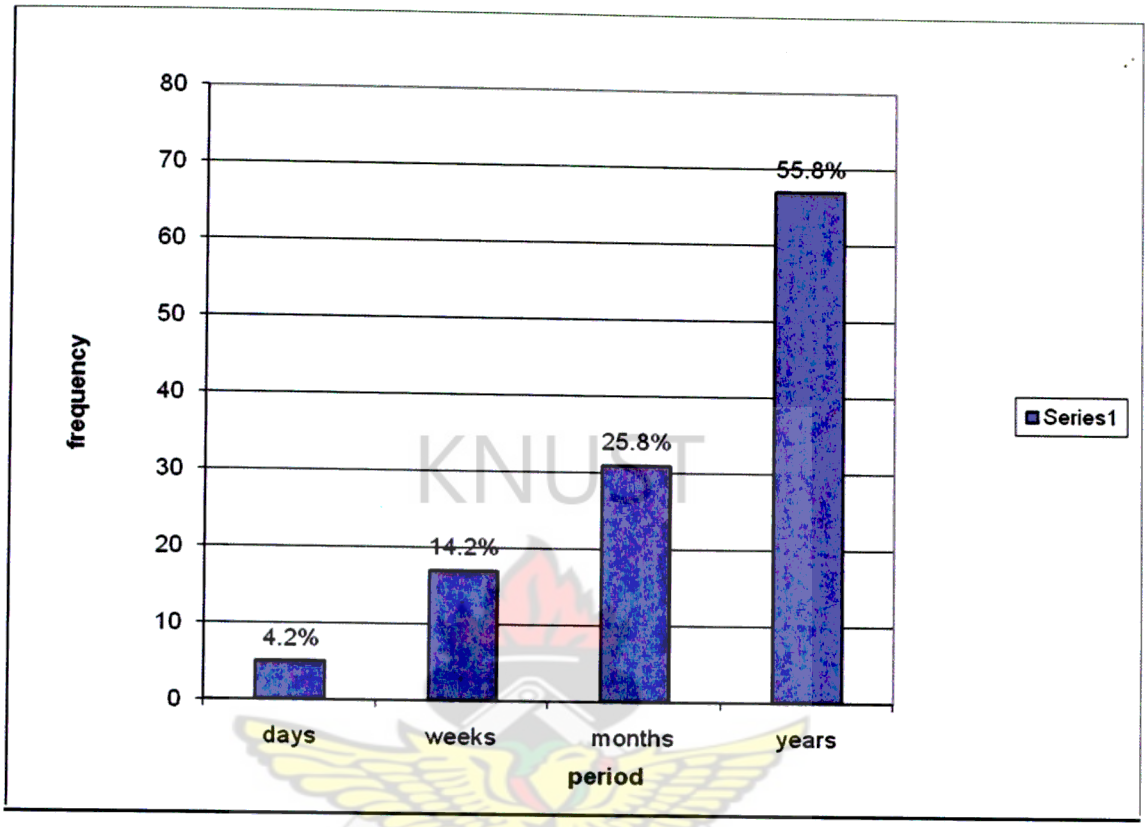
4.2.3 Period of saving with the bank

The period for which customers transact business with the bank may influence their understanding of certain operations and activities of the bank. Long term customers may mean that they are satisfied with the operations of the bank.

Organizations that have a low profile of long term customers may also be interpreted as lack of customer satisfaction. The period of customers transacting business with the bank was therefore important to the research. 67 (55.8%) of the respondents have been doing business with the bank for at least one year. 31 respondents representing 25.8% started saving with the bank for months. This was defined as a period within one year.

17 (14.1%) respondents indicated that they have been saving with the bank for weeks which was defined as a period within one month. 5 (4.1%) respondents of the customers who participated in the research started saving with the bank within a period of one week. This means that the bank continuously attract people to save and do business with them.

Figure 5: Period of savings



Sources; Researcher's field work (2009)

4.3 Management of Corporate Image of Atwima Kwanwoma Rural Bank

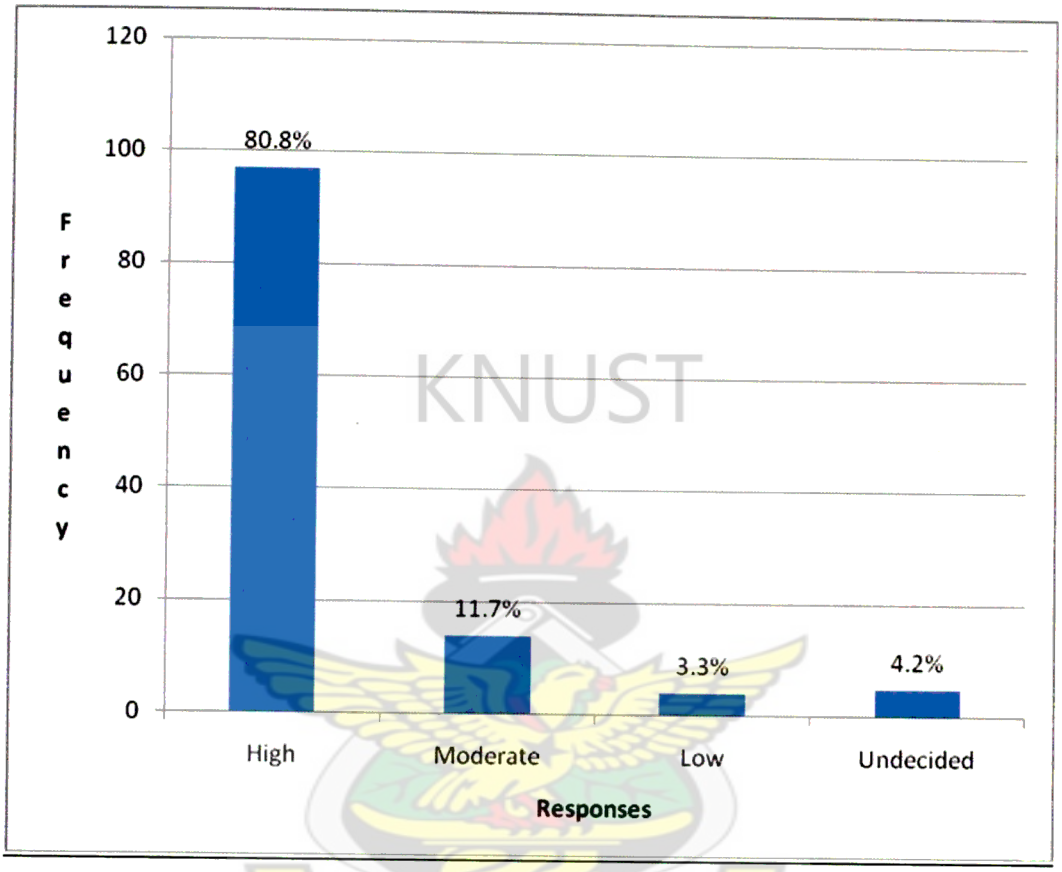
4.3.1 Ratings of corporate image by customers

In order to assess customers view on the role of public relations in managing the corporate image of the bank, customers were asked to rate what they think is the level of image the bank holds.

