

Corporate Social Responsibility for Takaful Industry's Branding Image

(Tanggungjawab Sosial Korporat bagi Penjenamaan Imej dalam Industri Takaful)

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ABSTRACT

This study attempts to confirm the likelihood of Corporate Social Responsibility (CSR) activities giving different effects on brand image components and whether corporate reputation mediates these effects. Four action-based types of CSR, namely the economic, legal, ethical and philanthropic, were analyzed and tested in this study. This study employs quantitative method of analysis whereby the participants were exposed to different treatments and the brand image was divided into an affective, specific and generic cognitive elements. A total of 327 (N = 2110) stakeholders of Takaful; the agents/operators in Kuala Terengganu, Malaysia were involved. Using the Structural Equation Model analysis, the affective component of the brand image showed a greater impact on the commitment towards the four types of CSR as compared to the others. The results revealed that the economic and philanthropic CSR activities significantly led to a more positive level of both brand image components and corporate reputation management than legal and ethical CSR activities. In addition, brand image has positively influenced the betterment of corporate reputation management. These findings have significant implications for future research directions in the corporate communication perspective.

Keywords: Brand image; corporate reputation; corporate social responsibility; takaful

ABSTRAK

Kajian ini cuba untuk mengesahkan kebarangkalian aktiviti Tanggungjawab Sosial Korporat (CSR) dalam memberi kesan yang berbeza kepada komponen imej jenama dan sama ada reputasi korporat menjadi pengantara kepada kesan-kesan tersebut. Empat jenis CSR berasaskan tindakan, iaitu ekonomi, undang-undang, etika dan filantropik telah dikaji dan diuji dalam kajian ini. Kajian ini menggunakan kaedah analisis kuantitatif di mana para peserta didedahkan kepada kajian yang berbeza dan imej jenama dibahagikan kepada elemen yang berbentuk afektif, khusus dan kognitif generik. Seramai 327 (N = 2110) pihak berkepentingan iaitu ejen/pengusaha Takaful di Kuala Terengganu, Malaysia telah terlibat. Menggunakan analisis Model Persamaan Struktur, komponen afektif imej jenama menunjukkan kesan yang lebih besar ke atas komitmen terhadap empat jenis CSR berbanding dengan perkara-perkara lain. Hasil kajian menunjukkan aktiviti-aktiviti CSR ekonomi dan filantropik mempunyai hubungan positif yang signifikan dengan kedua-dua komponen imej jenama dan pengurusan reputasi korporat dibandingkan dengan aktiviti CSR undang-undang dan etika. Di samping itu, imej jenama mempengaruhi secara positif pengurusan reputasi korporat. Penemuan ini mempunyai implikasi yang besar untuk memberi penunjuk arah kepada kajian akan datang dalam perspektif komunikasi korporat.

Kata kunci: Imej jenama; reputasi korporat; tanggungjawab sosial korporat; takaful

INTRODUCTION

Corporate Social Responsibility (CSR) has been increasingly discussed over the past decade (Carroll 1979, 1991, 1999; McWilliams et al. 2006) and is considered a major cause of social, environmental, and economic problems, while the perception that companies are flourishing at the expense of society is widely disseminated (Kramer 2011). CSR has been part of the corporate communication value, as opposed to agendas, and is prominent in the academic study platform. It has been argued recently that the way

companies implement and practice CSR has influenced the results as well as the outcomes. Hence, based on issues pertaining to principles of corporate governance and by referring to the Organisation for Economic Co-operation and Development (OECD) (2004), CSR is highly associated with corporate governance, which means organisations are evaluated by their concern and commitment towards the society. Lai et al. (2010) are of the opinion that CSR might have a positive influence on consumer behaviour as its implementation can increase the company's brand image and reputation and also because organisations,

especially large enterprises, have a direct or indirect influence on the society (McWilliams et al. 2006).

