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**Investigation into Public Relations Legitimacy, Perceptions,
and Practices in the Banking Sector of Ethiopia to Promote
Corporate Reputation and Trust: Empirical Evidence from
Awash Bank**

By:

Abel Solomon

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By:

Abel Solomon

Advisor: Anteneh Tsegaye (PhD)

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This is to certify that the thesis prepared by Abel Solomon entitled — Investigation in to PR Legitimacy, Perceptions, and Practices in the Banking Sector of Ethiopia to Promote Corporate Reputation and Trust: Empirical Evidence from Awash bank is submitted in partial fulfillment of the requirements for the award of Master of Arts Degree in Public Relations and Strategic Communication, complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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Declaration

I, the undersigned, declare that this thesis is my original work and all the sources materials used for the thesis have been duly acknowledged. I have carried out the study independently with the guidance and suggestions of the research advisor.

Name: Abel Solomon

Signature: _____

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Abbreviations and Aacronyms

CEO	Chief Executive Officer
CSR	Corporate Social Responsibility
EBC	Ethiopian Broadcasting Corporation
IABC	International Association of Business Communicators
NBE	National Bank of Ethiopia
PR	Public Relations
SPSS	Statistical Package for Social Scientist
USA	United States of America
BIPR	British Institute of Public Relations

Abstract

The aim of the study was to investigate the compliance of Awash bank's PR in terms of legitimacy and with what is perceived by its customers. In particular this study was conducted with the objectives to identify how Awash bank has legitimized PR to promote its reputation and trust, the perception of customers towards the PR works by the bank, existing PR strategies practiced in promoting reputation and trust of Awash bank. The study used mixed research approach mainly descriptive design and case study as a strategy of research. To achieve its objectives, the study collected primary data from 4 employees and 242 customers of the bank's head office by using questionnaire, interview and document review as data collection instrument. A total number of 242 respondents participated in the study i.e. from the target population. The researcher used convenience sampling to take 242 customers and purposive sampling to take 4 interviewee participants who are currently working in the head office of Awash bank. Besides, the head office of Awash bank was selected purposively to be part of the study. The data was analyzed using descriptive statistical and content analysis method. The finding of the study reported that PR is essential part of the bank's effort to build its reputation and trust and thus legitimized it by including under CSR division of the bank. Accordingly, the bank is well aware of the need for PR implementation. However, there is weak customers' perception (only 59.1%) on the PR works of Awash bank because of its insufficient involvement in social responsibility activities, TV and radio based promotions were commonly practiced PR strategies and limitation to correspond PR activities with the needs of the public were obtained which in turn affected reputation and trust of the bank. So as to improve the legitimacy, perception and practice of PR in building reputation and trust of Awash bank: considering farmers in PR tasks, and measuring and evaluating the effectiveness of PR practiced are suggested.

Key terms: Awash bank, legitimacy, public relations, perception, reputation and trust

CHAPTER ONE

1. INTRODUCTION

As an initial part of this research report, chapter one deals with background of the study, statement of the problem, the research objectives, research questions, geographic and conceptual scope, significance and limitation of the study. It's followed by the overall structure of the thesis which shows what is available in each chapter, which is believed as the framework of the study in general.

1.1 Background

Public relations has gained more global focus in the business sector over the last few decades mainly due to globalization and because its competition has rapidly grown in the global market. A good word of mouth can help increase a business company's reputation. The business world is now extremely competitive. Businesses typically want to have something that makes them stand out from the crowd (Cornelissen, 2017).

Public relations (PR) can give customers and the media a better image of how a business company works. Within a business company, a public relations department might also assist customers if they have any problem with the business. To do so there are many ways of practicing public relations that can be used to enhance a bank's image (Broom, 2012). These include news releases and announcement that are sent to the media, newsletters that are sent to customers and sponsoring public events. With the proliferation of the internet, PR experts can also use blogs and social media networks to accomplish their image building tasks. Many people have the perception of public relations (PR) as a way to "spry" information, in the best possible way for business companies like banks (Ibid).

Banking is a business premised on trust to. Because money is the principal commodity on which the business of banking revolves. In the same manner, for a customer to allow his /her bank the custody of his/her money is an indication that the customer has trust in the bank. The success of a bank would therefore depend on how much trust the customer

or the general public has on the bank to perform banking functions well (Chan *et al.*, 2018).

Banks' competition is manifested not only by the trustworthiness of the service they deliver, but also by the promotion mix they employed to promote their reputation. As banks became more aware of the cost and benefit, they tend to a greater use of PR tools that are cost effective in reaching the customer (Broom, 2012). The very reason that sticks banks on employing various public relations works is to maintain their reputation and retain customers. This makes them spend lots of resources for promotional activities. For instance, Coca Cola Company is cited as extravagant as far as promotion is concerned because the company averaged about \$4 billion each year on advertising between 2015 and 2020 (Frandsen & Johansen, 2017). Famous banks like Central Bank in Nigeria also spend on TV announcement campaigns in order to boost its customers (Watson & Noble, 2012).

Despite its huge cost requirement, business organizations employ various promotional menses, among which public relations (PR) has become one of the reliable tools (Beavers, 2001). When it comes to establishing relationships, which is important to retain customers, there is also no other tool better than PR. However, PR should be based on ensuring mutual benefit, and trust. According to Cornelissen (2017), nothing will also build reputation more than trust.

As stated by Dolphin (2004), corporate reputation is a fast developing area clearly gaining importance for bank managers and scholars. Evidently, the nature of banking business is in need of high levels of trust and reputation. The most effective tool to monitor the level of trust, and reputation is the extensive use of PR activities (Barnett & Pollock, 2012). Therefore, banks need to check time and again the status of their corporate reputation. However, PR activities might not be implemented considering reputation and trust in the banking industry. Accordingly, the aim of this study was to investigate how PR is legitimized, perceived, and practiced to promote corporate reputation and trust in Ethiopian banks taking Awash bank as a case.

1.2 Statement of the Problem

To win the competition in the business world business elements must be properly promoted internally/externally by utilizing public relations options so that businesses can provide the most updated information to their stakeholders/employees and the customers. Modern PR has evolved to embrace corporate sustainability; corporate sustainability is built around the organizational structure that embraces public relations theories and practices (Rosenberg, 2013).

However, in the banking industry of developing countries little attention is given to PR. Many people also wrongly assume that public relations are preoccupied with image-making in the sense of creating a false front or cover-up (Kotler *et al.*, 2005). It is considered as one element of the promotional mix and being perceived as non-strategic, the practice of PR in the banking industry has been limited. Besides, PR lacks legitimacy in the banking industry and it's not taken as a core management function. PR still captures only a small portion of the overall marketing budget of the banking sector (Ibid).

The issue of public relations practices in different African countries including Ethiopia has been controversial within in the field of communication. The possible reason for this could be attributed to the lack of understanding of the role of public relations. At the same time, very few people know what public relations encompass, what it aims to achieve and how it works. Some persons see public relations as propaganda, while some other persons understand public relations as a technique of embellishing anti-social realities (Geremew, 2017).

Banks using PR in an organized and modern way see the benefits in terms of increased customer awareness of themselves and their services, better staff morale, customer loyalty and shareholders satisfaction among other things. The basic cause for company's poor image in the mind of its customers is the gap that lies between its line of communication, understanding and cooperation between the organization and the society at large (Scot, 2010).

In this regard various studies were made on the practices of public relations and communication. For instance, Elias Salah (2019), examined the role of awareness based communication for Financial Inclusion, focusing the banking system. The result of the study shows that the commercial banks focus highly on advertisement and promotion as ways of reaching out to potential customers rather than awareness-based communication. The research recommends that a comprehensive communication strategy targeting long-term results should be developed and implemented.

Kebar Berechal, Samuel Mochona and Habtamu Diriba (2021) assessed the role of public relation in combating forged money in Ethiopian banking sector, with special focus on the practice of Commercial Bank of Ethiopia(CBE). The study finding shows that the role of public relations in combating forged money was not efficient and effective in Ethiopia. The public relations practitioners and the bank are somewhat used to the poor communications tools that may able to lead to various undesirable effects, such as information gap, public displeasure, and inefficient use of valuable resources. Besides, the role of public relations in raising the awareness of the public about forged money is not sufficient, and change in knowledge, attitude, and opinion level about forged money because of public relation role is not significant.

Exploring the practice of internal and external communication in Development Bank of Ethiopia, Teshome Bekele (2017) found the result that managers, employees and customers evaluate the work by corporate promotion and communication department at Development Bank of Ethiopia as good.

Samson Belina (2016), in his study that examined the organizational communication satisfaction of employees working in Awash Insurance Company, he found that the staffs feel satisfied with the communication in their workplace. There is a strong positive relationship and statistically significant correlation between overall communication satisfaction and job satisfaction scores.

However, the researcher of this study did not find papers or articles with regard to legitimacy of public relations in the banking sector. Legitimacy is a justified right to exist. For PR to successfully operate there need to have proper and a high degree of legitimacy. It's apparent that any business firms, particularly banks' perceived legitimacy is manifested by the degree of power vested in the public relations. As far as the researcher is concerned, no study was found on PR legitimacy, perception and practice of banking sector in Ethiopia. Therefore, the research tried to identify the relationship between expected practice, result and the actual legitimacy, perception of PR. Thus, this research particularly tried to investigate how Awash bank has legitimized, perceived, and practiced PR to promote its reputation and trust.

1.3 Objective of the Study

1.3.1 General Objective

Considering the problem discussed above, there is a need to have a better and practical understanding how banks utilize public relations to communicate with their publics. Hence, the general objective of this study was to make an investigation into Public Relations Legitimacy, Perception, and Practice in Promoting Reputation and Trust of Awash bank.

1.3.2 Specific Objectives

The specific objectives were to:

- describe how Awash bank has legitimized PR to promote its reputation and trust;
- identify the perception of customers' towards the PR activities of the bank in promoting its reputation and trust;
- Examine the existing PR strategies used /practiced/ in promoting the reputation and trust of the bank.

1.4 Research Questions

This study was conducted to answer the following research questions;

- How Awash Bank has legitimized its public relations works to promote its reputation and trust?

- What is the perception of customers' towards the PR activities of Awash bank in promoting its reputation and trust?
- What are the existing PR strategies used /practiced/ in promoting the reputation and trust of Awash bank?

1.5 Significance of the Study

This research would be important for the bank's administration by providing sufficient information whether there are constraints of implementing PR in building its reputation and trust. It could also help the PR department/personnel to identify major factors affecting successful implementation of PR in the bank and ways to come out of the problem.

This research would be significant for different stakeholders of the banking sector such as business consultants and other PR actors who are involved in doing and implementing promotional activities by pinpointing strategies to improve the legitimacy, perception and practice of PR in promoting trust and reputation of banks. Moreover, this study might also help the customers of Awash bank by providing information about what is expected of them and the bank to legitimize PR for building reputation and trust in sustaining their business relation. Finally, it might initiate other researchers to conduct further research on related issues.

1.6 Scope of the Study

It would be important if the study is conducted at country level. However, because of variety of constraints such as sufficiently available budget, data, and other logistical problems, the researcher was obliged to delimit the study in more specific and manageable area. Accordingly, the head office of Awash bank which is found in Addis Ababa city administration became the geographic scope of the study.

In its thematic scope, the study focused on investigating PR legitimacy, perception, and practice in promoting reputation and trust of Awash Bank. The population of the study was employees and customers of Awash Bank in the head office, Addis Ababa. The

research method used was mixed research approach with descriptive research design and the study time was PR implementation of the bank by 2021 i.e. cross-sectional study.

1.7 Limitation of the Study

During data collection, it was very difficult for the researcher to get accurate and adequate information from the research participants mainly at the employees' side. For instance, the researcher has a desire to see PR strategies planned and practiced, and public comments in the opinion pool. This might be because they were expecting the researcher as a spy to them than perceiving as professional, during this time the researcher created an awareness about the aim of the research, then they tried to give the right evidences orally.

In addition, higher officials of the bank, including CSR division head, had little willingness to disclose the PR effectiveness evaluation report and how legitimized is PR. Since PR is under Marketing and Communication Department of the bank, it's highly inclined to the marketing tasks. It looks PR is a supplementary task. Nevertheless, the researcher asked the PR expert at a cafeteria then he told some of the data. Another challenge was the reluctance of some customers to respond on the spot. However, the researcher tried to overcome these problems by creating awareness on the aim of the study and confidential ways of handling the information they provided i.e. all these difficulties resolved/reduced by awareness creation with cooperative relationship.

1.8 Structure of the Thesis

This thesis was structured in five chapters. Chapter one introduces the study by describing the background, statement of the problem, significance, scope, and objectives of the study. The second chapter has covered literature review dealing with legitimacy, perceptions and practice of PR, as well as PR implementation in the banking sector and so on. The methodological framework of the study was discussed in Chapter three. The chapter begins with description of the study area then further details the methods employed to carry out the study. Chapter four has detailed the results obtained through analysis of the data. The results and discussions in this chapter are organized in

accordance with the objectives of the study. Finally, the conclusions which are drawn from the study and measures recommended for improving the implementation of PR legitimacy, perception and practice in Awash bank, in Addis Ababa are presented in chapter five.