Rating the bank in terms of their image would determine how far the customers are satisfied with the operations of the bank. When majority of customers rate a firm's corporate image high it means a lot to the company since such customers may generate a lot of publicity through word of mouth. Customers ratings of AKRB's corporate image

are presented in a chart below;

Figure 6; Ratings of the corporate image of AKRB



Sources; Researcher's field work (2009)

As presented above, of the sample size of 120 customers, 97 representing 80.8% rated the bank's image high.14 (11.7%) customers rated the bank's corporate moderate. 4 (3.3%) customers rated the bank's image low, whilst 5 customers indicating 4.1% were undecided in rating the corporate image of the bank.

In a follow-up question customers needed to provide reasons for their ratings. The 97 customer who rated the image high provided reasons such as prompt service, one of the best rural banks in Ghana and also hardly do people associate the bank with negative

issues. The 14 customers who rated the bank's corporate image moderate claimed that everything about the bank was good but needed to improve their services and put measures in place to check occasional long queues. The 4 customers, who in their opinion the bank's corporate image is low, complained of attitude of some staff, long queues and process and conditions of assessing loans. The PRO mentioned that as the leading rural bank in the country, it does correspond with their corporate image. The officer continues that they would not relent in improving this status.

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4.3.2 Reasons for managing corporate image according to the customers

Customers were asked to express their views on what they think are the reasons for the bank to manage its corporate image.

Table 2; Reasons for managing corporate image of AKRB

Reasons for managing corporate image	**Frequency**	**Percentage**
attract customers, customer loyalty, customer trust, customer retention	33	27.5
Customers loyalty, customer trust, customer retention	53	44.1
Attract customers, competition, customer retention	18	15
Competition, customer loyalty, customer retention	16	13.3
Total	**120**	**100**

Sources; Researcher's Field work (2009)

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KUMASI-GHANA

As noted from the data above, 33 customers representing 27.5% suggested that the bank manages its corporate image in order to attract new customers, customer loyalty, competition, and customer trust and customer retention. 53 respondents showing 44.1% believed that customer loyalty, customer trust and customer retention are the reasons behind the bank managing its corporate image. 18 customers representing 15% think that attracting new customers, competing favourably and being able to retain customers are the reasons for managing the corporate image of the bank. However 16 customers representing 13.3% mentioned that competition, customer loyalty and customer retention are the major reasons for Atwima Kwanwoma Rural Bank to manage its image. From the table the modal response is customer loyalty, customer trust and customer retention. This means that it is very important for the bank to manage corporate image in order to secure the customer loyalty customer trust and their retention.

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According to the public relations officer interviewed he accepted the views of the customers and indicated that the company was doing everything possible to build its image in respect of the suggestions above. At AKRB managing corporate image is one of the strategic tools which is part of the overall objectives of the company. The level or range of opinion and perception of the public which translate into the image framework of the organizations is well noted by the bank.

The bank is aware of the dangers in not managing and continuously building of strong and vibrant corporate image.

As outlined by the PRO the reasons for managing their corporate image include

attracting potential customers, being able to retain existing ones and community support. In today's competitive environment in the financial industry it is important for the bank to build and manage a strong corporate image which can be used as a competitive advantage. A well managed corporate image can serve as differentiating factor from other rural banks in the industry. The PR manager continues that it is in such goodwill that can help the bank to sustain and consolidate its achievements.

4.3.3 Determinants of corporate image of the bank

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Customers were asked to indicate what they think can determine the corporate image of the bank. The options provided included products/service, communication, behaviour and attitude of staff and environment.

Table 3: determinants of corporate image of AKRB

Determinants of corporate image	**Frequency**	**Percentage**
Product/service, communication, Behaviour & attitude of staff, environment	35	29.1
Product/service, communication, Behaviour & attitude of staff	41	34.1
Products/service, behaviour & attitude of staff	29	24.1
Products/services	15	12.5
Total	**120**	**100**

Sources; Researcher's field work (2009)

Customers were then asked to select more than one of the options provided. 35 customers representing 29.1% think that all the options can determine the corporate image of the bank. 41 customers showing 34.1% believed three factors; product/services, communication and the behaviour and attitude of staff can determine the corporate image of the bank. 29 respondents representing 24.1% think that product/services and behaviour and attitude of staff are the main issues that can determine the corporate image of the bank.

However 15 customers indicating 12.5% revealed that it is only the bahaviour and attitude of staff that can influence the corporate image of Atwima Kwanwoma Rural Bank. The PRO responded to what can determine their corporate image. He revealed that in a very competitive environment like the banking industry anything that can help to differentiate firms should be considered. The manager shared similar views with the customers on what can determine the corporate image of the bank. At the AKRB the corporate image formation process is the result of several factors. These include handling of customers, continues availability of information to stakeholders and the publics, the kind of products and services available to clients, the structure and physical environment of their offices.

The behaviour and attitude of employees are very important factors when it comes to issues relating formation of corporate image. The bank is very much concerned about the attitude of staff towards the public. This is because it can determine how the public is likely to form opinions and perception about the bank.

The PRO is also aware that most of their customers are interested in assessing loans for their various operations. This has prompted the bank to introduce different forms of loans to boast the products and services offered to clients. As indicated by the table and chart above, the modal views of the customers 41 (34.1%) centered on products/services, communication, behaviour and attitude of staff. In addition to the views provided by the customers, the PR manager however added that their vision and the mission of the bank can also provide a direction towards building and managing vibrant corporate image.

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4.4 Public Relations Activities of Atwima Kwanwoma Rural Bank (AKRB)

At AKRB the Public Relations is part of the activities in the marketing department. All programmes relating Public relations are headed by a Public relations officer, suggesting that at AKRB they do not have public relations department.

At Atwima Kwanwoma Rural Bank (AKRB) management of corporate image is part of the objectives of their Public Relations (PR) activities. The kind of public relations activities organize by organizations may include community relations, investor relations, media relation, employee relations, public affairs and corporate relations.