As a reaction to the legitimacy crisis, concern on CSR has significantly rising steadily, not only on corporate agendas (Matten & Moon 2008) but also as a matter of academic study (Sen et al. 2006). CSR, which was first proposed in western countries, has a long history and is a rapidly developing process (McWilliams & Siegel 1997, 2000, 2001; McWilliams et al. 2006). While some regarded CSR activities as costly, a constraint or a kindly deed, others argue that CSR can be a source of opportunity with a competitive and innovative advantage (Porter & Kramer 2006). Numerous studies have been undertaken to determine the nature of these attributions and, although the results historically have been mixed, an increasing number of recent studies provide findings of a constructive link between corporate responsibility and economic performance (see e.g. Waddock & Graves 1997; McWilliams & Siegel 1997; Simpson & Kohers 2002; Lankoski 2009; Lev et al. 2010; Kramer 2011).

However, a change can be noticed on how CSR is perceived and grasped in the *Takaful* companies. Companies are introducing activities that focus on the welfare of the stakeholders. Such activities consist of donating money and products to charity, offering volunteering possibilities for their employees, providing health support for employees, complying with codes of conduct that concentrate on issues such as gender equality and fair business practises, and activities that aim at meeting the needs and protecting the living standards of future generations by producing environmentally friendly products in an environmentally friendly manner (Sprinkle & Maines 2010). In addition, companies have launched diverse CSR programmes to structure their CSR activities. Certification of products and processes are also a part of companies' endeavours to contribute to CSR and become more sustainable and to make a difference (Sprinkle & Maines 2010). These examples are just a short summary of the possibilities and ways for companies to contribute to CSR. This suggests that companies are incorporating softer values and aims, in addition to the purely economical motives, and embracing a company culture which takes into account the diverse group of stakeholders a company possess.

Companies are currently contributing to CSR through numerous activities, individual CSR programs and initiatives that contribute to the company's stakeholders' needs, interests and demands (Sprinkle & Maines 2010). At the same time companies are engaging into branding image to grow and expand the business rapidly. Yet, over half of the activities related to image branding have failed due to strong focus on specific aspect such as financial issues, thus neglecting organisational culture issue which is more pertinent. This may lead to a situation of non-alignment of product branding values; which then leads to product collusion. As organisational values defines the proclivity and ability of a company to conduct business operations either responsibly or irresponsibly, questions

concerning the after effect of CSR in the context of branding image is becoming interesting.

The aim of this study is to find out how the branding image process impacts CSR activities in giving different effects on brand image components. In order to achieve the purpose of the study, the following research questions are outlined. What was CSR activities considered in the branding image process? How will the CSR activities in the four action-based types of CSR affect the corporate reputation of the company?

Furthermore, there is certainly a need to examine the effects of CSR on brand image and corporate reputation in the Malaysian *Takaful* industry. It is vitally important to remark that the brand image components are seldom viewed as one-dimensional constructs as it can be operationalised either based on an 'emotion dominated affective' or a 'rationally dominated cognitive' component (Keller & Aaker 1995; Aaker, Kumar & Day 2004). The *Takaful* notion in this study can be envisaged as a concept that has *Shariah* (Islamic law) approval for all of its activities (Ayinde & Echchabi 2012). The word *Takaful* is derived from the Arabic word *Kafala*, meaning "guarantee". *Takaful* means to take care of one's need.. In section 2 of the Malaysian *Takaful* Act 1984, *Takaful* is defined as "a scheme based on brotherhood, solidarity and mutual assistance which provides for mutual financial aid and assistance to the participants in case of need whereby the participants mutually agree to contribute for that purpose." The fundamental aim of *Takaful* is to pay for a definite loss from defined funds. *Takaful* concept is different from conventional insurance. The premiums (contributions) paid by each participant is for the purpose of a gift, contribution or donation (*tabarru'*) and not for goods and products exchange, because when *tabarru'* is involved then it is according to the *Shariah* and the transaction is authorised (Hussain & Pasha 2011). Consequently, CSR in the *Takaful* concept has indisputably transformed into a strategic priority for companies operating in different sectors, industries and geographical areas. This means that CSR has evolved from confined discussions of small academic groups to a complex concept that is addressed in today's corporate decision making.