CHAPTER TWO

REVIEW OF RELATED LITERATURE AND THEORETICAL FRAMEWORK

This chapter provides a review of relevant conceptual and empirical literature, related with the research investigation in to PR legitimacy, perceptions, and practices in the banking sector of Ethiopia to promote corporate reputation and trust: empirical evidence from Awash bank. Following this, there is a general discussion of the concept of PR (e.g. definition, types of PR, the why of PR, PR and legitimacy, PR and corporate reputation, trust, and perceptions on PR. The next section addresses the theoretical and empirical literature on the topic under investigation.

2.1 Review of Related Literature

2.1.1 The Concept of Public Relations

“Public” refers to a group or groups of people with which an organization communicates with, while relations is the way two or more things behave with each other. Public, literally, is any groups whose members have common interest or value in a certain organization or a particular situation. It involves people who all share the same or similar interest and they are gathered purposefully for similar interests and largely collective.

One can categorize publics naming as traditional, non-traditional or intervening ones, or as primary, secondary, or internal and external, or domestic and international. However, it goes without saying that different publics have different resources that the organization needs to achieve its goal. What matters here is identifying and defining the appropriate publics accurately.

Thinking of public for banks, careful evaluation and the order of priority should be undertaken. It’s because, according to Beavers-Moss (2001) after identifying the various publics of a bank, relationships should be established according to every group’s needs and wants.

With regard to public-relation (PR), There are many views on public-relation (PR) just as there are many PR practitioners. These various views have tried to define PR from their own perspectives, but the following represents some of the most popular definitions of PR. The International PR Association (IPRA) in Hague defined PR as, a management function of a planned character, through which any public and/or private organizations seek to win and retain the understanding, sympathy and support of those with whom they are concerned with, by evaluating public opinions, in order to achieve their common interest by planned information disseminations (Johan & Noor, 2013).

The British Institute of public relations (BIPR), on its part defined Public relations, of banks and other business organs, as the deliberate, planned and sustained effort in a bid to establish and maintain mutual understanding between an organization and its public (Moss & Barbara, 2012). Based on the key aspect of PR, the USA Institute of Public relations defines it as a carefully designed and sustained effort to establish and maintain mutual understanding between a firm and its clients (Seitel, 2017). Burt (2012) defines public relations as it is the attempt by information adjustment, to engineer public support for an activity, movement or institution.

Modern definitions, of PR focus on honesty, understanding and compromise to ensure a proper adjustment of the interrelations between public and business. Hutton *et al.*, (2001) reviewed the definitions of public relations and indicated that the central message of the definitions during the first three decades of the 20th century was using communication to build and maintain goodwill. Hutton *et al.*, (2001) puts public relations as educator, manipulator of symbols, news engineer, publicity doctor, perception manager, and middle person.

Broom (2012) also defined public relations as it is a management function that establishes and maintains mutually beneficial relationships between an organization and the public's on which its success or failure depends. In recent definitions of PR, the most common components appear to be "management," "organization," and "publics."

Practitioners definitions also tend to focus on “management,” “organization,” and “publics” as well. Hence, it should be clear that many widely accepted definition of PR, base these pillar concepts in their definition. PR is a planned and sustained effort to establish and maintain goodwill and mutual understanding between an organization and its publics (Jefkins, 2010).

Currently a working definition relates public relations to the practice of managing and disseminating information from the bank to the public in order to affect its public perception. It can also be a distinctive management function which helps establish and maintain mutual lines of communication, understanding, acceptance and co-operation between a firm and its publics i.e. involves the management of problems or issues; helps management to keep informed and responsive to public opinion; and emphasizes to serve the public interest; serve as an early warning system to help anticipate trends (Heide, *et al.*, 2018). Therefore, it’s possible to define PR as: it is a strategic management function that enables to create and maintain mutual understanding between a business organization and its customers to achieve objectives.

2.1.2 The Concept of Corporate Reputation and its Link with Public Relations

According to the definitions above, PR is the management function. Through decades the management functions is becoming more and more elaborated in different but related expressions. The rise of terms like reputation management, perception management and image management are becoming familiar in the realm of today’s PR. Reputation and image have become the critical concepts.

Reputation literally means a good name, generally held by the public about a firm; business organization, like bank or non-profitable ones. Various studies have demonstrated that organizational reputation is positively or negatively affected by public relations activities; therefore, managing organizational reputation is an important part of public relations practice and strategies. Hutton *et al.*, (2001) argued that maintaining the reputation of an organization was the most important function of public relations. Organizational reputation is formed on perceptions, that are an aggregate perception of

all stakeholders, and that it combines the firm's past actions, current state and future prospects (Choi & La, 2013). In this regard, it is not unreasonable to assume that larger corporations have larger public relations departments than smaller corporations and have correspondingly larger public relations budgets. Furthermore, it is likely that the more strategically and actively public relations activities are conducted, the higher and more positive reputation the corporation will have. Choi & La, (2013) argues that positive reputations yield positive organizational benefits. According to Walker (2010), these benefits include the ability to lower firm costs, charge premium prices, increase profitability, attract applicants, investors, and customers, and create competitive barriers. In addition, corporate reputation can increase expected quality, decrease information cost or buying risks, and enhance trust (Walker, 2010). Therefore, a good reputation brings about a number of beneficial outcomes

Frandsen & Johansen (2017) described that reputation is the ultimate, but not the end, result of public relations. As a matter of fact PR is what's all about reputation. The statement signifies that PR is about managing reputation. But it proceeds to imply that the end result is not reputation management by itself, rather goodwill and mutual understanding between a business organization and its customers. When we say PR is all about reputation, we mean it's the result what we do, what we say, and what others say about us.

Reputation in banking is a value creating strategy. Be it commercial or non-commercial, an organization is expected to have reputation of its own because it helps to be identified by its reputation. Positive or negative, vibrant or spiritless, reputation has a great value for an organization to be successful, even to survive. Having good reputation means, an organization is acceptable by its public and stakeholders; it becomes competitive and is able to reach its goal. Therefore, there is a need to sustain a positive reputation as much as possible. Those who maintain good reputation dwell in the minds of their public even in difficult times (Walker, 2010).

Literally reputation is a belief or opinion that is generally held about someone or something. Hence, a Bank's reputation is the sum of all the views and beliefs held about its public based on its history and its future prospects in comparison to close competitors. The key people who assess and held reputation are: the customers, employees, shareholders, competitors, trade bodies and other businesses and influential people in the sector (Rhee, 2013).

The main things that drive bank's reputation are simply: company values, the service it provides, employee and how well they work with team spirit, and the processes that help run the business. Langley (2014) confirms that corporate reputation may not be easy to change within a short period of time even though extensive communications with the public is utilized. There is a popular statement called, "banking is a reputation business". The statement implies the importance of reputation in this specific sector.

Waddington & Earl (2012) suggests that managing corporate reputation is not like dealing with a product/service, but with judgment, an attitude, a feeling rooted in a person's mind. Good reputation is hard to build and cannot be bought. It's also very fragile, and easy to lose. Though positive reputation does contribute to corporate success, it needs the attention and considerable involvement of top management of the organization so that the reputation management achieves the desired goal. When reputation management becomes the key element of PR, it makes PR to be a strategic component of the organization (Ibid).

An organization with strong reputation management will definitely have good reputation. But good reputation requires commitment and action. If otherwise, the consequence will be incalculable. Former American president Benjamin Franklin said "It takes many good deeds to build a good reputation, and only one bad to lose it" (Waddington & Earl, 2012). Besides, Frandsen & Johansen (2017) described that corporations with extensive corporate communication strategies are more likely to have strong reputations. According to Langley (2014), public relations experts must develop the ability to manage corporate

reputation by taking a "360 degree" view and communicate well with all stakeholders (Ibid).

2.1.3 The Concept of Trust

According to Rosenberg (2013, p.395), trust is defined as a “psychological state comprising the intention to accept vulnerability based upon positive expectations of the behavior of another”. This implies, for an agent, to believe its business partner will behave in a mutually acceptable manner, including an expectation that neither party will exploit the other’s vulnerabilities (Fombrun, 2012). It will perform actions that are beneficial, or at least not detrimental to us, regardless of our capacity to monitor those actions, so that we will consider cooperating with him (Lins *et al.*, 2017). From the customers’ point of view, “the firm is expected to perform in a manner consistent with their expectations” (Fatma *et al.*, 2015, p. 6). Trust has also been conceptualized as a belief, confidence or expectation about an exchange partner’s trustworthiness that results from the partner’s expertise, reliability or intentionality (Choi & La, 2013).

In this study trust is the willingness of the public to rely on the actions of a bank which is based on a positive expectation that the bank will perform actions important to them. Chan *et al.*, (2017) suggests that trust is developed based on personal knowledge of the customer in a relationship. He describes three types of trust in an organizational setting; Contractual trust, competence trust and goodwill trust. Contractual trust means that partners keep their promises whether or not they are based on written agreements. While competence trust, is when a business firm fulfills its obligations. A kind of trust, when the organization acts on the behalf of its clients, is called goodwill trust (Choi & La, 2013).

Establishing trust when it comes to banking is critical to the ultimate success of the business. In banking, trust is a prerequisite for reputation management. It is the component of reputation, which enhance the PR endeavor. Trust is all about relying on information and relationship to influence the public. Banking leaders, managers, PR practitioners often talk heavily about it trust. Trust is something that must be earned. Trust makes the customer of a bank easier to stay there. It is an extremely powerful force

that builds loyalty, increases overall credibility, and supports effective communication within the bank. To put it literally, trust is the foundation of successful banking businesses (Steyn & Beer, 2012).

2.1.4 Public Relations and Legitimacy

Legitimacy refers to right for public relations to exist in a bank. As a matter of fact any business organization needs legitimacy. Legitimacy provides an organization the right to perform its activities. Harlow (1976) indicated that legitimacy goes to the core of what public relations discipline is about: acquiring and preserving support from the general public. Defining legitimacy as the justified right to exist, Weber observed that any formal system or an organization needs legitimacy. He also noted that any such system must base its existence on a principle of legitimating, either the legal-rational, traditional, or the charismatic. This is because public relations are concerned with the need for support from the general public as well as the way how to retain it.

The idea of gaining and preserving external support is central in public relations theory and practice. The early public relations pioneers indicated that all businesses in a democratic country begins with public permission and exists by public approval (Smith, 2012). The acceptance of an organization by the general public can also be conceptualized as a “license to operate” which is an implicit social contract (Ibid).

Relevance of Legitimacy for PR

Chan *et al.*, (2018) stated that the concept of legitimacy is important for PR in the following way; first, legitimacy help to make the PR focus on the ultimate objective rather than mere practices. The ultimate objective of PR is typically for obtaining “good relations” with the public. But it’s obvious that this objective is not always got practical. Even if it’s implemented it usually involves obtaining and maintaining goodwill, and a favorable reputation. Second, legitimacy is a key construct of PR. Walker (2010, p. 118), argues that public relations is an instrument by which business organizations gain legitimacy.

Third, Legitimacy helps public relations practices to develop strategic relationships to express the charismatic organizational character. The relationships based on trust and reputation is essential for organizational success and survival (Davies *et al.*, 2019).

Principles of Legitimacy

The principles of legitimacy pointed out that it is the behavior of the leaders that determines whether or not the followers will follow. At least, the principles indicate whether the followers see their leaders as being legitimate (Smith, 2012). The main principles of legitimacy include; those being ruled need to feel as they have a voice in the management (e.g. no taxation without representation), the rules of transaction must be predictable and consistent (e.g. rule of law and due process), the rules must be fair to all (e.g. equality before the law)

One thing to be raised here is that PR plays a strategic role on the organization's core business, and influences the decision-making process. However, if the PR is deprived of the legitimacy right, there will be legitimacy gap, which indicates a discrepancy between the action of a business organization and society's expectations of the organization (Skinner *et al.*, 2004).

2.1.5 Public Perception of Public relations

Perception is the ability of a bank to see, hear, or become aware of its public relations. While it is the responsibility of a bank, to define its image, the public on their own may perceive banks differently, probably due to previous contact or preconceived information. The way the public perceives the banks has been a disturbing issue to the banks. Therefore, it initiate banks to change these public perception, to agree with its pre-defined image by basically incorporating traits such as reputation, honesty, credibility trust, consistency, quality, integrity, good ethics, and good will. This requires the necessity of employing PR services (Frandsen & Johansen, 2017).

While doing so the reasons for dissatisfaction held by the public against banks have become areas of PR concentration in banks if they must succeed at changing the

public's perception on the banks. The management must also inculcate basic traits that are mentioned above in order to steer the public perception to its advantage (Mberia, 2016).