Each of the activity is done with specific purpose in mind. The Public Relations activities of the bank are planned and organized to capture both the internal and external publics. However, at AKRB their PR activities are not defined specifically to include investor relations and employee relations. The PR activity is planned and organized by

first assessing the need, which involves appreciation of the situation, then objectives are set, specific target public are defined, the right message drafted, tools to be used are determined, the budget set, the campaign is put into action and finally evaluation is done to assess the effectiveness of that campaign.

Public relations activities are approached from to levels. The activities can be proactive or reactive. The bank approaches their Public Relations programmes proactively. The bank has policies to ensure that both the internal and the external publics are captured in the strategic framework of AKRB. The bank may also act reactively when it becomes necessary especially to fend for specific occurrences in a publicity situation. The majority of their PR activities are proactive in nature, such as educating, informing and building relationships with the public. However the bank embarks on reactive Public relations campaign base on specific issues and the nature of occurrences of specific events at the bank.

In each of the Public relations activities by the bank the specific tools use depends on the nature of the event and the specific objectives to be achieved. The tools that are normally used in the Public Relations activities of the bank include controlled tools such as Publications: Brochures, flyers, newsmagazines, Annual reports, displays and exhibits, anniversary celebration. Uncontrolled Public relations tools use by the bank for their various campaign include (radio, TV and print media), news releases, talk and interview shows.

There are tools which falls within the semi-controlled Public relations tools. These include sponsorships, interpersonal communication, internet (website-www.AKRB.com) and word of mouth. The bank sometimes integrates some of the tools in their Public relations campaign depending on the message and the objectives to be achieved. The bank's website-www.AKRB.com is kept functioning all year, ever since the bank realized the significance of communicating with the public through the internet. The relationship between PR activities and managing corporate image is analyzed by considering how the perception and opinion of customers have been improved through their exposure to such activities.

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4.5. Public Relations Role and Management of Corporate Image of Atwima Kwanwoma Rural Bank

4.5.1 Media relations activities and its influence on perception of customers

The media play a vital role in communicating the bank's key messages to the public and can also reinforce information given to the staff of the bank. Media relations activities are very important to the bank in terms of publicity.

The media can reach a large public at once and relatively quickly. The media are also independent of the bank and can act with a certain degree of impartiality. Majority of the customers gather information on the bank through radio. This means that the other PR tools such as TV, Newspaper and particularly the internet (website-www.akrb.com) are less used by the customers.

Customers were asked to indicate how their perception about the corporate image of the

bank have been improved or influenced by the media relations activities. Customers chose between strongly agree, agree, strongly disagree and disagree; where reasons were assigned to their choices.

The nature of influence media relations have on the perception and opinion of customers is presented in the chart below;

Figure 7: Media relations influence on customers perception

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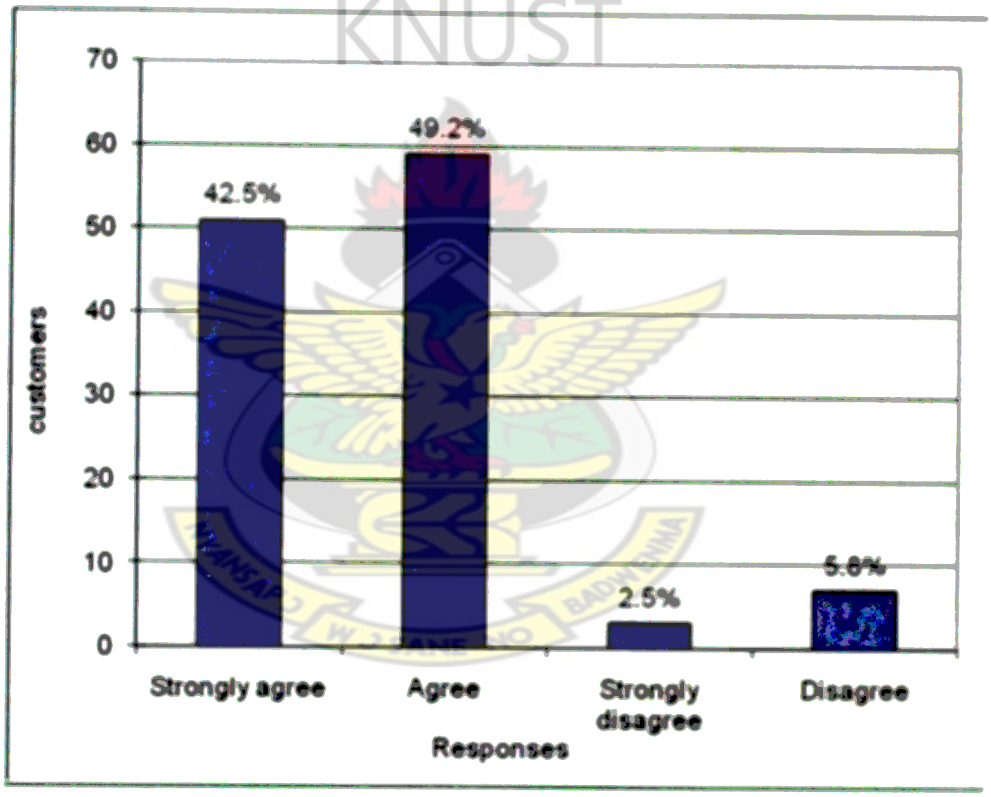

Sources; Researcher's field work (2009)

It is observed from the above chart that 51 customers representing 42.5% strongly agree whilst 59 (49.2%) agree that media relations activities have improved their perception about the bank. However, 3 customers representing 2.5% and 7 customers representing 5.9% strongly disagree and agree that media relations by the bank influence their

perception. Various reasons were assigned by the customers on the level of influence expressed.

For the respondents who strongly agree and agree that media relations activities improve their perception about the bank, they revealed that events such as press conferences and news release provide enough information which helps them to understand issues relating to the bank's operations thereby influencing the perception they hold about the bank. They also indicated that the bank presence through the media relations activities on the internet at their website (www.akrb.com) is a platform for assess the bank.

The customers who disagree claimed that projecting the bank through media relations programmes are nothing and also not all the customers can assess information on the website considering their background.

At AKRB, the PRO believed that it is through managing the media, and the way information is provided to them, that can help minimize and manage negative publicity. The PRO maintained that it is in the interest of the bank to make sure the public is not misinformed by the media and to respond to negative stories which put the bank in a bad light.

The bank provides a media relations service that acts in the best interest of the bank in the cases of both positive and negative coverage. Media advice and guidance are provided to all staff when it is needed to the management of corporate image. The bank believes such media relations activities help change the negative perception the public may hold about the bank. The customers and the bank share similar views on the

relationship between media relations activities and the management of corporate image.