CONCEPTUALISATION OF CSR, BRAND IMAGE AND CORPORATE REPUTATION CONSTRUCTS

Corporate Social Responsibility CSR means the commitment of business that leads towards a sustainable economic growth as well as improving the quality of life by connecting employees, organisations and local communities (Werther & Chandler 2010; Freeman et al. 2011). CSR of Islamic Corporation is to cover the responsibility to God, responsibility to the fellow human beings as well as responsibility to the natural environment (Muwazir, Muhamad & Noordin 2012). Although the definitions of CSR differ, the general

consensus is that CSR defines the responsibilities of corporations towards societal stakeholders and the environment and that describes how managers should go about doing these duties (Smith 2007). According to Carroll (1999), the CSR concept can be traced to the 1930s; he did mention that Chester Barnard (1938), Clark (1939) and Theodore Kreps (1940) are the authors who briefly built the fundamental concept of corporate responsibility at the beginning. In the 1960s, Davis (1960) argued that CSR was a nebulous idea and most of its attributes were concerned with the managerial framework. Johnson (1971) in the 1970s came up with more examples of CSR such as utility maximization and business related social programs that profits more than one party (in Carroll 1999). Scholars continued with the research on CSR issues and revised the concepts repeatedly and gradually established the framework of CSR (Werther & Chandler 2010).

According to Lee (2008), there are two trends in the theory of CSR evolution. On one hand, CSR issues can be viewed from the stakeholders' perspective. For example, Freeman et al. (2011) proposed that the new approach to CSR refers to the company stakeholder's responsibilities. The theory states that ethical leadership should be considered from a stakeholder's point of view (Werther & Chandler 2010; Freeman et al. 2011). The societal expectations of a corporation in relation to ethical business require the right behaviour and the behaviour should be combined with the stakeholder's perception. On the other hand, Carroll's perspective (1979) emphasises that any given responsibility or action of a business incorporates the economic, legal, ethical and optional motives. Of the four motives, Carroll (1991) replaced the discretionary with philanthropy, and advised that philanthropic motives should embrace the concept of corporate citizenship.

CSR can be seen as an emotional aspect of brand image which enhances a company's competitive advantage. If a company's positioning strategy is based on its CSR activities, the core values are permeated by the core values of CSR. One outcome of integrating CSR into the marketing strategy is to insure the brand from attacks. This means that CSR can work as a "damage insurance" to protect the brand. A company with a strong brand is less likely to have problems with reputation for example. When CSR is communicated, it becomes a strategic branding tool to manage customer's expectations. The CSR initiatives influence the positive attitude and behaviour of a customer. This in turn strengthens the company's brand image, which is one of the main reasons a company engages in CSR activities. CSR and brand image are strongly linked to each other. CSR is becoming a core component that affects brand image in a positive way and is therefore considered to be a strategic necessity, rather than something that only contributes to the customer's social value.

As far as this paper is concerned, CSR refers to the four dimensions of responsibility, which are economic,

legal, ethical and philanthropic, based on Carroll's 1999 study. In the economic dimension, CSR aims to produce products or services to fulfil the demand by customers and subsequently receive acceptable profits. In the legal dimension, it reflects on the prospect of legalised ethics. Legal responsibility requires the enterprises to establish frameworks to provide fair operations. Compared to economic and legal responsibilities, ethical responsibility embraces the activities that the society expects or favours without codified law or regulation. The final dimension concerns philanthropy, which includes all the operations that satisfies and benefits the society. On the other hand, enterprises are fortified to engage their clientele in society and contribute towards human welfare and goodwill of the brand (Ahmad 2013). Studies in CSR have received increased attention from researchers around the world. However, most of these studies were conducted in the context of developed countries. It shows that the awareness about and adoption of CSR agenda are less apparent in developing countries compared to the developed countries of the West. The understanding on how the different types of CSR activities affect the brand image of a company is still lacking.