2.1.6 Types of PR

Dozens of view-points can be seen when it comes to types of PR. Business organizations, customers, shareholders, the media, the government and the general public have their opinion. Here are some specific types.

Corporate community involvement

This type of PR is related to community engagement. Here PR improves the company's reputation in ethics, environmental responsibility, and community service or charity works. Such type of PR focuses on organization's image and reputation. The goal is to make the public perceive the company positively. According to Dolphin (2004), the public relations expert has taken a great deal of time to build a favorable image for a corporation but only one slip to create a negative public impression.

It is a type of PR tools that focus on the face of corporate social responsibility in practice. Mberia (2016) seem to be clear that any such involvement is down to basic self-interest, to enable the company to have an easy life. 'A corporation can gain competitive advantage by having the goodwill of local communities' (Mberia, 2016). However, he indicated that 'only through deepened relationships with and between employees, customers, suppliers, investors and the community will companies anticipate, innovate and adapt fast enough, while maintaining public confidence; this is termed "the inclusive approach"'. He concluded, 'the pursuit of business self-interest through wealth creation can lead to community wellbeing ... but what is meant by wealth creation and business self-interest have to be very clear interpretations'. He suggested that unless companies gave value to customers in the form of quality of service, they would suffer in the current competitive market place. CCI could therefore be seen as a necessity rather than a luxury.

At an accountability conference, Chris McKenzie (1999) said: 'There is still no measure of the relationship between ethics and financial performance. No one can quantify the impact of social and ethical performance on shareholder value, but damage to reputation

can wipe out millions of that value.’ Robert Waterman (1998) argued, ‘Companies that set profits as their No. 1 goal are actually less profitable in the long run than people-centered companies.’ When we come to the need CCI is now an accepted part of PR. Frandsen & Johansen (2017) report that ‘In 1993, more than 90 per cent of large companies in the US had a community involvement program, more than two thirds allowed time off during work for volunteering and 63 percent had a community involvement fund.’ In the UK, a survey found that only a one-third of large companies had a volunteer program and only 44 percent of those allowed time off for volunteer activities. Less than two-thirds offered financial support. But 82 percent of people in Britain believed that a company’s activities in society are important in forming an opinion about the company.

Public Affairs

Public affairs PR, also known as lobbying is all about getting the government on the business side. It focuses on corporate communication with government and with the public on issues related to regulations. In addition to government relations, public affairs PR also monitor public opinion about issues central to the business organization’s interest and develop programs for communicating to (Burt, 2012).

Working in the public sector is a challenging area of PR. As well as all the normal legal, ethical and technical considerations, public sector PR involves a greater range of stakeholders than in the private sector. These stakeholders are more likely to have overlapping characteristics. A local council is often the largest employer in its community, so residents may be employees, council tax payers and recipients of a vast range of services from education for their children to refuse collection. With public services such as the fire brigade, ambulance and police, the highly emotive level of their work is also complicated by questions of funding and national governmental policy over which they may have limited control.

In this kind of PR tool there were four objectives: to create and maintain an informed opinion about the subjects with which each department deals, to use all methods of

publicity where suitable to help the department achieve its purpose, to assist in all matters bearing on relations between the department and its public, and to advise the department on the public's reaction to the policies or actions of the government.

The Information officer was not regarded as anything other than a Press officer and there was no hint of the huge range of disciplines contained in the Government Information. The range of skills covered included dealing with producing articles, speeches, briefing materials, films, and tours for overseas journalists, art, and researchers. 'The Information Officer's duty is to give facts ... It is no part of his duties to engage in political propaganda (James 1975: 11).

Public relations PR type experts working for local or central government work for the council or the government of the day, not any particular political party, and as mentioned above they are legally bound not to act in a political way. This will involve working to provide PR and information campaigns supporting government initiatives.

Media Relations

Media relations PR type is all about dealing with the media; writing press releases, scheduling interviews and giving press conferences. Establishing a good relationship with the media organizations and acting as their content source. The goal is to generate positive coverage of a business organization or product. Basically, the PR wants the media to do its advertising for free. The term "public relations" is by most people associated with publicity, which indicates the importance of this media function. A successful relationship between a PR person and the editor is built on a PR person's reputation for honesty, accuracy and professionalism. If this reputation is lost, the PR person cannot function effectively as a bridge between a company and the media (Shamma, 2012). Here social media, the new media, is the convergence of the print and broadcast media. If it's responsibly is managed, it can be a recommendable outlet in reaching both the potential and target audience. Many companies today use social media campaigns as a form of marketing, but social media also has huge PR potential because it's a place where organization's interaction with a single customer is visible to the whole world.

The root of public relation is media relations. That is why PR and media relations are interchangeably used by journalists. The first PR experts were press agents whose main aim were to provide 'free' press coverage at any cost, and in fact were not allowed to get-in the way of a good story. These days there are also some who act this way. However, following the developments of PR profession, it began to consider strategic corporate management and ethical interaction with the public and the media. According to Burt, (2012) PR experts were, tasked with the dissemination of information. Whilst this assumption focuses on honesty, it still does not address the opinions of clients. PR Practitioners have taken the need for promoting companies' affairs.

The basic of media relation is first worked for coal operators in Philadelphia of the United Mine Workers Union. There they issued a Declaration of Principles, which stated, 'We aim to supply news ... Our matter is accurate.' in their declaration they indicated that their plan is, to supply accurate information to the press and public of the United States, on behalf of the business concerns and public institutions, to know about (Shamma, 2012). Media relations are still the activity on which the majority of PR experts invest their time highly. Here the main purpose of PR is not to prepare press releases, or respond to journalists, rather is to improve the reputation of an organization and its services/products.

This way, media relations forms one of the PR strategies. What exactly do media relations consist of? a variety of journals which deal with contacting the media, press releases in a specific format that suit to the needs of clients, and the best ways to distribute good image. Mostly focus on (who, what, where, when and why), and the need to make the release appropriate to the style of targeted citizens (Shamma, 2012). Various methods of contact are indicated i.e. press conferences, media briefings, exclusive interviews, and photo opportunities are some to supply up-to-date information (Shamma, 2012–217).

The proliferation of media has led PR to 'a global slow news day' (Shamma, 2012), so that PR experts find it easier to get their material used by the media so PR experts should

be more aware of the right nature of the audience they are trying to reach. The expansion of the electronic media is happening at such a faster rate that any news release with its lengthy production could never hope to keep up. The unsurprising fact is that the impact of new technology varies according to individual journalists, the media they work in and the industry sector.

Employee Relation

Employee relation PR type is also known as an internal PR. Internal relation refers counseling the employees of the organization with regard to policies, course of action, organization's responsibility and their responsibility. Cooperating with them during special product launches and events is essential. It is about giving employees a positive view of the company they work for. The goal is to keep them motivated, satisfied and loyal. Employee relations PR work might include: organizing employee events, creating internal newsletters, resolving disputes, liaising with unions, helping line managers develop good relationships with employee team. Employee relations PR expert have to be excellent negotiator. The function of employee relations type PR expert belongs both to PR and human resource management (Shamma, 2012). This is perhaps the most sensitive form of PR, as it is based less on image and more on action. For instance, in resolving disputes a PR professional can only offer as much as the higher-ups in the bank will let him/her and it is very difficult to put a positive spin in such a case (Ibid).

Whilst most of the issues discussed so far concern publics external to an organization, one of the most important groups of stakeholders is a company's employees. New initiatives like competitive investment enable companies to focus on their workforce as a resource. Companies can survive and indeed prosper without taking the needs of their workforce into account. However, it is generally agreed that good external relations and policies should have a solid foundation on good internal communications that an informed workforce is more likely to be motivated to work productively. This reinforces the company to operate in its community where a substantial number of employees are likely to live.

Good internal communications may not just be about differentiating your company in terms of consumer branding. Shamma (2012) conducted a survey of 275 analysts and managers which found that investors base their decision to buy or sell stock in a company on non-financial as well as financial performance. 'Investors' views of growth in areas such as corporate strategy, innovation and the ability to gain and sustain talented people can have a major impact on the share price.' A study by the Journal of Marketing stated that 68 percent of customers depart from an organization because of staff attitudes (Dolphin, 2004). Conversely, another survey found that 41 per cent of customers said they were most likely to buy a company's products or services again if staff treated them well, regardless of advertising, branding or promotional activity (Dolphin, 2004). These findings emphasize the importance of employees' actual commitment to the company objectives. President of the International Association of Business Communicators (IABC) UK David Hammond is positive that organizations have learnt this lesson. Speaking at the IABC conference in Dublin (21 November 1999) he announced the results of an IABC survey which show that 51 percent of organizations have well-defined communication strategies and that 52 per cent of senior managers support the importance of a strong communications program to achieve business goals. In addition, 71 per cent of senior managers actively integrate communication into their business strategy.

The goal of employee/internal communication is to attract new employees, to disseminate job related information, to reward recognitions through – promotions, special events, awards, and to the termination – breakdown of equipment, layoffs, and dismissals.

Customer Public Relations

Public relations in the area of consumer relations often regarded as marketing communications. Marketing is the identification of the needs of consumers, and how to satisfy those needs profitably. Organizations who class consumers as one of their main stakeholder groups are likely to be relating to them as buyers of their services. Within the field of consumer PR, several specializations exist. Each has to deal with a particular media within its area, and specifies of the market. Such PR has to gear itself to the time table of the seasons whilst also looking ahead to the next best thing. Those who deal with

clients who produce fast-moving consumer goods/services have different approaches to those who deal with clients who produce household appliances and cars where the buyer is making a decision which will involve a substantial sum of money (Burt, 2012). In such type of PR companies gave added value to their products/services by producing general educational literature such as an insurance company which produced booklets on managing stress and other health topics.

All organizations have a need for public relations, but not all are involved in marketing. For instance, the Fire Service carries out community and media relations, but does not try to convince people to start more fires and so use their services more. What is clear is that customer relations PR type and marketing should be corporate allies, working together for common goals (Dolphin, 2004).

Strategic Communications

It's a recently included type of PR. Here every action that is undertaken by a PR department falls under strategic communication type of PR. This essentially means that all PR efforts are coordinated to help a business firm achieve its business objectives. Understanding an organization's priorities from the outset is a must to get communication goals achieved (Dolphin, 2004). According to the functions of the public relations department/agencies, strategic communication types of PR include certain aspects. These are:

Investor Relations: Handling investors' events, releasing financial reports and regulatory filings, and handling of investors, analysts and media queries and complaints.

Government Relations: Representing the brand to the government with regard to the fulfillment of policies like Public relations works, fair competition, consumer protection, employee protection, etc.

Community Relations: Handling the social aspect of the brand of an organization and establishing a positive reputation in the social aspect like environment protection, education, etc. community engagement officers work to develop a company's relationship with the local (and not-so-local) community. Reasons for doing this include: getting local support for a project, such a building a new manufacturing plant, 'giving something

back’, which improves the company’s ethical reputation, getting people interested in your products or services. To be a community engagement officer you need to understand how people in the community think and act, and how best to engage with them – whether by running events, visiting schools or writing newsletters. You need to be organised, intuitive, enthusiastic and strategic.

Customer Relations: Handling relationships with the target market and lead service users. Conducting market research to know more about interests, attitudes, and priorities of the customers and crafting strategies to influence the same using earned media.

Marketing Communications: Supporting marketing efforts relating to product launch, special campaigns, brand awareness, image, and positioning.

Strategic Communication as a type of PR consists of some interdependent building blocks that demonstrate how to develop a strategic communication (Van & Korver 2016). The first is ambition, a strong desire to do or achieve something. The second, vision, is about strategic planning which is worthless unless there is first a strategic vision. Ambition is influenced by a person’s own perception of his/her profession and its added value. The third is internal situation which is concerned with what is happening inside an organization. The external situation building block is concerned with what is going on in the outside world and of public opinions, although we prefer to talk about social moods these days. Accountability is concerned with making clear what of your exact responsibilities are regarding your ambitions and how you measure progress. The stakeholders’ building block is defining stakeholders slightly different by: those groups or persons who have a stake in our ambition. The resources building block a very important part of the strategy concerns resources. Resources are about being equipped to do the job. It is about budget, budget allocation and about competences (Van & Korver, 2016).

In addition to these, strategic communication model is offering a concept for agile PR strategy development’, within the context of changing society and legitimacy. It helps to increase impact, because it can relate content and process. It also helps to make clear,

fundamental and argument choices, based on the vision and ambitions of the organization. Besides it can show for what an organization, including its PR would be accountable, and it gives a clear framework for strategies and actions in the field of PR (Van & Korver, 2016).