4.5.2 Employee relations activities and its influence on perception of customers

Employee relations, even though not defined as part of the public relations campaign it effects on the perception of the customers was well noted in the research as respondents provided divergent views. The chart below presents various views expressed by the customers on how employee relations activities influence their perception about Atwima Kwanwoma Rural Bank.

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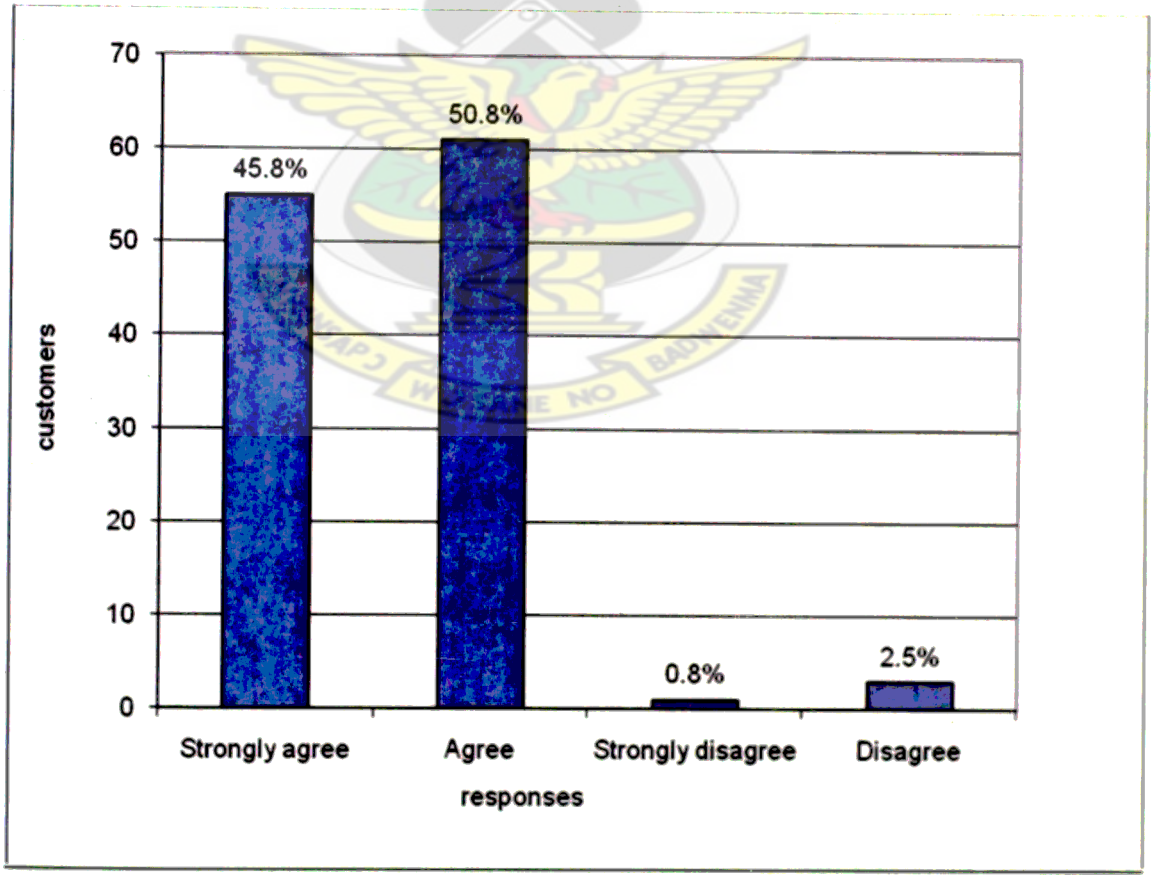
Figure 8: Employee relations influence on customers perception



Sources; Researcher's field work

A cursory look at the chart on the employee relations activities of the bank shows that 55 customers representing 45.8% strongly agree and 61 customers representing 50.3% agree that their perception are improved through such employee relations programmes. 1 (0.8%) customer strongly disagree, whilst 3 (2.5%) respondents disagree that employee relations activities have any influence on their perception on the corporate image of the bank. Reasons provided to the responses are that employee relations serves as motivation for the staff to be efficient and effective on the job thereby providing good services to the customers. However, the customers who disagree revealed that the good name the bank is enjoying is not as a result of employee relations but because of the nature of operations of the bank, support to the community, availability of loans and the long standing achievements of the bank. Even though about 95% of the respondents mentioned that employee relations activities improve their perception about the bank, the PRM explained that at AKRB employee relations activities are mainly handled by the Human Resources Department. Such activities are done to ensure employee motivation and improve their efficiency on the job.

Employee relations activities at the bank is done as part of the total objective of the bank to achieve internal corporate image. Employee relations called "Internal information" is also an important relation, where PR programme is utilized actively to inform and stimulate employees.

The tools apply in the employee relations activities at AKRB include internal long service rewards to employees, providing information, organizing workshop and seminars and provision of suggestion schemes to build management and employee relationship.

The PRM also agreed that such employee relations activities enhance internal staff confidence which can be a tool for managing internal communication.

4.5.3 Financial relations and its influence on perception of customers

Financial relations activities such as meeting with investors, publishing statement of accounts and annual report have influence on the perception of some customers. In the chart below customers express their views on how financial relations influence the perception they have about the bank.