Brand Image Image can be defined as "the total impression an entity makes on the minds of others" (Dowling 1986: 70). Brand image has been broadly defined as the "perception about a brand as reflected by the brand associations held in the consumer's memory" (Keller 1993: 3). Therefore, this study's approach has divided brand image components into the 'affective image' component (an emotionally dominated affective), 'generic cognitive image' component and 'specific cognitive image' component (dominated rational cognitive component) (Keller & Aaker 1995; Aaker, Kumar & Day 2004). The brand image components are rarely considered as one-dimensional constructs. Hence, based on the number of important aspects of the rationale for conducting several CSR activities, the survey divided the cognitive image into an effective image, generic cognitive image and a specific cognitive image component that fits all the relevant standards. This approach conforms to the idea that associations of those affected can be divided into micro-associations that specifically address the level and number of interest groups and meta-associations, whereby all parties are of equal importance to all stakeholders (John & Stephen 2003). Moreover, various types of brand image components build the brand image. The brand image components disseminate information about the brand, which will be remembered and imparts the meaning of the brand to the customer (Keller 1993; Keller & Aaker 1995).

A strong brand image contributes to the customer based brand equity in a positive way (Keller 1993). Furthermore, a strong brand image contributes to a positive customer experience, and is therefore essential in service sectors, due to its intangible nature. A company

should focus on sending out the right communication to form a favourable brand image in the mind of customers.. The image that a marketer wants to form is called brand identity. To succeed with branding, the company's brand identity has to correlate with the customer's brand image. This means that the values of the company have to correspond with the values of the customer. Services do not only include logical and economical values but emotional connections as well. This means that a service brand needs to create feelings of trust, affection and closeness, and reflect on the customer's core values. The challenge that marketers face is to form and link the customer's thoughts, feelings, images, beliefs, perceptions and opinions to the brand in a favourable way (Keller 2007). The development of a positive brand image is complex and has been shaped through received inputs of specific brand messages. When a consumer relates to the flow of brand messages, a brand relationship will develop and give the service a meaning in the mind of the customer. However, whether a brand message adds positively to the brand image or not depends on whether the customer finds the brand message favourable or not. Along with meeting expectations on intangible and visible components of a service, it is important to meet social values that the customer finds important (Popoli 2011). These values are closely related to CSR, which has the potential to satisfy the customer's need which leads to a brand relationship and in turn creates a positive brand image.

Corporate Reputations The definition of corporate reputation by Castro et al. (2006: 362) reads as follows: "the collective representation of actions and outcomes of the past and the pre-set of the organization that describes its capability to obtain valuable outcomes for different stakeholders" and this definition is used in this study. However, Argenti and Druckenmiller (2004) defined corporate reputation as a reputation built on objective representations of images of a society over time, which depends on the program's identity of a company, its performance and how population perceives the behaviour of several constituencies. Thus, after considering the definition of other authors (e.g. Rose & Thomsen 2004; Cravens & Oliver 2006), it is noticed that the characteristics of reputation are similar to that of Fombrun. Likewise, Fombrun (1997) stressed that the past and future, as well as the different stakeholders are involved in the creation of reputation (Fombrun & Shanley 1990; Fombrun & van Riel 1997). Ultimately, the definition of Castro et al. (2006) was adopted in this study because it captures the fact that the company's reputation is a broad concept that incorporates the various aspects of an organisation and its stakeholders. From internal factors such as products, to external exercises such as customer relationship management, the reputation is differentiated only by the brand image (Cravens & Oliver 2006). In addition, it includes a broad definition and the literature claims that the corporate reputation is far from

agreed upon in the subject field (e.g. Rose & Thomsen 2004; Cravens et al. 2003; Chun 2005).

Therefore, based on the above interpretation, the present study will look into whether brand image positively influences the betterment of corporate reputation management. Trends form the perceptions of stakeholders about critical businesses and managers are invited to lead a focused, active and central access to the scientific attitude of these stakeholders. As the attention of management and the value that has created the reputation arises, it holds the academic focus towards the study (Fombrun et al. 2000; Fombrun & Van Riel 2004; Van Riel & Fombrun 2007). Nevertheless, proper criticism should be exercised due to the lack of discourse about the existing merchandise and its use in the world of corporate reporting regarding descriptions of corporate reputation.