Crisis Communication Management as a Tool to Public Relations

The unnoticed type of PR is crisis management. Most business organizations realized it when disaster strikes, and when employees accuse the company for wrong doing. Such mistakes could affect a company's reputation and need to be dealt quickly. Crisis managers are quick thinkers who know how to spin an issue. They can manage teams and delegate tasks. Crisis management type of PR needs to be proactive. PR experts in such type are expected to understand every media channel so that they can tell which problems need a press conference, and which can be solved with a single tweet (Shamma, 2012). Employing a successful crisis management is a difficult but necessary task. Those responsible for managing the crisis are accountable for how it can affect employees, clients, the organization and society at large. Therefore, having recovery plans already in place before a crisis is essential (Volk & Zerfass, 2018).

Unfortunately, no business is immune to a crisis, and when one strikes, companies are often put into a panic. The effort to act quickly often intensifies as the media grows more curious and aggressive. Frequent communication is one of the most important steps to keep employees at ease during such stressful time. To start, managers should attempt with transparency and honesty to reduce the fears associated with the crisis while outlining the steps the organization is taking to protect its employees (Volk & Zerfass, 2018).

According to Global Crisis 2019 survey, nearly 7 in 10 leaders have experienced organizational crisis — with the average number of crises experienced being 3. Yet, the study shows that a PR crisis can present itself in many ways. However the majority of companies do not have a plan in place that prepares them to respond effectively to unforeseen circumstances. A lot of crisis management is acting proactively on instances that at face value may not seem like a disaster but can explode into a crisis. Essentially, a

PR crisis is any negative publicity that affects a business and its ability to operate at peak capacity. Due to the fact that crises are often unpredictable and hard to control, we need to ensure proper crisis communication management planning and develop a protocol for our team under a clear crisis response plan. Having a plan in place can help to prevent and reduce the impact from a crisis hitting our business (Volk & Zerfass, 2018).

The first few hours of a crisis are the most consequential, and without a crisis management plan in place that allows us to respond quickly, recovery can be difficult. A few best practices to implement in case a business is facing a crisis are given here under (Volk & Zerfass, 2018).

1. Create a Crisis Management Plan

Since the nature of a crisis is unpredictable, it is crucial for organizations to have a crisis management plan in place, as well as an appointed crisis management team to help solve the crisis. A crisis management team will ensure that the right people are speaking on behalf of the organization and are executing a communication that is designed to subdue the chaos and restore the organization's reputation. It is difficult to predict the exact of any given crisis; therefore, all concerned bodies shall need to stay on high alert until the situation is resolved. During this time, it is up to the organization and the assigned crisis management team to consider all possibilities. Essentially, for every plan of action, there should be a management back-up.

2. Craft Your Response to the Public

Addressing the public and the media is one of the most important elements in managing a crisis. Responding to the public with honesty and transparency (without avoiding blame) is usually the best route to take. Trying to cover/minimize the severity of the crisis will only make it worse. For example, Take the Boeing 737 Max crisis, after the Lion Air crash, Boeing's former CEO insist that the 737 Max was safe for travel: "We know our airplanes are safe," he said. "We have not changed our design philosophy."

After two deadly crashes, it was apparent that these aircrafts were far from safe, and Boeing's lack of transparency in its response to public concern damage more than it helped. Now, the aerospace company is still struggling to regain trust from consumers and partners as it attempts to recover from this crisis. Here, it is best for companies to always consult with their crisis management team before responding to the public.

3. Monitor the Situation

With the right strategies in place, the heat from a PR crisis will finally calm down, and organizations will be able to return to their normal day-to-day operations. However, it is essential to keep a watchful eye on the media and to act cautiously when interacting with customers, partners, journalists, etc. Organizations should monitor online review websites, social media platforms, and user-generated content and media outlets daily to ensure they are attending to any negative messages. In general, crisis management experts can help analyze an organization's potential for vulnerability through a special crisis prevention audit. This helps identify and address any internal communications crisis and develops an adequate plan with the proper procedures in place.

2.1.7 The why of PR in Banks

Two public groups are essential in the existence of banks; internal and external public (Shamsan, & Otieno, 2015). While the internal includes its employees, shareholders and customers, the external public comprises its neighbors, government, the press, the general public and the international community. The banks PR practice thus, would aim at promoting mutual understanding with these target public. The banks image may not be acceptable to this public so that it needs the effort of PR units of the banks to correct the misconceptions or the image conflicts that are likely to arise in the cause of their operations. Basically, PR is needed in banks to maintain a positive reputation and sustain a strategic relationship with the public, customers, partners, employees and other stakeholders (Shamsan, & Otieno, 2015).

However, objectives of PR vary in accordance with the mission and objective of an organization. For instance, the objective of public relations in a purely business firm would be building awareness, stimulating demand, reinforcing the brand of the firm, and creating profit while in case of other organizations like NGOs, the objective of PR is different linked directly to their mission and vision.

Scholars like Rhee (2013) points out that there is tremendous variability in organizations explanation of PR's objectives. Each organization divides its responsibilities differently, and prioritizes things in a manner to reflect its mission. Some practitioners mention PR goals that increase sales, revenue, and bring in new business. Others focus more on PR's role in enhancing the positive image of their organization.

The position given to PR in the management of an organization in general reflects the perception given to PR. PR at decision making level and PR at technical level wouldn't have similar function, and result as well. For instance as Jefkins (2010) describes, the ideal organizational structure with the PR department is making it independent, directly responsible to the CEO. However if the PR is positioned within the marketing, advertising or sales promotion department instead, the perception and role of PR can get strictly limited. When thinking strategically, PR's objective should directly be linked to organizational goals and objectives. Hutton *et al*, (2001) added that different objectives and philosophies are appropriate for different business environments. Other scholars have also shown that PR goals and objectives have to be "strategic".

According to Rhee (2013) generalized PR objectives are designed to make changes in the public's knowledge, attitudes, and behaviors related to a business company's brand. Usually these objectives focus on creating trust, delivering information, building positive reputation, and creating good word of mouth.

2.1.8 Tools of PR

Like the types of PR, the tools used by the PR experts are various in kinds. With the advent of multimedia, PR tools have been enhanced immensely. For instance, currently many PR practitioners use extensively the Web, of course without overlooking the

existing ones like: speeches, written materials, press releases, press conferences, audiovisual materials, special events, and public service activities (Smith, 2012). Smith (2012) divided PR tools in to three categories depending on the degree of control a company has in its communication.

The tools utilized in PR, can be labeled as controlled, uncontrolled and semi-controlled PR tools.

Controlled PR tools: are tools in which companies can control their use. These are publications (Brochures, flyers, magazines, annual reports) photographs, staged events (open houses, anniversary celebration).

Uncontrolled tools of PR: are tools in which companies rely on the use and placement of media as a PR tool. For instance such tools include publicity (radio, TV and newspaper), news releases (print, audio, video, e-mail), press conferences and media advisory, by-lined articles, and interview shows.

Semi-controlled PR: are tools in which some aspects of the PR activities are controlled and, but other aspects remain uncontrolled by a company. Such tools are: special events and sponsorship, interpersonal communication, electronic communication (web sites, chat rooms), word of mouth. When utilizing these tools, PR teams needs to work closely with the marketing department (Smith, 2012).

2.2 Theoretical framework

While the idea of using communications to influence and maintain a positive reputation has been around for centuries, public relations as a profession is something that is relatively new. It was seen in the British abolitionist movement in the late 17th Century, where books, leaflets and lectures were presented to get public opinion towards abolishing slave trade (Waddington & Earl, 2012). Although this is where the foundation of PR lies, it was the dawn of mass communication at the turn of the 20th Century that led to the birth of the public relations and its theories (Ibid).

For this study the researcher attempts to integrate the theoretical framework of the study in order to assess the practice of public relations on corporate reputation. Some of the theories of public relations are given as follows:

2.2.1 The Excellence Theory

The excellence theory is the first general theory of public relations (Lattimore, 2012). It can be seen as an integration of strategic management theories. It is funded by the International Association of Business Communicators/IABC/. It aims to answer: How, why, and to what extent does PR contribute to the achievement of organizational objectives. In addition to the original question of organizational effectiveness, it tries to answer what is called the excellence question: How must public relations is practiced to contribute most to organizational effectiveness (Ibid).

The IABC first indicated the value of public relations by reviewing theories of business social responsibility, ethics, and conflict resolution. IABC asserted that public relations have value to the larger society as well as to specific business organizations. To further identify the value of public relations, the IABC team concluded that organizations are effective when they choose and achieve goals that are important to their self-interest as well as to the interests of strategic publics in their environment (Lattimore, 2012).

The theory suggests that PR help organizations build relationships and resolve conflicts between the organization and its strategic publics, so that public relations can contribute to organizational effectiveness. Some of the principles of excellent public relations suggested in this theory include;

Involvement of public relations in strategic management: An organization that practices public relations strategically develops programs to communicate with strategic publics, both external and internal to get the greatest threats and opportunities on the organization.

Empowerment of public relations: to make businesses effective, the senior public relations person should be part of the group of senior managers with greatest power in the organization.

Integrated public relations function: All public relations functions be coordinated to the departments of a business organization i.e. it is only in an integrated system of public relations that is possible for public relations to develop new and maintaining strategic publics.

Public relations should be a management function by itself: Many organizations make the public relations function a supporting tool for other departments such as marketing, human resources, law, or finance. When the PR function is sublimated to other functions, it cannot move communication resources from one strategic public to another. So it should be a management function.

Public relations unit not headed by a technician: Communication technicians are essential to carry out day-to-day activities. However, excellent public relations units must have at least one senior communication manager who directs public relations.

In general, the excellence theory has been tested and supported through studies by several researchers over the years, and most of its theoretical components have been incorporated into the recent PR management functions (Dietrich, 2014).

2.2.2 Legitimacy Theory

For public relations practitioners to be effective in establishing and maintaining mutually beneficial relationships with stakeholders, it is necessary to understand and negotiate many environmental influences on the organization that impact its survival. Legitimacy theory suggests that organizational survival depend not just on material resources and technical information alone but also on the organization's perceived legitimacy. Organizational legitimacy is a summative reflection of the relationship between an organization and its environment. Chan *et al.*, (2017) stressed the importance of legitimacy with his belief that legitimate order can guide social action. Weber states that legitimacy theory is important in organizations by legitimate order of social actions.

According to Dietrich (2014) legitimacy theory is used to order and guide the actions of social benefit in an organization. Additionally Beavers (2001) looks at the image of a business company through the legitimacy theory. According to this theory, the survival of a business company is dependent on the extent to which the company operates within the bounds of the society. This means that business companies that do not seem to affect their immediate publics in a positive manner may be set to leave their customers sooner than later.

Norms of society are gradually changing; companies need to depend on corporate reporting (communication of its activities) to prove that they are changing with the changing environment. Corporate PR, in this case, will have to be geared towards societal benefit, which will show the stakeholders what the business firm is doing for their environment like reducing pollution, maintaining quality, sponsoring events close to the hearts of the public. In general the concept of legitimacy theory is important in analyzing the PR practice between an organization and its environment to build effective relationship in building corporate reputation (Doorley & Garcia, 2015).

2.2.3 Strategic Constituency Theory

The strategic constituency theory can be seen as an extension of systems theory. According to this theory an effective business organization is one that satisfies the demands of those constituencies in its environment from whom it requires support for its continued existence (Cutlip *et al.*, 2012 p. 62). The strategic constituency theory has been adopted by the proponents of management in public relations. Guru *et al.*, (2013) explained that the strategic constituency's theory is problematic because of the difficulty of separating the strategic constituencies from the larger public in the environment, rapid change in the environment, and the difficulty of identifying the expectations that strategic constituencies hold for an organization. However, as per Guru *et al.*, (2013), these are problems public relations have been addressing over the years. For instance, Bowen (2009) clearly showed how situation can help identify the strategic constituencies within an environment. Environmental scanning (Cornelissen, 2014) can address the second

problem of rapid change in the environment. The third problem of constituency perception can also be addressed by public relations practitioners by systematic research on external publics' opinion and incorporation of the research findings in the organizations' decision-making (Rhee, 2013).

2.3 Arguments on Public Relations

The major arguments for and against public relations are given hereunder;

2.3.1 Arguments against PR

The "economic argument" this argument is closely related with the American economist Milton Friedman, who argued that the excellence theory aims to answer: how, why, and to what extent does PR contribute to the achievement of organizational objectives. The primary duty of businesses is to bring profit for the owners, while complying with the law. According to this idea, the self-interested actions of businesses in free markets will lead to positive outcomes for society. If the operation of the free market cannot solve a businesses' problem, it becomes the responsibility of government, not companies, to solve the problem (Van & Korver , 2016).

The "competitive argument" this acknowledges the idea that solving problems is obtained at the expense to business. To the degree that banks consider the costs of PR tasks, they affect their competitive position relative to others. This argument is particularly important in a globally competitive environment if businesses in one country expend assets to address social issues, but those in another country do not. According to Van & Korver (2016), PR is increasingly an international concern, the variations in societal expectations around the globe can be expected to reduce in the future.