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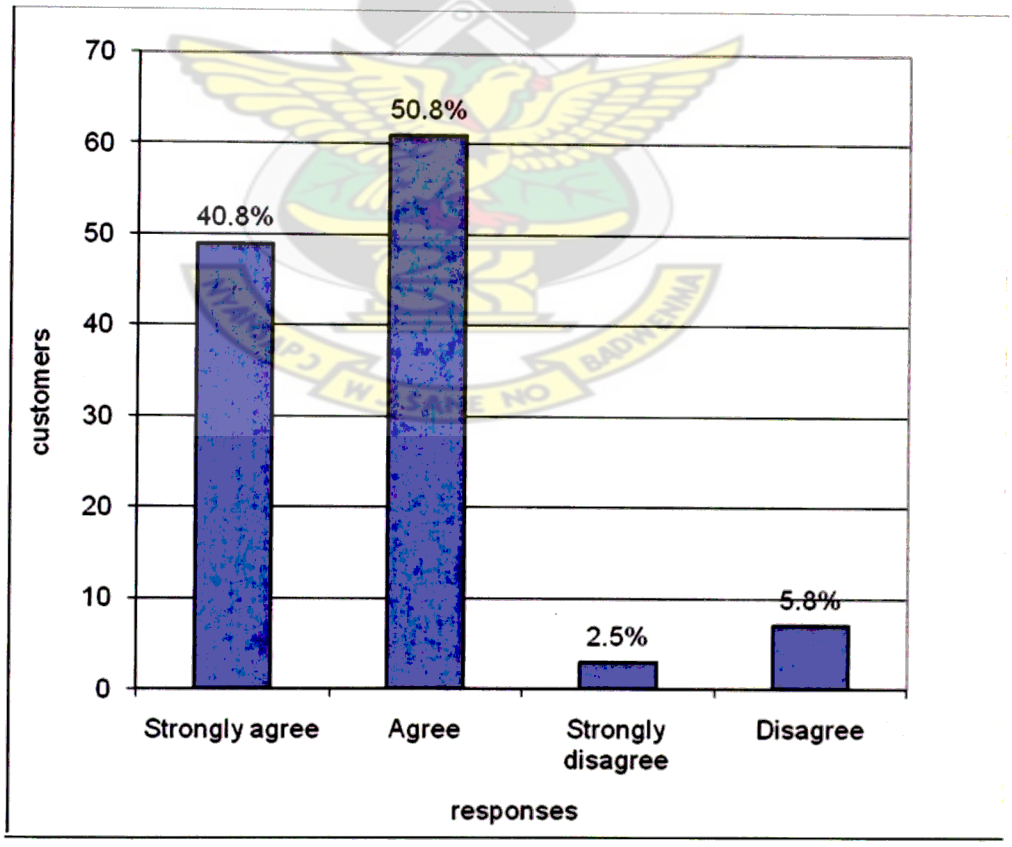
Figure 9: financial relations influence on perception of customers



Sources: Researcher's field work (2009)

It is observed from the data above that 49 (40.83%) strongly agree that financial relations activities have improved their perception about the bank. 61 respondents showing 50.83% agree that they are influenced by such financial relations activities. 3 (2.5%) customers and 7 (5.83%) customers strongly disagree and disagree that such financial relations programmes have improved their perception about the bank.

The reason customers assigned to agreeing to the influence of such activities is that financial operations are made known to stakeholders. Also publication of annual report and financial statement are enough to satisfy stakeholders about their investments. The customers who disagree claimed that whatever perception they have about the bank does not change because such activities do not change the nature of operations of the bank including the behaviour and attitude of employees.

In an interview with the PRO, financial relations activities at AKRB are not defined as put of the public relations activities. Annual reports, publication of financial statements, meeting with investors and other stakeholders have not been defined as public relations activities. Even though when customers were asked whether they have sited the financial profile of the bank before 87(%) responded 'NO' whilst 33(%) responded 'YES', they claimed that financial relations activities of the bank can improve their perception. This is indicated by about 90% of the respondents.

The PRO mentioned that annual report is presented to stakeholders and financial statements are also published. He continued that financial profile of the bank is

displayed at the banking hall of all the six (6) branches of the bank. The research revealed that some of the customers have not sited or heard about the financial profile of the bank before. This confirms the low response rate on questions on financial relations activities. The PRO suggested that even though such activities are not part of the bank Public relations activities, carefully handling of such activities can help build a very strong corporate image as it improves investors, stakeholders' and the public perception and confidence.

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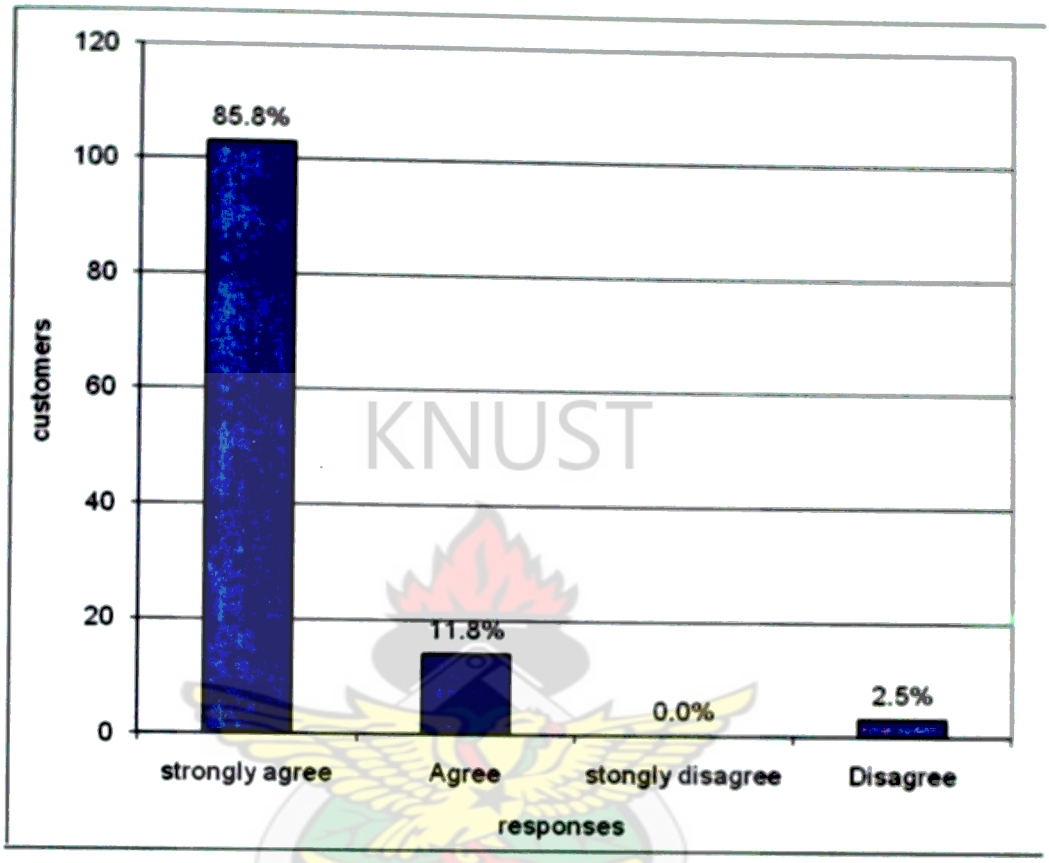
4.5.4 Community relations and its influence on perception of customers

The bank's community relations activities have a major impact on how the customers perceive Atwima Kwanwoma Rural Bank.