The Hypotheses and Structural Model In this study, the common cognitive component was influenced by a composition of five (5) indicators, while the specific cognitive component consisted of six (6) format indicators. The theoretical framework includes two main concepts: CSR and brand image. The following model has been developed and based on established theories from previous research. In this research, CSR has been defined by two different concepts (see literature review). This theoretical model consists of components which have been selected from Carroll's pyramid (Pyramid of Corporate Social Responsibility model by Carroll 1991). Thus, an argument can be realised in the context of corporate reputation (Brammer & Millington 2005). In summary, there is a gap when identifying the effects of CSR on brand image and corporate reputation. One of the gaps identified was the role of the moderating effects of different types of CSR and brand image components on the relationship between brand image and corporate reputation. Figure 1 shows the basic path model, calculated for every different type of CSR under consideration. Hence it is also plausible to suggest the following hypotheses:

- H₁ Economic CSR has a significant positive effect on brand image
- H₂ Legal CSR has a significant positive effect on brand image
- H₃ Ethical CSR has a significant positive effect on brand image
- H₄ Philanthropic CSR has a significant positive effect on brand image
- H₅ Brand image will positively influence the betterment of corporate reputation management

RESEARCH METHODOLOGY

The data were collected from ($N = 2110$) $n = 327$ stakeholders who were randomly selected in Kuala

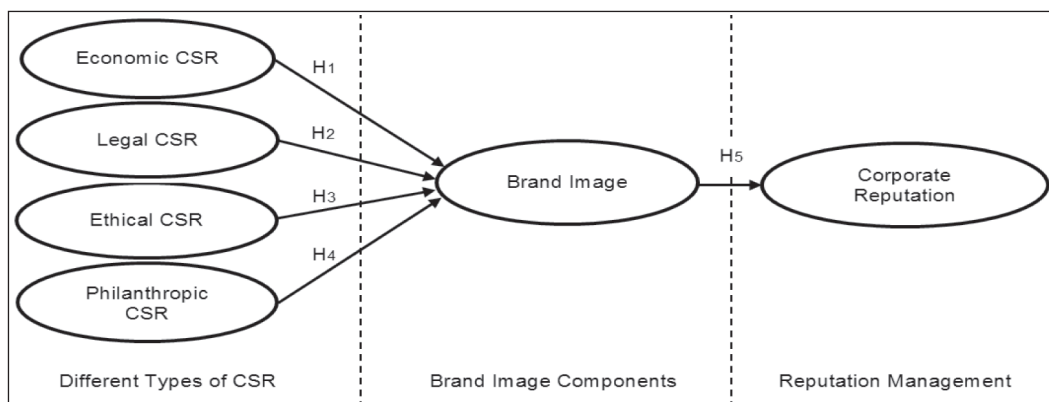


FIGURE 1. Basic path model

Terengganu by a self-administered survey method distribution. Kuala Terengganu was chosen because based on the *Takaful* report 2014, the participation rate in Terengganu (based on number of Takaful policies ownership) was a bit slow. Therefore, the survey was distributed to *Takaful* operators' (respondents/stakeholders of eTiQa *Takaful*, PruBSN *Takaful*, MAA *Takaful*, *Takaful* Ikhlas, AIA AFG *Takaful*, AIA PUBLIC *Takaful*, AmFamily *Takaful*, Great Eastern *Takaful*, HSBC Amanah *Takaful*, Hong Leong MSIG *Takaful*, Sun Life Malaysia *Takaful* (formerly known as CIMB Aviva) and Syarikat *Takaful* Malaysia Bhd) in Kuala Terengganu, Malaysia. An empirical research survey was conducted to test the proposed hypotheses and the proposed structural model. The survey was administered by meeting stakeholders in groups in several locations, distributing the questionnaires for them to answer immediately and collecting the answers once they were finished. The reliability and correlations test using SPSS 21 with the descriptive statistics were calculated for every construct in order to analyse the results. The structural equation modelling approach by using a two-step procedure was applied in this study (Anderson & Gerbing 1988). Each construct design was measured with questions that were well-structured and closed-ended. The questions were designed with a six point Likert scale, which referred to (1) strongly disagree, (2) disagree, (3) somewhat disagree, (4) somewhat agree, (5) agree, (6) strongly agree.