The other argument is "capability argument" which indicates that businesses are typically well equipped in the ways of making finance, public relations, and marketing, but not good in dealing with complex societal needs. Thus, they do not have the knowledge or skills required to deal with customer issues. This argument recommends that businesses' participation in customer problems may practically make the situation sever. Besides, the argument suggests that businesses like banks can best serve customer interests by doing

their best in the area of public relations, which is providing quality services and selling services of the bank at an affordable price to needy customers (Van & Korver , 2016).

2.3.2 Arguments in Favor of PR

There are many arguments supporting public relations. One view, held by critics of the business world, is that since large businesses create many customers, they should attempt to address needs accordingly. according to legitimacy theory for instance for public relations to be effective in establishing and maintaining mutually beneficial relationships with stakeholders, it is necessary to understand and negotiate many environmental influences on the organization that impact its survival. Those supporting this idea criticize the marketing practices of businesses (Lattimore, 2012). Supporters of this argument indicated that businesses can do a better job of producing quality, safe products, and care in conducting their operations in an open and honest manner to the customers in particular and largely the society where they operate.

The other argument is "self-interest argument" which is a very different argument in favor of public relations and social responsibilities. This argument suggests that businesses should conduct PR activities by themselves in such a way that assures a favorable environment and the customers at large in the future. This view believed that business companies like banks should look beyond the short-term, profit and realize that investments in customers today will maximize the benefits in the future (Lattimore, 2012).

To sum up these arguments against and in favor of the PR activities and social responsibilities were integrated to this study in that the findings were interpreted as in line with the ideas raised or opposite of what is raised by those theories so that the researcher can support findings accordingly.

2.3 Empirical Studies in PR

2.3.1 PR in India

Banks today know better than anyone the opportunities and the risks they face in an ever-changing competitive environment. In offering e-commerce products, banks have some

key advantages over potential competitors (Kim & Cha, 2013). E-commerce would create opportunities for banks to strengthen their relationships with customers, sell additional services, and prevent encroachment on their business activities. Core banking is the services provided by a group of networked bank branches so that bank customers may access their funds and other simple transactions from any of the member branch offices (Fatma *et al.*, 2015). The ongoing banking sector reforms with transparency, efficiency and sustainability have created a competitive environment before the Indian banks by the emergence of new private sector banks and the opening up on new branches of foreign banks in India.

The marketing mantra “Customer is a King” is no more on paper, and how it has become a reality. Increased level of awareness among the customers leads to increased trust and reputation. Today’s customers are not satisfied with care and courtesy alone, they expect concern and commitment (Austin & Pinkleton, 2008). Therefore PR becomes customer centric which is the need of the time. To win in the competitive environment Indian banks conduct a study and find out that it is not the oldest, not the strongest and not the first bank can survive, but only the “Best” can survive. Therefore they began to use modern technology for better service. Thus customers began to use internet banking facility and highly satisfied with secrecy maintenance, transaction updating, account transfer and security followed by easy access while using the internet banking services (Fatma *et al.*, 2015).

2.3.2 PR in Nigeria

Both the internal and external public’s perception of banks is what usually earns them public trust. That is why it is not possible to do successful banking without public relations, since it is the responsibility of banks’ PR units to polish the bank’s image in such a way so as to build public trust (Watson & Noble, 2012). PR creates mutual understanding between a bank, its staff and the public.

It is through public relations, whose tool is effective communication that, banks or other organisations deal with negative situations like prejudice, hostility and ignorance. With m

any existing banks in Nigeria and the continued entry of new ones, the competition in the banking industry would be tougher, as such; banks have began to do a lot of PR work to survive the growing competition (Butterick, 2011). It is through their PR, that banks inform the public on the uniqueness of their own products, provided since most banking products/services are similar (Watson & Noble, 2012).

They also work in a way that their public relations activities can explain why there should be double standard (if any) in dealing with different categories of customers. PR was used to inform the public about the efforts the banks are making to ensure that they remain conscious of customer's time in their every dealing with customers. PR in banks can also address customers' concern for warm reception and relationship whenever they visit for banking business. The banks' image makers were made aware of these increasing needs and are not fashioning out ways of addressing public interest and its attendant benefits for banks' image. They concluded that banks would find PR essential in realizing that, the burden of banks' image is not entirely the responsibility of its PR units, rather a concerted effort is required to help build reputation for the banks. To that end employees were allowed to exploit any available opportunity to impress a customer (Butterick, 2011).

2.3.3 PR in Ethiopia

The practice of public relations in maintaining relations with the public who interact with a corporate organization was explored by Samson (2018) using Ethiopian Broadcasting Corporation (EBC) as a case. To investigate the role of public relations in maintaining good reputation, a mixed method approach was employed. The findings of this study indicated that the public relations campaign of EBC was not research oriented and the outcome of the campaign is not measured. In addition, survey of the audiences' perception indicated that audiences have negative perceptions towards the organization. This Indicates that the efforts made by the public relations department of EBC to manage organizational reputation was not successful. This could possibly be due to lack of research-oriented public relations campaign and lack of research on return on investment (Samson, 2018). The basic point to address here is that corporate reputation these days

should not be neglected or underestimated rather it should be given high priority in company's overall strategy and in all operations, inside and outside the company.

2.3.3.1 Overview of Banking in Ethiopia

Banking history of Ethiopia, in its modern sense, began in 1905, the reign of Emperor Menilek II (NBE, 2013/14). This period witnessed the establishment of the country's first bank in 1905 called the Bank of Abyssinia, which was an affiliate of the National Bank of Egypt. According to Richard Pankhurst, the bank began issuing bank notes ten years later, in 1915. The issue of this paper money was another notable event in the country's history. The notes were issued to supplement the country's silver currency. As a pioneer, *Bank of Abyssinia* began operation through the 50-year franchise agreement made with the then British owned National Bank of Egypt. A sum of Pound Sterling 500,000 was fixed to be the capital of the Bank. Bank Notes issued by the Bank of Abyssinia, printed in London were introduced to Ethiopia for the first time in 1914-15. In this period, the Bank began issuing of 280,000 dollar worth of paper money in notes of 500, 100, 10, and 5(birr) dollars (NBE, 2013/14).

Later Bank of Abyssinia was replaced by Bank of Ethiopia, which was known as Banque Nationale Ethiopienne, the first indigenous bank in Ethiopia and even in Africa. It began operations in October 1931 with the capital of 750,000 Pound Sterling. Due to the scrambling agenda of Europe to Africa, Italy invaded Ethiopia in 1936.

Following the county's liberation, in 1943, the State Bank of Ethiopia was established with a capital of one million (1,000,000) Maria Theresa, financed by the Ministry of Finance. Other banks, like Addis Ababa Bank Share Company, Agricultural and Industrial Development Bank were also established. However, the progress observed by the private banks in the last ten years appears good which is caused by the emergence of market based economy in 1991. In terms of the fresh loans annually disbursed, the share of the private bank is high. In addition, private banks also managed to capture more than half of the private sector commercial banks' loan customers (NBE, 2013/14).

Accordingly, currently, there are 21 commercial banks operating in the country. Among those commercial banks Awash bank in the largest of private banks (NBE, 2013/14).

Visual form of Conceptual framework in Banks

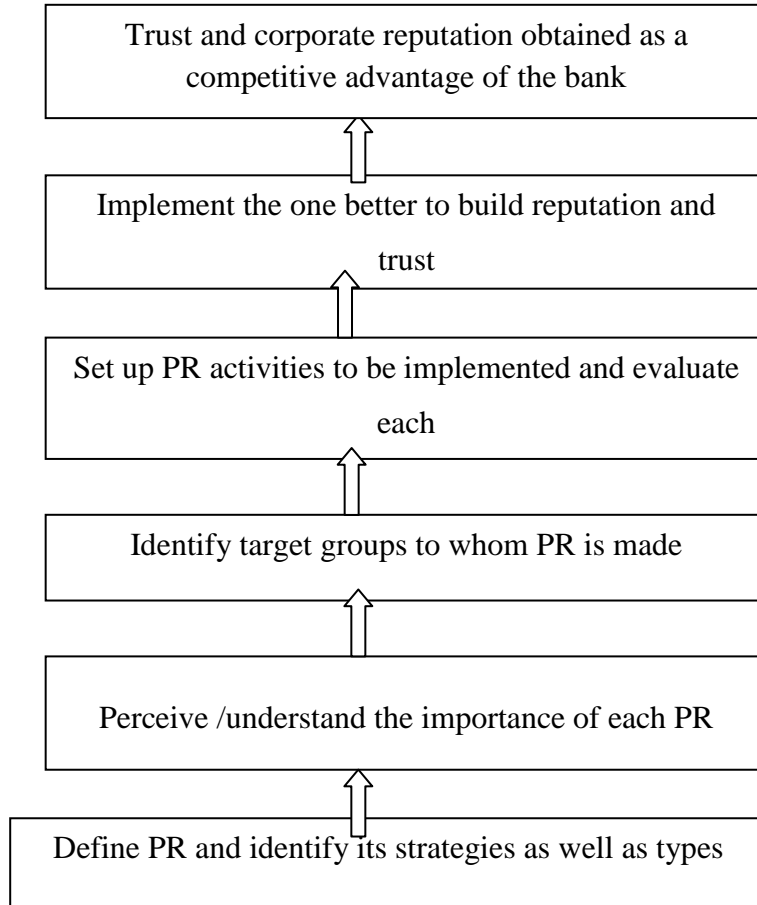


Figure 2.1: Conceptual framework of PR legitimacy, perception and practice

Source: The researcher, 2022

CHAPTER THREE

3. RESEARCH METHODOLOGY

This chapter was aimed to offer key insights about the methodology and the research designs used in the study. Thus, the chapter attempted to briefly show the type of research design utilized in the process of the study. This involved data sources, data collection tools, sampling method, and sample size, target group of the study, methods of data analysis and the ethical considerations that are used by the researcher. The study area also discussed the brief history of banking sector in Ethiopia and Awash bank.

3.1 Description of the Study Area

Awash bank was established by 486 founding shareholders with a paid-up capital of Birr 24.2 million and started banking operations on Feb. 13, 1995. The number of shareholders and its paid-up capital has increased to over 5400 and Birr 10 billion, respectively. Its total assets reached Birr 150 billion with over 660 branches found across the country, Awash bank has continued to be the leading private commercial Bank in Ethiopia. Having grown from humble beginnings with visionary intent, it is the first private bank in Ethiopia to exceed a billion profit marks in the history of Ethiopian Private Banks in the financial year 2019.

Its strategic goals and objectives are based on the aspiration of its vision: “To be the First Choice World Class Bank in Ethiopia” (Awash bank, 2020). Now a day’s its 660 bank branches are found distributed in every corner of the country which operate and serve the society through saving and credit service for commercial and housing purpose. Most of the branches of the bank were concentrated in Addis Ababa, Oromiya and Amhara regional states followed by Southern Nations, nationalities and peoples’ regional state where relatively large population and active business operations are practiced. In-addition to that of commercial and housing loan recently the bank begun to supply loan for road projects of regional governments like what was observed in funding a road project in Benishangul Gumuz regional state by the year 2013E.c. This has made the bank to come up with new service type of private banks.

3.2 Research Design

The choice of research design can be determined on the bases of philosophical assumption of each research, or reasoning behind each research design, and others (Kothari & Garg, 2014). Based on this, the most suitable research approach that the researcher employed for this study was mixed research approach. The researcher used mixed research approach based on the following reasons: This approach helps in collecting the required types of data in both quantitative and qualitative form. This design also helps the researcher to systematically investigate a phenomenon under investigation, allowed for a deeper understanding of the phenomenon, make weaknesses of qualitative method to be compensated by the strength of the quantitative method and vice versa, and invite the researcher to use both questionnaire for quantitative data collection and interview for the qualitative one. Accordingly, the researcher employed mixed research design to get data and interpret narrative and figurative data regarding the existing conditions of PR perception and implementation by Awash bank in Addis Ababa and process that are going on regarding the legitimacy of PR in the bank. On the other hand quantitative data was collected through questionnaire.

The research design used for this study was descriptive type. This is because descriptive design was appropriate for quantitative and narrative data gathered through questionnaire, interview, and document review. It could also help a researcher explain the data obtained from why and what questions during interview. The other reason to select descriptive is that it helps to obtain information about the current status of the phenomena; to evaluate what practices Awash bank has with respect to implementing PR in its head office, and to measure things as they are. Also this design help the researcher to use document review, interview, and questionnaire as data gathering tools, to include large samples, to generalize row data and summarize it in a useable form.

The research strategy to be used in a study is dependent on the manner in which the data was applied, either deductively or inductively (Gray, 2014). The case study research strategy was chosen for this study by the researcher. For the question why case study the case study research design has the ability of incorporating a large variety of research

technique and thus it is used to acquire an in-depth knowledge about a particular event in most cases. Case study research help the researcher making it possible to obtain reliable data by employing both qualitative and quantitative data gathering tools.