It was gathered from the respondents that 103(85.8%) have seen or heard about the community support and other programmes geared toward their social responsibility. 17 (14.2%) customers mentioned that they have not heard or seen the community relations programmes. Some of these customers however agreed that if the bank embarks on such activities it is likely to have influence on their perception as it was observed from the responses gathered. The views of customers on the nature of influence community relations have on how they perceive the bank is presented in the chart below;

Figure 10: Community relations influence on customers perception



Source: Researcher's field work (2009)

The figure above reveals that 103 customers representing 85.8% and 14 customers showing 11.6 % strongly agree and agree respectively that their perception is improved by the community relations activities of the bank. Whilst none of the customers strongly disagree, 3 respondents representing 2.5% disagree the influence of community relations activities on how they perceive the bank.

Reasons assigned by the customers who strongly agree and agree are that by providing support to the community and creating jobs for the local people, the bank is being socially responsible.

The respondents who disagree that community relations programmes do not have influence on their perception claimed that they were interested in prompt services, availability of loans and not what the bank does to support the community.

Table 4: Community relations activities of AKRB

Elements of community relations project	
Support towards Disease Prevention	*Atwima Kwanwoma Rural Bank has made the health econcerns of its operating area a priority. The S.D.A Hospital at Dominase in the year 2000 was adopted and has since donated cash support of GH¢ 6,000 towards a construction of a nurses' quarters, five (5) hospital beds with mattresses, furniture for the out-patient department, one (1) colour television and a video deck and above all, health educational and outreach programmes to create awareness on health issues.* *Komfo Anokye Teaching hospital also received two (2) 21inches colour televisions and a video deck to entertain patients and a cash donation of GH¢ 2,000 towards a blood donation campaign. The bank has been concerned with the environmental cleanliness to avert disease. In this light, a donation of GH¢ 1,000 was made to purchase wheel barrows, shovels, pick axes for clean-up campaigns in Old-Tafo and its environs. The bank has provided KVIP places of convenience to several communities including; Dominase, Kantinkyeren, Konkori, Konkomase near Atasomanso.*
Support to education	*As the bank's contribution to do away with the numerous educational problems in the local community, 113 duplet desks, 12 cupboards, 15 teachers' tables were distributed to 35 basic schools in 2000 and 73 pupils were granted scholarships by paying their fees and books. 12 schools were renovated while a Junior High School workshop and a 9-classroom school blocks were completed at*

	Kwanwoma and Afrancho respectively. In 2002, the bank helped to construct two Nursery Schools at Atasomanso and Broyeduru while 805 duplet desks were distributed to 32 basic schools in 2003. A scholarship of GH¢ 6,000 was also granted to 150 pupils to pay for their fees and study materials in 2004. *As part of the drive to support education, he bank initiated a scholarship scheme to enable needy Junior High School (J.H.S) pupils to enter the Senior High School (S.H.S) in 1999. So far, 270 students have benefited, out of which 60% are females. This has helped improved girl child education. Again, the bank has put up a Community Library at Pakyi No. 2 to assist children in the area to read and research to enhance their education. The bank has also begun the construction of a model Senior High School (S.H.S) for the Pakyi Community. So far, GH¢ 150,000 has been spent and the completion of the first phase has been given out on contract at a cost of GH¢ 90,700. The hope of the bank is to see to the opening of the school within the shortest possible time.*
Poverty Reduction Project	*One of the recent directions of Atwima Kwanwoma Rural Bank is to make financial services especially savings and loans accessible to low income people in both rural and sub-urban areas so that they can generate wealth to cater for their basic needs and improve their quality of life.* *The Susu product was introduced by the bank in 2001 to make capital accessible to the low income people.The bank has advanced more than GH¢ 1,697,374.26 as loans to 1,323 Susu clients such as carpenters, hairdressers, petty traders, mechanics, bakers, fishmongers, food vendors among others who through the normal course of business will not have qualified for a loan from the bank.*
Support to the under Privileged	*Atwima Kwanwoma Rural Bank has been there all the time to defend and protect the needy, children, the infirmary, the disabled and socially vulnerable.* ** The bank has constructed ramps at two sites at Ayigya and Santasi to receive the physically challenged who come to do business with the bank.*

	* *The deplorable conditions at the central destitute infirmary at Bekwai touched the heart of the bank to donate food items for the up-keep of the inmates.* * *On several occasions, the bank has donated cash and food items to the Westphalia village at Oyoko.* * *The bank donated a wheel chair to a physically challenged student of the Kumasi Polytechnic, Master Ata Yeboah and sponsored his 3-years HND Course until tragedy struck and the student was knocked down by a vehicle and lost his life.* * *The bank took it upon itself to repair a broken down vehicle of the Kumasi Children's Home to facilitate their movements. To protect the community, the bank spent GH¢ 850 to renovate the Old-Tafo police station in 2004.*
Infrastructure development	*The bank has undertaken a lot of developmental programmes in its areas of operations, some of which include;* * *Construction of culverts to link suburbs of Santasi* * *Construction of a bridge to link Moshie-Zongo, New-Tafo and Tafo Nhyieso.* * *Fencing of a refuse dump at Old-Tafo* * *Construction of gutters at Old-Tafo Adompom* * *Construction of a drainage at Old-Tafo Ahenbronum* * *Support for the construction of boreholes at Pakyi No. 1 and Pakyi No. 2* * *Assistance for the supply of electricity to Pakyi No. 2* * *As part of its social responsibility, the bank donated GH¢ 6,000 to the K.M.A for the beautification of Kumasi and also spent GH¢ 17,500 for the beautification of the Ahodwo roundabout by mounting a gigantic metallic horse to beautify the roundabout. These developmental efforts have facilitated a speedy integration of the rural economy into the overall economic and development process.*

Source: AKRB's website-www.akrb.com

The PRO mentioned that the bank has developed a trademark of social philanthropy which aimed at ensuring good relations with the community. The impact can be seen in

areas like Education, Health, Sanitation, Water Supply and Electricity.

The community relations activities of the bank are aimed at managing the external corporate image of the bank. Community relations activities help in managing the corporate image because when such programmes are undertaking, negative public perception is changed and positive public image enhanced. Community relations schemes apply by the bank include support towards education, scholarship scheme, poverty reduction, Support to the under privileged, developmental projects in catchment area, other sponsorships and donations are made occasionally.

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CHAPTER FIVE

SUMMARY, RECOMMENDATIONS AND CONCLUSION

5.0 Introduction

This chapter summarizes the findings of the research and conclusion drawn and recommendations made as per the objectives of the research in chapter one. It also gives some recommendations that may help to improve the relationship between public relations and management of corporate image of Atwima Kwanwoma Rural Bank (AKRB).