In this study, the male respondents (71.7%) were greater in number compared to the female (25.3%)

respondents. The total percentage of *Takaful* Agents was 65.4%, Head Agency was 20.5% and the percentage of Group Managers was rather small, which was only 18.3%. The majority of the respondents were Malay (93.14%), followed by others (6.9%). The age group of 20 to 29 years old had the highest percentage of 53.7%. Structural equation modelling (SEM) with AMOS 21 was used to confirm the model and build relationships to explain the phenomenon that occurred in this study. As proposed by Anderson and Gerbing (1988), the present study referred to the two-step procedure to confirm the model.

DATA ANALYSIS AND RESULTS

MEASUREMENT MODEL TESTING

Table 1 presents the alpha values for reliabilities for all constructs. All scored above 0.70 which indicates that all constructs have internal reliability. In addition, the results of the mean, Cronbach alpha (α), standard deviation (*S.D.*) and correlations for the variables are also shown in Table 1.

All measurement models were confirmed in accordance with the rigorous assessment procedures offered in the established literature (DeVellis 2003). Thus, based on the developmental scales, the results fulfilled a position that was towards the higher end of the evaluation criteria. The CFA analysis had examined the validity of the measurement model. The suggested cut-off

TABLE 1. Summary of mean, standard deviation and correlation among the constructs

<i>n</i> = 327 Variables	Mean	Cronbach Alpha	Standard Deviation	1	2	3	4	5
Economic CSR	3.78	0.762	0.755	1				
Legal CSR	3.61	0.898	0.976	.643**	1			
Ethical CSR	3.34	0.843	0.867	.695**	.267**	1		
Philanthropic CSR	3.86	0.865	0.945	.399**	.448**	.388**	1	
Image & Reputation	3.52	0.835	0.887	.549**	.669**	.269**	.366**	1

**Correlations are significant at 0.01 levels (two-tailed).

value for GFI, NFI, and CFI was $\geq .90$, and the adequate inception level for RMSEA was $\leq .08$ (Hair et al. 2010). Table 2 presents the model fit of the data which shows relatively well fit. Agreeing to the goodness of fit index ($\chi^2 = 346.788$, $df = 159$, $RMSEA = 0.081$, $GFI = 0.866$, $NFI = 0.905$, $CFI = 0.959$) from the CFA, the measurement model provided an indication of satisfactory adjustment fit. The modified model results showed a satisfactory model with adequate goodness of fit ($\chi^2 = 195.444$, df

$= 106$, $RMSEA = 0.060$, $GFI = 0.922$, $NFI = 0.933$, $CFI = 0.967$).

Therefore, the hypothetical model matches the empirical data. It was found that all the loading of constructs were significant ($p < .001$) and above the recommended value of 0.7. For this reason, to examine the convergent and discriminant validity, the average variance extracted (AVE) was also applied in an appropriate manner. As shown in Table 3, all the AVE

TABLE 2. The result of examining the effects of CSR on brand image with parameter estimates

Model	χ^2	df	χ^2/df	RMSEA	GFI	NFI	CFI
Measurement Model	346.788	159	2.255	.081	.866	.905	.959
Initial Structural Model	284.361	158	2.111	.075	.889	.932	.948
Final Structural Model	195.444	106	1.851	.060	.922	.933	.967

TABLE 3. Summary of factor loadings, average variance extracted, and composite reliability