The other reason behind the use of case study strategy for this study was mainly its significance to help the researcher in identifying pertinent ideas associated with the evaluation of the legitimacy, perception, and practice of PR in the Awash Bank. Case study also made it simple for points to be considered from a wider angle to the possible extent. Therefore, data to be collected from the head office of Awash bank was analyzed and generalized for the whole branches of the bank within the country where it operates. In this study research questions are often formulated and tested.

In terms of research time dimension, cross-sectional research was used for this study which provides a 'view' of the outcome and the characteristics associated with it, at a specific point in time. This research time dimension also focuses on studying existing phenomena. The research method further showed that data was available at and occurring at one point in time.

3.3 Target Population

Currently, there are 27 commercial banks operating in Ethiopia. Among those commercial banks Awash bank in the largest of private banks (NBE, 2013/14). It has a total of 660 branches found across the country. However, among population of the bank such as employees and customers of Awash bank, the head office where PR department is found has been targeted for this study. Particularly, employees and customers getting employed/ served since 2018 were chosen because some of the PR activities planned in the PR documents of the bank might need time to be practiced. Besides, effects caused by failure in implementing PR might also require some years to be observed. Besides, the target population included all PR experts and managers who were responsible to follow up PR implementation in Awash bank.

3.4 Sampling Technique

In this study, non-probability (purposive and convenience) sampling techniques were used. This is because purposive sampling is important to get in-depth information from concerned bodies and convenience is suitable to take samples that are easily accessible in the study area (Zhi, 2014). Firstly, the head office, located in Addis Ababa was purposively chosen. This is because Addis Ababa is a city where banks concentration is relatively high in the country implying that strong PR activity is needed for Awash bank to be competitive (Addis Ababa Communication bureau, 2020). From Awash banks in the city the head office, where PR department is found is purposively chosen. Besides, managers, and PR experts in the head office were purposively chosen because of their strong relation with the topic under investigation. From the total 612 customers served in this purposively chosen head office, only sample customers were taken by convenience sampling.

In addition, data was collected from the managers, and PR officers, which are purposively selected by the researcher to get their expertise knowledge.

3.4.1 Sampling Unit

The sampling units were individual customers in the head office of Awash bank and individual employees in the same office. Thus, the conclusion seems to apply for the head office of Awash bank. In general, head office of Awash bank found in Addis Ababa was taken as a large unit of analysis in this study.

3.4.2 Sample Size Determination

Regarding the customers, the average customer's flow of the head office per month are approximately 612 according to the annual report of the bank for 2020 G.C. The general number of employees in the head office of Awash bank is 74. Accordingly, the sample size for the customers of the study was determined by using the Yamane formula (1967).

Thus, the formula used to calculate the sample size was as follows;

$$n = N / (1 + N(e)^2) \quad \text{Where}$$

n = corrected sample size,

N = population size,

$$\begin{aligned}
e &= \text{Margin of error, } e = 0.05 \\
\text{thus, } n &= 612 / 1 + 612 (0.05)^2 \\
&= 612 / 1 + 612(0.0025) = 612 / 2.53 \\
&= \underline{242}
\end{aligned}$$

Thus, using Yamane's formula, the sample size for customers was determined to be a total of 242 respondents. The sample size for purposively chosen employees was 4 i.e. one Director of CSR division, one PR Manager and two PRs officers of the bank were included in the study since their number is manageable. Thus, the general sample size for the study was 246 respondents.

3.5 Data Sources and Collection Tools

Both primary and secondary data were used in this study. Primary data sources were customers, bank managers and PR experts while secondary data sources were document review mainly documents from the Banks' PR implementation report, target customers' feedback, and minutes of PR performance evaluation were used. In order to acquire relevant information from these sources, the researcher adopted diverse methods of data gathering tools. Accordingly, Likert type questionnaires, and formal interviews, were vitally used to obtain primary data. These instruments and checklist helped the researcher to get accurate and reliable data so as to respond to the research questions. Using these data collection instruments, the researcher triangulated to ensure validity and reliability.

3.5.1 Interview

Interview is an important data gathering technique involving verbal communication between the researcher and the subject. Interviews are commonly used in strategy, and in exploratory and descriptive studies (Seidman, 1998). The nature of interview questions are of different types, ranging from completely unstructured in which the subject is allowed to talk freely about whatever he/she wishes, to highly structured type in which the subjects' responses are limited to answering direct questions. Accordingly, this study used 14 semi structured interview questions because it allowed the researcher to prepare the questions, to ask in advance, and semi-structured interviews are based on open-ended

questions. Semi structured questions are useful when collecting attitudinal information of respondents.

The purpose of the interview questions was to get in-depth expertise information from concerned bodies and find out whether respondents have the initiative, skills, honesty to care for the bank's reputation and trust and get highlight on how they can contribute to the growth of their organization. Based on this, interview questions were administered to employees of Awash bank; CSR division director, PR experts, and manager of the bank separately to elicit data pertinent to the implementation of PR by the Bank. To this end, 4 interviews (2 PR experts, 1 manager and 1 CSR department head) were purposively chosen to get their expertise knowledge. The contents of the interview items were focused on whether PR existed, how legitimized it was and what practices of PR prevailed.

3.5.2 Questionnaires

To collect primary data from sample respondents, structured questionnaire were used. Creswell (2014) indicated that questionnaires are one of the main instruments for collecting data. The questionnaires were developed, pre-tested and administered customers to collect required data. The purpose of the questionnaires was to address large number of customers within a short period of time and get valuable information about their perception on the banks' PR practice.

The questionnaire was prepared on the basis of the list of indicators that cover at least those issues indicated in the objectives of the study. The nature of the questionnaires for this study was mix of 14 close ended Likert types'. The contents of the questions were on PR legitimacy, perception, and practice used to promote the bank's trust and reputation mainly as stated in the specific objectives of the study. To ensure the validity and reliability of data collected through questionnaire, pilot test and expertise consultations were made in advance of distributing it.

3.5.3 Document Review

In order to supplement the data collected from interview and questionnaires the researcher tried to investigate and reviewed various documents which are concerned of the Banks' PR implementation. The main documents reviewed were reports, target customers' feedbacks on the trust and reputation of the bank, and minutes of PR performance evaluation conducted (if any) administered by the researcher. The purpose of PR reports investigation was to see whether the inclusion of required contents and measures recommended in the PR tasks. The contents were on PR documents submitted to bank managers by experts, feedback from the customers on the legitimacy of PR and their perception, implementation of PR by the bank were reviewed to determine the legality of PR structure, perception of customers on the banks' PR, and commonly implemented PR tools. The above documents were reviewed to make sure how the data gathered through the above mentioned tools was in compliance with documents obtained.

3.6 Validity and Reliability

Creswell (2015) indicated that pilot study enables the establishment of the content validity and improves the research instrument. Accordingly, pilot testing was done for the customers' questionnaire and it highly assisted the researcher to detect deficiency that the respondents would likely face in responding to the items. For example, in the questionnaire question primarily there were two (yes/no) options but later was modified to Likert type questionnaire due to expertise consultation.

On the other hand an instrument is reliable to the degree that it supplies consistent results after repeated trials (Flanagan, 2016). Therefore, reliability is the accuracy of the results obtained by the use of a research instrument and not about the instrument itself. Thus, in this study, pilot testing was also conducted in one Awash bank district called North Addis Ababa which was not included in the main thesis. Twenty sample customers from the district were served with the questionnaires to see whether the instruments are valid or not. The participants were encouraged to give the comments on the items for improvement. Thus, reliability test values are found appropriate to conduct the study and the suggestions of the customers in the pilot schools were incorporated to adjust the

instruments made them valid and reliable. In addition, during questionnaire preparation, the language usage was considered understandability for respondents.

3.7 Data Analysis Techniques

Content analysis is a method that is used to study and examine organizational behaviors, stakeholder perceptions and societal trends (Creswell, 2014). Content analysis is one form of analysis for research which is used to understand and gain insights from the data collected. Thus, qualitative data, data accessed through interview after the questionnaire but before document review were organized in to themes, analyzed based on content analysis method, and was used to explain findings qualitatively in connection with the existing literatures.

On the other hand, the quantitative data, data accessed through questionnaire were distributed before interview and document review, later collected, coded, entered into SPSS, processed and analyzed through descriptive analysis in accordance with the research objectives. During data analysis and interpretation, qualitative and quantitative data were integrated or combined in explaining, confirming, and enriching data from one approach to another. After analyzing and interpreting the data, the research findings were presented in an integrated manner using a variety of data presentation tools such as tables, percentages, mean, frequency distribution, and cross tabulation.

3.8 Ethical Consideration

Prior to data collection from the study participants, the researcher tried to ensure the participants agreement for their active involvement in the study. Accordingly, all study participants were informed about the procedure used in the study, and their rights as study participants during data collection. In any activity that matters to the research, the researcher made positive interaction with respondents to get their permission and approval. The researcher also provided promise to the participants to keep the information they provided confidential during and after the study. Besides, all the sources reviewed and discussed in the study are fully acknowledged.

CHAPTER FOUR

DATA PRESENTATION, RESULT AND DISCUSSION

This chapter is intended to present the data that the researcher gathered from respondents through various data collection tools. Therefore, once adequate data was gathered, what comes next was to present, discuss, analyze, and interpret the existing data so as to enrich the intended objectives of the study. In short, without interpretation and analysis, presenting the data alone is nothing and cannot indicate what is required of the study. Accordingly, the researcher has tried to present, analyze and interpret the data in terms of the research questions raised.

4.1 Response Rate and Demographic Profile of Respondents

The questionnaires were distributed to 242 customers of Awash bank, Head Office. From the distributed 242 questionnaires for the study, 242 were properly filled and returned to the researcher. Therefore the response rate in this study was 100 percent.

The following table shows the demographic profile of respondents in the sampled study area of Awash bank.

Table 4.1 Respondents demographic profile

Profile	Category	Frequency	percentage
Sex	Female	76	31.4%
	Male	166	68.6%
	Total	242	100%
Age	Above 51 years	83	34.3%
	21 to 51 years	142	58.7%
	Below 21 years	17	7%
	Total	242	100%
Education	Below diploma	31	12.8%
	Diploma and degree	126	52%
	Masters and above	85	35.2%
	Total	242	100%

Source: Own survey, 2022

As shown on table 4.1 above, the number of respondents aged between 21 to 51 years covered majority 142 (58.7%) followed by 34.3 percent of those who are aged above 51 years and the least 17(7%) respondents are aged below 21 years. This shows that most respondents are matured enough to understand and answer questions raised. From the total respondents who fill the questionnaire of the bank most 166(68.6%) were male and female respondents account the remaining percentage share of the study participants. Implying that gender biased has not been occurred.

The table also indicated that majority 126 (52%) of the respondents have diploma and degree level education while the least 31 (12.8%) respondents were below diploma. This educational status makes the respondents to be sufficiently matured/ wise in deciding to answer the research questions. But education is more crucial especially to bring about attitudinal change towards reasonable decision making.

4.2 Interview Analysis

The main objective of this study was to investigate the compliance of Awash bank's PR in terms of legitimacy and with what is perceived by its customers. In this regard, interview was conducted with purposively selected officials and employees of the bank and what responses were found is indicated hereunder.

4.2.1 Legitimacy of PR in Awash Bank

Regarding the question of legal establishment of PR in Awash bank the manager as well as the communication and CSR division director of the head office underlined "the need for PR to frequently communicate the customers in the improvement of the bank's reputation and trust as per the legal standards of the government's private banks' policy. They reason-out that the existence of PR is essential and PR is fully legitimate in the bank which is established under communication and CSR directorate as it is one way of getting a positive word of mouth for the practice of PR in the area where Awash bank has branches". This shows that PR is not established in a clearly identifiable way rather as part of communication and CSR directorate. In relation to this the researcher had asked key informants about their legal ground to establish PR under CSR division. Accordingly,

all interviewees have replied different answer i.e. the manager said the bank has legal ground to do so but unable to explain which proclamation it is, the director of CSR division in his part said any company has obligation to participate in PR works, while the two PR experts answered the same question that the bank has established PR as it is demanding task while looking at its importance. This implies that the bank has no clear legal ground to establish PR under its communication and CSR directorate.

Is there PR involvement in social responsibility activities was the other question raised for participants of key informant interview. Accordingly, the PR expert during his interview described the bureaucratic structures of the bank as an obstacle to the frequent and easy implementation of social responsibility activities. However, Cornelissen (2017) indicated that, the benefits of PR works obtained by participating in social responsibility activities compensate the cost of promoting the bank. In the researchers' document review too no clear report was found on CSR tasks of the bank

4.2.2 Perception on PR Activities in the Bank

What effort does your PR made to manage the views of customers was the next question raised and has got a response as follows. In terms of the bank's habit in keeping the needs of the public in its PR activities, the two PR experts in the sample bank during their interview indicated that Awash bank fails to use customer friendly PR activities like CSR that can help customers easily build positive image of the bank by spreading good word of mouth to the society at large. However, the manager of the bank said in terms of technology our PR looks having appropriate plan to invest to suit customer needs but in other instances we have evaluated limitation in PR and thus in the near future we will establish PR as a separate department to empower it. This is because even though the bank is limited to provide sufficient support to the society in need by its social responsibility activities it didn't have problem in using appropriate technologies to do PR using radio, television, and other social medias which are customer friendly.