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5.1 Summary of Findings

From the analysis summary of findings on management of corporate image and the activities of Public relations and its influence on corporate image are presented below.

5.1.1 Management of corporate image of Atwima Kwanwoma Rural Bank

- The corporate image of Atwima Kwanwoma Rural Bank is rated high amongst the rural banks in the financial sector. The image according to the customers is high, about 92% percentage of the sample. The bank also appreciates their operations and achievements as the leading rural bank in the industry. Therefore given themselves high marks in terms of their corporate image.

- It was found from the research that AKRB manages its corporate image because they want to attract new customers, customer retention as a differentiation factor

to stay competitive and win community support. Customers share similar view with the bank as more than 71% think that the bank manages it corporate image because of customer loyalty, customer trust and customer retention.

- At the AKRB factors that determine the formation of their corporate image are handling customers, availability of information to stakeholders and the public, products and services and the physical environment. To the customers what determine the formation of the corporate image of the bank are products and services, communication and the behaviour and attitude of staff. The modal respondents (34.1%) view.

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5.1.2 Public Relations Activities of Atwima Kwanwoma Rural Bank

- The bank has a Public relations officer but do not have Public relations department. PR activities of AKRB can be described as a well planned activity which is targeted at achieving specific objectives including corporate image. The activities are organized to cover both internal and external public.

- PR activities of AKRB are both proactive and reactive. The proactive PR ensures that both internal and external publics are captured in the strategic framework of bank. This means policies and programmes involve are planned as part of the overall strategic tools of AKRB. The bank applies reactive PR when the situation requires publicity or defending an event that puts the bank in a bad light.

- The tools use in organizing PR activities of AKRB includes all the three categories as suggested by Wells (2002). Controlled tools such as Publications: Brochures, flyers, newsmagazines, annual reports, displays and exhibits, anniversary celebration are used by the bank. Semi-controlled tools such as sponsorship, interpersonal communication and the internet (www.akrb.com) are also used by AKRB in the PR programmes. Uncontrolled tools that are used by the bank in their PR activities include radio and the print media, news releases, talk and interview shows.

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5.1.3 Public relations role and management of corporate image of Atwima Kwanwoma rural bank

- Media relations activities are defined to manage the corporate image of AKRB. They are defined specifically as PR activities which aimed at using the media to manage negative publicity, educate and improve the perception of the public. This was complimented by the customers as 91.6% agreed that media relations activities improve their perception and opinion about the bank. Some of the customers disagree with the influence of media relations on perception and opinion, 8.4%. It was also found that the major source of information to the customers is radio.

- Employee relations activities are basically the job of the Human Resources department of AKRB. The only link that Public relations activities have with employee relations is internal communication making the employees as the

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internal public. This means employee relations activities are not specifically defined as part of pubic relations activities. The customers 95% agreed that employee relations improve their perception and opinion since staff can handle them well. The bank also agrees that even though employee relations are not part of public relations activities, it has correlation with management of corporate image.

- Financial relations activities are not defined as part of the PR activities of AKRB. More than 50% of the customers have not sighted the financial statement of the bank before. However its impact on corporate image is well noted by both the bank and the customers.

- Community Relations activities are defined as part of the Public relations activities of the bank. programmes and activities embark on by the bank are support towards disease prevention, support to education, poverty reduction project, support to the under privileged and infrastructure development. These activities are aimed at managing and building strong and vibrant image of AKRB. The customers share similar views with the bank as about 95% have their perception and opinion improved through such continues community relations activities. It was found that 3 (2.5%) customers have not heard or seen the community relations programmes embark on by the bank.

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5.2 Recommendations

From the research findings the following recommendations are made;

5.2.1 Management of corporate image of Atwima Kwanwoma rural bank

- From the research AKRB enjoy favourable image amongst the public. They should however make it a continuous policy to consistently improve and maintain their status as the leading rural bank in Ghana.

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- The reasons for AKRB to manage its image should not only be to attract new customers, retained customers , as a competitive factor and community support but also customer trust and customer loyalty. Also they should be able to use their image as a differentiating factor which can give the bank a lot more competitive advantage. Also such objectives should not only be a vision on paper but a policy in action.

- In order for the bank to manage their corporate image they should first understand factors that determine the formation of corporate image. AKRB should have a continuous policy improvement on their communication, behaviour & attitude of staff, environment and products and service, especially assess to loans.

5.2.2 Public relations activities of Atwima Kwanwoma rural bank

- AKRB should create a separate department for Public Relations activities. This will bring a lot of focus and direction to their PR programmes. In a competitive environment like the financial sector by having PR department managing corporate image will become a basic responsibility of the department. The bank should always make sure that the customers and all other stakeholders are invited to events organized by the bank especially anniversary celebration.

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- It is recommended that because of the nature of influence of opinion and perception on customers, the bank should always ensure that their PR proagrammes are designed proactively. This will help the bank to be successful in dealing with issues that require reactive attention.

- The bank should consistently evaluate the effectiveness of the tools use in organizing its Public relations programmes. This will help them to immediately identify deficiencies and rectify them accordingly. It is also recommended that the bank should increase its PR programmes using radio.

5.2.3 Public relations role and management of corporate image of Atwima Kwanwoma rural bank

- Media relations activities should focus much on using radio since it was shown in the findings that radio was the major source of information about the bank by the customers. The bank should also make use of TV documentaries which can put together all aspect of AKRB. The bank should educate the customers to visit

their website (www.akrb.com) to assess minute by minute information about the bank. AKRB should increase their presence on radio not only in advertisement but through interviews where they can clearly elaborate and educate the public on their operations.

- Employee relations activities should not only be an activity for the Human Resources Department but also as Public relations activity which will ensure internal relationship management with the employees. The Public relations department can then monitor the image aspect of the employees' relations.

- Financial Relations should be understood as part of the Public relations activities. This will help ensure that investors and stakeholders are provided with enough education and information on their investment to prevent negative perception about the bank. This will also ensure continuous and consistent relationship building with investors and stakeholders.

  The information on the financial profile displayed at the banking hall it not enough considering the fact that most of the customers do not read it. The bank should improve by using other mediums which can help customers to appreciate the financial profile better. This can be done through special events, radio interview and TV documentary.

- Community relations activities should be well published for the public to be aware that AKRB is socially responsible. The bank should continue such community support programmes in order to hold on to their status as the leading

rural bank in Ghana. The community support programmes should be well communicated to the public.

5.3 Conclusion

This study has shown that Public relations activities play important role in managing corporate image. For the management of AKRB to realize the full potential of public relations they need to do a lot more and provide different directions of their PR programmes to capture other important units in the organization.