Factor/Items	Standardized Factor Loading	Average Variance Extracted	Composite Reliability
Economic CSR			
<i>It is important to perform in a manner consistent with maximizing earnings per share.</i>	.775	0.74	0.97
<i>It is important to be committed to being as profitable as possible.</i>	.896		
<i>It is important to maintain a strong competitive position</i>	.836		
<i>It is important to maintain a high level of operating efficiency.</i>	.777		
<i>It is important that a successful firm be defined as one that is consistently profitable.</i>	.766		
Legal CSR			
<i>It is important to perform in a manner consistent with expectations of government and law.</i>	.749	0.69	0.96
<i>It is important to comply with various federal, state, and local regulations.</i>	.891		
<i>It is important to be a law-abiding corporate citizen.</i>	.946		
<i>It is important that a successful firm be defined as one that fulfils its legal Obligations</i>	.821		
<i>It is important to provide goods and services that at least meet minimal legal requirements</i>	.857		
Ethical CSR			
<i>It is important to perform in a Manner Consistent with the expectations of societal mores and ethical norms</i>	.856	0.84	0.95
<i>It is important to recognize and respect new or evolving ethical/moral norms adopted by society</i>	.863		
<i>It is important to prevent ethical norms from being compromised in order to achieve corporate goals</i>	.698		
<i>It is important that good corporate citizenship be defined as doing what is expected morally or ethically.</i>	.838		
<i>It is important to recognize that corporate integrity and ethical behaviour go beyond mere compliance with laws and regulations.</i>	.876		
Philanthropic CSR			
<i>It is important to perform in a manner consistent with the philanthropic and charitable expectations society</i>	.873	0.79	0.94
<i>It is important to assist the fine and performing arts.</i>	.888		
<i>It is important that managers and employees Participate in voluntary and charitable activities within their local communities</i>			
<i>It is important to provide assistance to private and public educational institutions.</i>	.833		
<i>It is important to assist voluntarily those projects that enhance a Community's "quality of life".</i>	.775		
Brand Image Components and Reputation			
<i>Affective image component</i>	.863	0.71	0.98
<i>Generic cognitive image component</i>	.698		
<i>Specific cognitive image component</i>	.838		

Note: Factor/Items refers to the four dimensions of responsibility proposed by Carroll's 1999

exceeded the recommended cut-off point of 0.5 (Bagozzi & Yi 1998), suggesting that it meets convergent validity. In essence, an AVE for each construct was greater than the squared correlation coefficient for the corresponding inter-constructs that confirmed the discriminant validity (Fornell & Larcker 1981). On the other hand, composite reliability was evaluated using the Fornell and Larcker (1981) formula. The reliability indices were above the threshold recommended, which was 0.60. Standardised loadings, AVE and composite reliability are shown in Table 3. Therefore, the measures have a highly satisfactory quality. Besides, weight measurement models of training indicators showed that there was a substantial divergence between the types of CSR for each group. Therefore, the understanding is to use branding image as a plan for a stakeholder-specific corporate reputation management strategy.

Structural Model Testing As shown by the four new model structures for each type of CSR in Table 4, each of them showed a substantial positive outcome on the components of brand image. The effect sizes are positive with a majority exceeding the minimum value of all paths. *Q*-square outcomes for the Stone-Geisser-Test (in the range 0.361 to 0.383) and the *R*-squares (ranging from 0.622 to 0.646) showed the highest overall model fit.

The affective component of brand image shows the highest path coefficients for all types of CSR in the study (0.452 to 0.581, *p* = 1%). While, the Generic cognitive component for reputation oriented, is related to the economic and legal responsibility (0.278 and 0.326).

The overall effects are positive; with at least some components of brand images that have significant

consequence on the different types of CSR. The consequences of the hypothetical model are graphically presented in Figure 2 and the outcomes of the hypotheses tested are indicated in Table 5. All hypothetical structural connections were validated.