The other point raised for interviewee was whether the bank has organized special events to build its image or not. In this regard CSR division director and experts of PR of the

bank in their response said that “the bank has made good effort to promote its reputation and trust through PR activities using the electronic media and print media (social media, newsletter, and sponsorship) but have prepared no special event as we expect more from the bank mainly in the year 2013E.c”. When the researcher asked the head about their future expectation and their future engagement in PR tasks of the bank, he replied “we are always open to use new PR tools mainly in technology sector and the bank is more than welcome to join innovations like e-banking, and e-ticketing than organizing special events”.

How often do you evaluate your PR activities? Was one of the questions forwarded to key informants to see whether the bank took information from customers to correct its PR works. While providing answer the key informants have no similarity i.e. the communication and CSR division director told the researcher that “yes we evaluate our PR activities quarterly while the two PR experts replied “it is in 6th month or midyear” the bank has evaluated PR and taken information from customers to correct our PR works”. Meanwhile, a probing question was raised for the director (by the researcher) to show a sample document of evaluation and actions taken in accordance with it and “he answered it is not necessary to show you everything of the bank” reflecting his inability to give evidence. However, in the bank’s opinion pool there were many ideas /feedbacks written by customers as per the researchers document review. This implies that the bank is not ready to practically learn from customers’ feedback.

Regarding the participation of PR experts with the top management of the bank in the process of decision making the experts’ answer indicated that they have “no” participation in decision making rather others decided even on the budget allocated to PR activities. This implies that the perception of the bank to PR actions is not as good as other departments.

4.2.3 Existing PR tools in Awash Bank

The bank has provided adequate information for customers using online media was the next question forwarded from the researcher to the interviewee. Accordingly, all the

interview participants answered “yes” indicating that the bank has provided information for customers using online media and publications. This implies that respondents confirmed online media as one of the public relations works strategy used by the bank. But it is important to note that responses for this confirmation might be affected by the capacity of respondents in using the online technology itself. In this regard Heide *et al.*, (2018) indicated that online media usage of banks is currently simplifying the business transaction with their customers but it is good to note that customers are in a position to use the online –media available and check the infrastructure.

Are public relations works practiced by your bank helped it to retain customers was the other point raised in the interview? However, interview participants said that “public relations works implemented by Awash bank have been benefiting the bank in retaining our customers. This is because the bank has implemented its PR works based on its prior plan and stakeholder consultation”. In spite of this, the researcher’s document review revealed that there were no planned budgets for CSR works before 2014 E.C but in the year 2022 only 1.3 million birr was found allocated for communication and social responsibility directorate which include PR expert within it. Using this budget bond buying was made for grand Ethiopian renaissance dam. Indicating that, still limitations have continued to exist on participation of the community in the selection of social responsibility projects. This is best evidenced by the fact that the researcher has found nothing written about how to participate the community on choosing projects that best meet the societal needs.

4.3 Data Presentation and Discussion

4.3.1 Legitimacy of Public Relations Works in Awash bank

Here under what is presented are the views of customers and officers about PR legitimacy, perception and practice in Awash bank to promote its reputation and trust.

People have possessed different perception on the idea of public relations. Some hold the view that concept of PR is a trial by banks to engage in unproductive works with the aim of respecting decision makers’ decision and government policy (Van & Korver, 2016). Regardless of this views people have on PR, others considered it in a broader way as PR

is the base for banks' reputation and trust for improving its image on communities where they operate.

Here it is good to note that responses such as agree and strongly agree shows the level of positive relationship, while answers like disagree or strongly disagree express a negative link that exist between the question raised and the practical nature of PR. Customers within the Awash bank head office accept the idea that performing PR is an indicator of a bank to act legally and contribute for national development while improving its reputation and trust on the view of the community where it operates at large.

PR unit is legally established in the bank

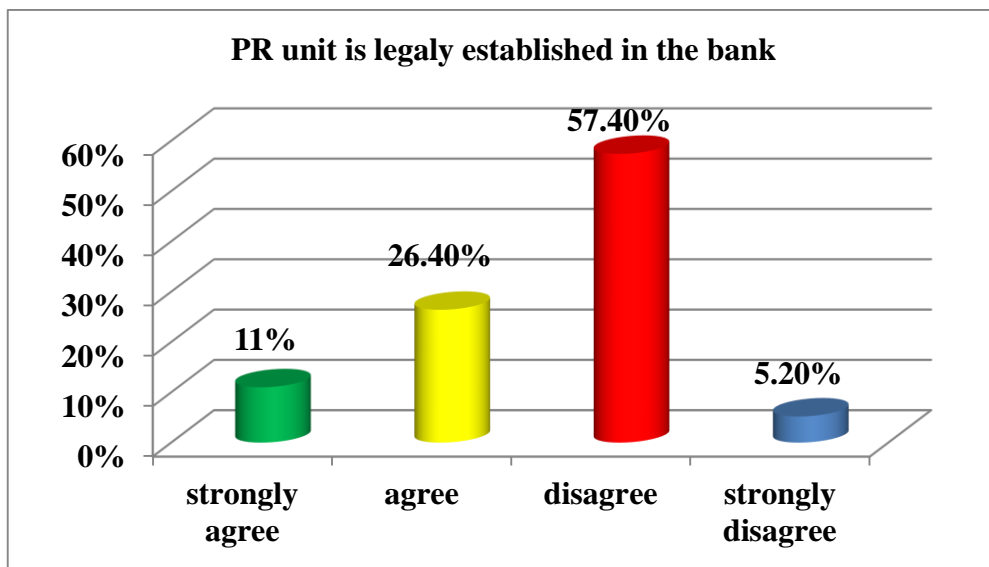


Figure 4.1 Establishment of PR

Figure 4.1 revealed that 139(57.4%) and 64(26.4%) of the customers disagree and agree respectively with the question raised in relation to the legal establishment of PR as indicated above. As per respondents, public relations works should not target at maximizing the reputation and trust of the bank alone but also, such works should consider on simplifying the life of the customers and society at large within which the bank has existed. Cornelissen (2017) shown that PR is an action taken by a bank to contribute for its reputation and trust development in view of customers while improving the quality of life of its customers.

In this regard the manager of communication and CSR division as well as PR expert of the head office of Awash bank during interview underlined “the need for PR to frequently communicate the customers in the improvement of the bank’s reputation and trust as per the legal standards of the government’s private banks’ policy because this is one way of getting a positive word of mouth for the practice of PR in the area where Awash bank has branches”. This shows that PR is not established in a clearly identifiable way rather as part of communication and CSR directorate. Besides, both groups of respondents have the opinion that any weak commitment of the bank to the legal practice of PR would result in negative image as the customers consider the bank as being irresponsible to their wellbeing and improvement of living conditions. This implies that the bank and its management should have a legally established PR not only to get reputation and trust but also to raise awareness on how and what to be done in PR works.

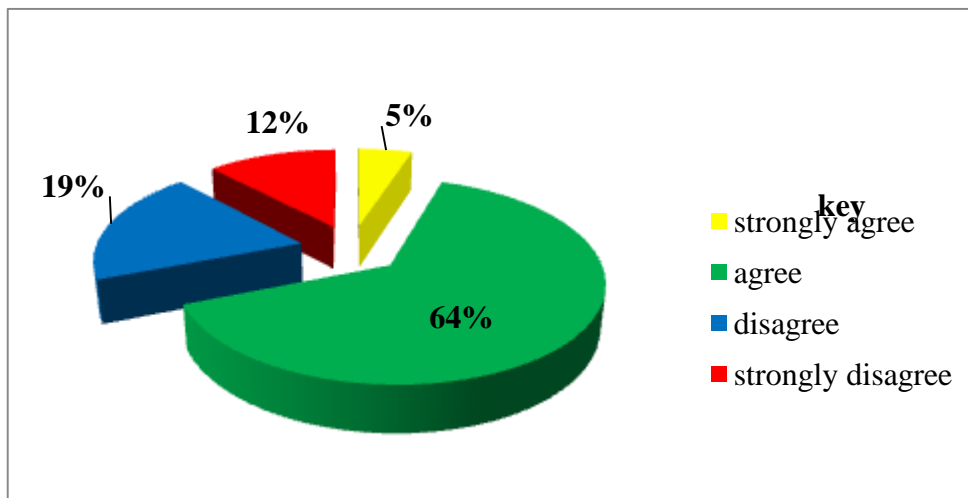


Figure 4.2 Customers view on legality of PR works

Public relations works makes it possible for banks to mainstream legal concerns in their promotional activities, according to Volk & Zerfass (2018). Figure 4.2 above also shows respondents’ responses to the question ‘the bank legally works PR to create common understanding within its customers’. The findings make clear that 155(64%) of them agreed and view the public relations works of the bank legal considering wellbeing of the customers in the area. However, 46(19%) customers saw Public relations works to some

level as not legal and wished the bank to withdraw from such practices. Thus, response from most respondents implies that PR practice is legal and can get the bank to ease itself from making illegal task. Similarly, in the researchers document review it was found that the bank has set up general guidelines for PR at top level and understands the importance of active communication with the public as written in the introduction part of the guide line.

Table 4.2 PR involvement is social responsibility

Description	Options	Frequency	Percent	Valid percent
PR has actively engaged in social responsibility activities	Strongly agree	20	8.3%	8.3%
	Agree	57	23.5%	23.5%
	Disagree	150	62%	62%
	Strongly disagree	15	6.2%	6.2%
	Total	242	100%	100%

Source: Own survey, 2022

Businesses need to be actively involved in social responsibility activities which are one of the ways to do public relation works by deeds than words. The public relation section as we can see from table 4.2 above is presented as follows. On the question raised for respondents ‘whether the bank’s ‘PR has actively engaged in social responsibility activities’ findings revealed that majority 150(62%) of the customers expressed their disagreement on the active involvement of the bank’s PR in social responsibility activities to legitimize its tasks. This is because only 57(23.5%) of the customers are with the agreement that their bank’s PR has engaged in social responsibility activities to build its reputation and trust although it drains some portion of its annual budget. This means they considered their bank to have enough advantage over the years to be able to contribute socially to the growth and development of the communities where it operates. The PR expert during his interview described the bureaucratic structures of the bank as an obstacle to the frequent and easy implementation of social responsibility activities. However, Cornelissen (2017) indicated that, the benefits of PR works obtained by participating in social responsibility activities compensate the cost of promoting the bank.

In the researchers' document review too no clear report was found on CSR tasks of the bank in the year 2013E.C. implying that social responsibility actions were dependent on the needs of the management.

4.3.2 Perception of Customers Towards the PR Activities

Any bank is expected to implement its PR activities in-line with the needs of the public as well as in socially responsible manner. In this regard customers of Awash bank in the head office were asked to evaluate the activities of the bank's PR. Accordingly, they replied as follows:

In terms of keeping the needs of the public

Public relations works needs consultation with stakeholders' to increase participation in CSR activities that tends to address their needs. The head office of Awash bank as a corporate with corporate social responsibility needs to pay special attention to the needs of its customers and the larger public. The bank's PR activities are also expected to be carried out using customer friendly technologies in order to prevent negative impacts on the image of the bank.

In this regard the employees in the sample bank during their interview indicated that Awash bank fails to use customer friendly PR activities like CSR that can help customers easily build positive image of the bank by spreading good word of mouth to the society at large. However, in terms of technology it looks having appropriate plan to invest to suit customer needs. This is because even though the bank is limited to provide sufficient support to the society in need by its social responsibility activities it didn't have problem in using appropriate technologies to do PR using radio, television, and other medias which are customer friendly. Similarly majority 143 (59.1%) of respondents have also showed their disagreement on the idea that 'the bank's PR activities are in line with the needs of the public. This indicates that it should be based on the desire of clients, to help build good image through PR activities. Thus, from the above finding it's possible to understand that, the bank has been perceived as paid little attention towards meeting the

needs of the public in its CSR as part of PR which is very important for the bank as its reputation and trust are sensitive to customers in particular and the society at large.

In terms of organizing special events to build image

Businesses like banks are expected to be aware of the problems of the society and intended to provide a solution for societal problems through their PR plan. Solutions in which users are no longer dependent to operate and use it can be better implemented to help the society (Creswell, 2015). In answering questionnaire ‘the bank organizes special events to build its image?’ most 190(78.5%) customers of Awash bank shown their disagreement followed by strong disagreement which has got the support of 41(17%) respondents. This implies that Awash bank has organized no special events such as exhibition, workshop, and seminar in its PR activities to promote reputation and trust.