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The study proved that activities such as media relations and community relations are well noted by the bank as Public relations programmes whilst activities such as financial relations and employee relations are not part of public relations programmes. This suggests that the practical implication of financial relations and employee relations as Public relations activities used to manage corporate image is not true with AKRB.

The public relations activities can be described as a function under the marketing department of the bank headed by a PRO. The Public relations activities cover basically media relations and community relations. As a planning activity, the PR programmes organized by bank is understood to achieve the objective of managing the corporate image of AKRB. It can also be understood that a company that have such a high favourable image needs to consistently ensure that it is maintained, which Public relations has proven to be a key as shown in the research findings.

It can however be concluded that the study has achieve its objectives. The Public

relations activities can be described as actively utilized by AKRB, but it areas of focus do not necessarily conform to theory. The bank deems it important to build and managing their corporate image. The relationship between Public relations role and the management of corporate image can be said to be positive with AKRB. Media relations and community relations activities of the bank show how important Public relations is in managing corporate image. The views of both customers and the PRO point to the fact that public relations role helps in managing corporate image. This confirms the position by Desatnik (2000) that the use of public relations in managing corporate image brings community acceptance and support, customer loyalty and employee motivation.

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APPENDIX I

Interview Guide; Public Relations Manager

General information

Years of operation

Staff strength

Number of branches

Department of respondent

Public Relations activities

1) Is image management part of the objectives of your PR activities? i) YES ii) NO
2) What PR activities do you organize for your image management?
3) How do you plan and organize the Public Relations activities?
4) Do your PR activities capture both the internal and external publics? i) YES ii) NO
5) If YES, how do you ensure internal and external public relations activities?
6) How does the bank utilize Reactive versus Proactive Public Relations activities?
7) How does your bank approach the organization of public relations activities?
8) What tools do you use in your Public relations activities?
9) What model/framework do you use for structuring the Public Relations activities?

Corporate image management

1) What are the factors that form the corporate image of your bank?
2) How do you assess the bank's corporate image
3) What public relations tools does your bank use to manage their corporate image?
4) How do you consider the public opinion of your bank towards your image?
5) What are the importance of managing the corporate image of the bank?

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Relationship between Public Relations and management of corporate image

1) Employee Relations

What tools do you apply in managing employee Relations?
Is the employee relations programmes aimed at managing internal corporate image?

i) YES ii) NO

If YES, how does it help in managing the corporate image of the bank?

2) Community Relations

What tools do you apply in managing community relations?

ii) YES ii) NO

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If YES, how does it help in managing the corporate image of the bank?

3) Media relations

What tools do you use apply in managing relations with the media?

What media do use in reaching out the public

Is the media relations activities aimed at managing external corporate image?

iii) YES ii) NO

If YES, how does it help in managing external corporate relations?

4) *Financial relations*

What tools do you use in ensuring financial relations?

Is the financial relations activities aimed at managing internal and external corporate image?

iv) YES ii) NO

If YES, how does it help in managing the corporate image of the bank?

To what extent do you consider your PR activities to be successful when managing the corporate image of the bank?

What are the benefits to a successful management of your corporate image using Public relations?

How do you describe the importance of protecting and upholding the corporate image of your bank?

Any other comment on the role of Public Relations in managing corporate image of your bank

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APPENDIX II

Questionnaire; Customers

General information

1) Age
   i) 18-29
   ii) 30-39
   iii) 40-49
   iv) 50-59
   v) 60 and above

2) Educational level
   i) Tertiary
   ii) SHS/WASSCE
   iii) Vocational/Technical
   iv) MSLC/JHS
   v) None

3) Gender
   i) Male ii) Female

4) Occupation.....

5) How long have you saved with Atwima Kwanwoma Rural Bank?
   i) days
   ii) weeks
   iii) months
   iv) years

Public relations activities

1) Have you attended any special event organized by the bank before? i) YES
   ii) NO

If YES, was it on any of the following?
   i) Lunching of products /services
   ii) Meeting with customers
   iii) Anniversary celebration

2) What was the mood of invitation to such an event?
   i) Newspapers
   ii) Radio
   iii) TV
   iv) Website
   v) Notice at the premises of the bank

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3) Has the event you attended improved your perception about the image of the bank?
   i) YES
   ii) NO
4) Where do you get news on the bank?
   i) Radio
   ii) TV
   iii) Newspapers
   iv) Internet
   v) brochures
5) Which of them do think is effective in terms of receiving information on the bank?
   i) Radio
   ii) TV
   iii) Newspapers
   iv) Internet
   v) brochures
6) Have you see or experience any community relations activity by the bank?
i) YES ii) NO

7) If YES, which of the following community relations activity does the bank embark on?

(You can thick more than one)

   i) Scholarship schemes
   ii) Infrastructure development
   iii) Providing employment to local
   iv) Sponsoring local programmes
   v) Support for education

8) Have you read/seen the banks financial statement before? i) YES ii) NO

9) Which medium do the bank publish its financial statement

(You can thick more than one)

   i) Newspapers
   ii) Bank of Ghana report
   iii) ARP Apex Bank report
   iv) Website
   v) House journal

Management of Corporate image

1) Do you save with the bank because of their corporate image? i) YES ii) NO

2) How do you rate the corporate image of the bank?
   i) High
   ii) Moderate
   iii) Low
3) What do you think can determine the corporate image of the bank?

(You can thick more than one)

i) Products/ services
ii) Communications
iii) Behaviours and attitude of staff
iv) Environments

4) Do you think it is important for the bank to manage their corporate image? i) YES ii) NO

5) What do you think is the reason for the bank to manage its corporate image?
(You can thick more than one)

i) Attract new customers
ii) Customer loyalty
iii) Competitive
iv) Increase sales
v) Customer trust
vi) Customer retention

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Relationship between public relations and management of corporate image

1) Do you agree that financial relations activities of the bank improve the perception of customers?
i) Strongly agree
ii) Agree
iii) Strongly disagree
iv) Disagree

Provide reasons for your selection.....

2) Do you agree that media relations activities of the bank improve the perception of customers?
i) Strongly agree
ii) Agree
iii) Strongly disagree
iv) Disagree

Provide reasons for your selection.....

3) Do you agree that employees' relations activities of the bank improve the perception of customers?

i) Strongly agree
ii) Agree
iii) Strongly disagree
iv) Disagree

Provide reasons for your selection.....

4) Do you agree that community relations activities of the bank improve the perception of customers?

i) Strongly agree
ii) Agree
iii) Strongly disagree
iv) Disagree

Provide reasons for your selection.....

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