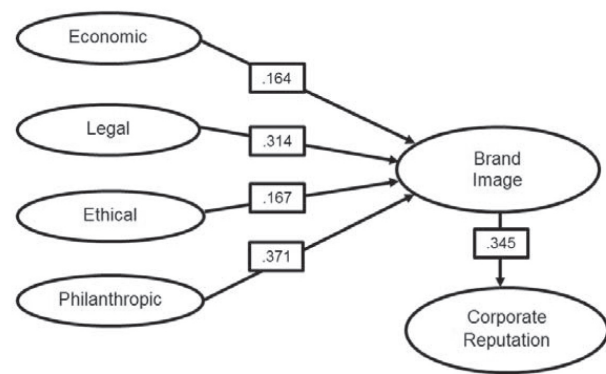


FIGURE 2. Final structural model

CONCLUSION

In conclusion, CSR can be categorised as an economic, legal, ethical or philanthropic CSR. In the economic dimension, it aims to produce products or services demanded by customers and simultaneously receive acceptable profits. In the legal dimension, it reflects the view of legalised ethics. Legal responsibility demands that the enterprises establish frameworks to provide fair operations, while ethical responsibility embraces activities that the society expects or favours without

TABLE 4. The overview of brand image components affected due to different types of CSR

CSR	Affective image component		Generic cognitive image component		Specific cognitive image component		Model <i>R</i> ²	Stone-Geisser
	Path	Effect size	Path	Effect size	Path	Effect size		
Economic	0.452 ***	0.185	0.278 ***	0.052	0.129 *	0.021	0.622	0.383
Legal	0.375 ***	0.149	0.326 **	0.068	0.168 *	0.032	0.625	0.381
Ethical	0.443 ***	0.011	0.128	0.016	0.324 ***	0.092	0.633	0.361
Philanthropic	0.581 ***	0.449	0.107	0.016	0.187*	0.044	0.657	0.374

*** Significant at 1%; ** Significant at 5%; * Significant at 10%

TABLE 5. Results of tested hypotheses

Hypothesis	Estimate	p-value	Result
<i>H</i> ₁ : Economic → significant positive effect to Brand Image	.164	<.001	Supported
<i>H</i> ₂ : Legal → significant positive effect to Brand Image	.314	<.001	Supported
<i>H</i> ₃ : Ethical → significant positive effect to Brand Image	.167	<.001	Supported
<i>H</i> ₄ : Philanthropic → significant positive effect to Brand Image	.171	<.001	Supported
<i>H</i> ₅ : Brand Image → positively influence corporate reputation	.345	<.001	Supported

codified law or regulation. The last dimension concerns philanthropy, which includes all the operations that satisfy the society. Enterprises are encouraged to engage their business with society in order to contribute towards human welfare and goodwill of the brand.

These four types of CSR are distinct in both the theoretical and empirical perspective. The analysis showed that there is a strong positive relationship between all the CSR dimensions and brand image. However, the legal dimension on brand image was rather strong. Legal and ethical CSR activities significantly led to a more positive level of both brand image components and corporate reputation management than economic and philanthropic CSR activities. It indicated that it is more favourable for companies to engage in CSR activities that are related to their core business i.e., *Takaful* with the *tabarru'* concept (donation or contribution).

There is no clear evidence as to whether corporate reputation mediates the branding effects of all different types of CSR. However, there is an indication that the economic and philanthropic CSR activities might be more effective for companies with a negative reputation while the two other types of CSR are equally effective for companies that enjoy a positive reputation. The reason being that the findings are uncertain if the described indications were found only with brand image components as dependent variables. In summary, the present study has found a way to divide CSR activities that are highly useful for both academic and practical applications. The four types of CSR identified were economic, legal, ethical and philanthropic and these activities are different in their branding effects. For future research, this study proposes the extension of this analysis that examined the corporate reputation as either being the mediating or moderating role among the four CSR types and their brand effects.

This study contributes to the research of CSR and brand image within the *Takaful* industry, which has been less investigated than other sectors. Some studies have also shown the strong relationship between strong CSR and strong brand image (Werther & Chandler 2005; Wu & Wang 2014). Brand image is a vital part of an organisation's competitiveness. No studies have been made on the CSR's dimension effect on brand image within the *Takaful* industry, which makes our study of importance. This study contributes to an increased understanding and knowledge of the people's reactions and attitudes towards companies' involvement in CSR. The findings show that in general, Islamic insurance companies in Malaysia expresses a positive attitude and understanding of CSR concept. The results of this study will help organisations to develop a more optimal CSR strategy.

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