In this regard CSR division director of the bank in his interview said that “the bank has made good effort to promote its reputation and trust through PR activities using the electronic media but have prepared no special event as we expect more from the bank mainly in the year 2013E.c”. When the researcher asked the head about their future expectation and their future engagement in PR tasks of the bank, he added “we are always open to use new PR tools mainly in technology sector and the bank is more than welcome to join innovations like e-banking, and e-ticketing than organizing special events”.

In the researchers effort to review documents about PR effectiveness evaluation no comment was found made by the bank management whether the preparation of special events to attract customers is essential. Thus, it would be nice if the bank tried to invest in the area of special events as a PR tool to make more customers attracted towards it so that the bank can be more effective within different PR tools in building its reputation and trust.

Table 4.3 Taking information from the bank’s customers

Description	Options	Frequency	Percent	Valid percent
the bank takes information from its customers as an input to make corrective action on its PR works’	Strongly agree	0	0	0
	Agree	68	28%	28%
	Disagree	174	72%	72%
	Strongly disagree	0	0	0
	Total	242	100%	100%

Source: Own survey, 2022

PR can be characterized either by proactive or reactive nature. Proactive PR is offensive and opportunity seeking, mainly used to promote services and products. Reactive PR is defensive oriented and problem solving. In this regard table 4.3 above indicated that most respondents in their answer to the question ‘ the bank takes information from its customers as an input to make corrective action on its PR works’ replied disagree. This has got the support of 174(72%) and only the least 28 percent respondents expressed their agreement. However, the communication and CSR division directorate during his interview told the researcher that “yes the bank has taken information from customers to correct its PR works” but when a probing question was raised to mention an example he replied “it is not necessary to tell you everything of the bank” implying his inability to give evidence. But in the bank’s opinion pool there were many ideas /feedbacks written by customers as per the researchers document review. This implies that the bank is not ready to practically learn from customers thus it is perceived more proactive in the nature of its PR strategies than becoming reactive one. However PR can also be undertaken as a result of external information obtained (Reuben & Abubakar, 2019).

4.3.3 Existing PR Strategies Practiced

Volk & Zerfass (2018) has presented a model of PR tools, controlled, uncontrolled and semi controlled. They advise utilizing all possible tools from the categories with the purpose of building relationships and trust with existing customers and potential ones. Managers have the ability to utilize the tools they best believe will reach the public in the area where they operate.

In this regard a question was raised to see whether ‘the bank makes adequate communication through TV, radio, and print media to feed information and establish ongoing communication with its customers’. Accordingly, most 193(79.8%) respondents replied strongly agree for the question raised and the least 3(1.2%) answered strongly disagree. This implies that among the PR tools available the bank has well utilized of TV, radio, and print media to build and sustain ongoing communication and getting new customers that can enhance its trust and reputation.

The other question raised for respondents was whether the bank provides adequate information for customers to establish ongoing communication using online media or not. Accordingly, majority 125 (51.6%) of respondents replied disagree followed by 44.6 percent respondents who answered agree while the least (0.8%) replied strongly disagree. This is evidenced by table 4.4 below. Meanwhile, all the interview participants told the researcher that the bank has provided adequate information for customers using online media. This implies that respondents confirmed online media as one of the public relations works strategy used by the bank. But it is important to note that responses for this confirmation might be affected by the capacity of respondents in using the online technology itself. In this regard Heide *et al.*, (2018) indicated that online media usage of banks is currently simplifying the business transaction with their customers but it is good to note that customers are in a position to use the online –media available and check the infrastructure.

Table 4.4 Online media usage of the bank

Description	Options	Frequency	Percent	Valid percent
the bank provides adequate information using online media for customers to establish ongoing communication	Strongly agree	7	3	3
	Agree	108	44.6%	44.6%
	Disagree	125	51.6%	51.6%
	Strongly disagree	2	0.8	0.8
	Total	242	100%	100%

Source: Own survey, 2022

Provision of timely information for the external public

The research has found that one of the interviewee respondents who were mainly the CSR division director of Awash bank replied the question as he and his staff provide timely information for the bank's existing customers and external public, potential customers as part of its public relations works implemented in the study area. This finding demonstrates the adequacy of timely information provision practice for customers and community members. Thus, customers' feel as the bank best address their most pressing needs in the area of providing timely information. However, majority 137(56.6%) respondents replied disagree followed by the agreement from 40 percent respondents and only the least 2(0.8%) respondents strongly agree in their answer to the same question at the stage where they fill questionnaire. This shows that the bank again needs to identify the aspect of information which is not timely available for customers so that it can solve and retain the reputation required from customers.

According to Volk & Zerfass (2018), provision of timely information for the external public result in co-creation of public relations that tends to promote attainment of the bank's goals in building its trust and reputation. Therefore, the bank needs to make an improvement on the speed of information delivery to customers and the external public while selecting and executing its PR strategies mainly in case of problems customers encountered during system interruption while using ATM.

Table 4.5 Public relations works practiced have helped the bank to retain its customers

Description	Options	Frequency	Percent	Valid percent
Public relations works practiced have helped the bank to retain its customers	Strongly agree	14	5.8%	5.8%
	Agree	102	42.2%	42.2%
	Disagree	115	47.5%	47.5%
	Strongly disagree	11	4.5%	4.5%
	Total	242	100%	100%

Source: Own survey, 2022

On the question 'public relations works implemented have helped the bank to retain its customers' table 4.5 above revealed that 126 (52%) of respondents expressed their

disagreement and 48 percent respondents shown their agreement which recognized the role Public relations works have played in retaining customers of the bank and maintain its reputation and trust. According to Watson & Noble (2012), a bank's practice of public relations works provides an opportunity for customers and other stakeholders to have clear image of a bank in which they have been getting service which in turn build good word of mouth for it.

However, interview participants said that “public relations works implemented by Awash bank have been benefiting the bank in retaining our customers. This is because the bank has implemented its PR works based on its prior plan and stakeholder consultation”. In the researcher's document review it was found that there were no planned budgets for CSR works before 2014 E.C but in the year 2022 only 1.3 million birr was allocated by the bank for the purpose of communication and social responsibility directorate which include PR expert within it. Using this budget bond buying was made for grand Ethiopian renaissance dam. But still limitations have continued to exist on participation of the community in the selection of social responsibility projects. This is best evidenced by the fact that the researcher has found nothing written about how to participate the community on choosing projects that best meet the societal needs. Besides, no previous plans and minutes were found in the bank that shows community participation in the selection of Public relations works and projects constructed by social responsibility tasks of the bank.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

In this chapter, the conclusion and recommendation of the research study were presented based on the findings of the research and its implication. The researcher tried to understand customers' perception and legitimacy of public relations works: the summary and conclusions were made in case of Awash bank customers and employees in Addis Ababa where it has the head office. Finally, recommendation for further study was also presented.

5.1 Summary

The major aim of this research work was to investigate the legitimacy, perception and practice of public relations in Awash bank to promote its reputation and trust. To do so the following research questions were raised in the study:

- How Awash bank has legitimized its public relations works to promote its reputation and trust?
- What is the perception of customers' towards the PR activities of Awash bank in promoting its reputation and trust?
- What are the existing PR strategies used /practiced/ in promoting the reputation and trust of Awash bank?

In this study mixed research approach mainly descriptive design and case study strategy were used to determine the legitimacy, perception and practice of PR in Awash bank to promote its reputation and trust. The research time dimension used was cross-sectional type. Customers of Awash bank in the head office were the primary sources of data used in this the study.

To answer these questions, 242 customers were selected by using convenience sampling technique from those who come to receive service while the researcher was in place in to do data collection from required number of customers. Data collection tools used were Likert type questionnaires, interview and document review. Accordingly all of the data were collected from 100% respondents and was entered to SPSS version 20. Data through

questionnaires were collected by adapting closed ended item questionnaires. The questionnaires were comprised of 14 items. Interview items were also of 14 items with semi structured nature used to gain in-depth information from bank experts. The data were analyzed by using frequency, percentage, and narratives describing what was obtained through interview and document review.

The major findings of this study include the following:

First, the bank has its own way to handle matters related to public relations rather PR was found not established as a separate department with full responsibility, however, merged as a subordinate within the communication and CSR division of the bank. It looks that trust and reputation management as the aim of the bank's PR is characterized by giving priority for personal relations than having a wider look at existing and potential customers in general.

Second, customers perceived that public relations of Awash bank was not found important in retaining customers i.e. PR activities although important to maximize number of customers and gain good word of mouth from external public may not be necessary to be evaluated and separately established at the current situation of the bank.

Third, the most important PR tools implemented by the bank included TV, radio, prints media, and individual customer relation works but not corporate social responsibility and arrangement of special events.

5.2. Conclusion

This thesis has tried to investigate how Awash bank utilized PR. Although difficult with such a small sample selected, the head office, it is possible to generalize as follows. It can be concluded from the findings that the overall corporate philosophy influence to a high degree in what way PR activities to be legitimized, perceived and conducted. PR is understood as important to utilize in the entire organization of the bank with legitimacy to promote the banks reputation and trust. When concluding the overall objectives of Awash bank with PR its main objective was to build strong relationship with various publics but

giving priority to existing customers. The bank has set up general guidelines for PR at top level and understands the importance of active communication with the public.

The other aim was to market the bank's reputation and trust as the best possible choice in the perception of existing customers and potential customers at large. It is not a surprise thus to legitimize the PR activities of the bank. Trust and reputation has very high priority at the bank. Thus, PR activities should be in line with the needs of the customers and the other public by adjusting conditions. The bank has its own way to handle matters related to PR but it is not established as a separate department with full responsibility rather merged as a subordinate within the communication and CSR division of the bank. It looks that reputation management as the aim of the bank's PR is characterized by giving priority for personal relations.

PR is very actively utilized by the bank as per the idea of the bank employees but customers perceived that it is not found important in retaining customers. The most important PR tools utilized by the bank include most of the PR tools described in theory mainly TV, radio, prints media, and customer relation. Another conclusion that can be drawn from the findings is that the way that banks set up their PR structure can affect the implementation of the PR activities. The bank is generally considered profitable from private banks from this it is clear that PR activities although important to maximize customers may not be necessary to be evaluated and separately established at the current situation. This might be because local PR activates at branch level are important as most important PR tool is customer relationship management. Limitation has existed in the bank with regard to the provision of timely information for the external public, evaluating the effectiveness of PR practiced and making adequate and sustainable communication using online media.

5.3 Recommendations

Based on the major findings of the study the researcher would like to forward the following actions to make Public relations activities of Awash bank complies with what is expected by customers and meet the needs of the bank in maximizing its reputation and

trust. It was found out from the research that there are differences in the effect of PR strategies practiced between the bankers and the customers answer so the effect of PR practiced should in some way be evaluated and measured so that the bank can get an understanding of the impact of the utilized PR activity. Otherwise the bank might continue utilizing PR strategies that are not more effective i.e. flexibility in PR strategies and activities is highly desirable since the public interest is constantly dynamic. For this end the bank's PR in particular and the communication and CSR division in general should be regularly up-to-date with the legal and social context prevailed meeting the requirements its customers and the public at large.

PR strategies should mainly be planned as proactive type than reactive one so that the bank can build a positive consciousness in the mind of the public. Thus, it is also easy to use image building campaigns through company website for its reputation and trust enhancement by changing the perception of customers. This is because if PR tools are effectively utilized a positive perception of customers should be obtained.

The researcher recommend to the bank management to consider how to well address farmers in their corporate social responsibility programs as PR strategy for maximizing the bank's reputation and trust since agriculture sector is the backbone of the economy and it benefits everybody in the community.

From the conclusion, the researcher recommends that Awash bank in Ethiopia should have independent PR departments to carry out the image building task through various tools. This will enhance the banks to become more focused in PR programs to meet with the rising and dynamic need and demands for the public.

The bank is encouraged to exchange (receive and give) information about its PR activities especially with the customers, because customers are most relevant and external stakeholders so that their perceptions of the bank's PR practice may increase their positive attitudes and feelings towards their partnership, i.e. their service satisfaction and help include good word of mouth in their communication with the general public.

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Annexes

Annex I

Interview guide for managers and PR experts

Dear respondent,

You are selected to be interviewed for this study - of assessing PR legitimacy, perception and practice in the banking sector: the case of Awash bank. Here I assure you that any information you are going to provide is only for academic purpose and your answer to the questions will also be kept confidential.

General information

Your responsibility -----

Main Questions

1. Is there PR department in the bank? -----

2. If yes, how does the bank perceive PR? -----

3. How legitimate is the PR practice in your bank? -----

4. What is your practical ground to establish PR in the bank-----

5. How do you describe the type of relation that the PR have with the top management and board of directors?-----

6. What effort does your PR made to manage the view/opinion of the “**public**” about your organization? -----

-----is it proactive-----

7. What type of PR tools and strategies are you using to improve your bank’ reputation? –

- PR tools used-----

why -----

- PR strategies used -----

why-----

8. How often do you evaluate your PR activities? -----
9. To what degree do you consider your PR activities are successful in building reputation and trust within the public?-----
10. Do you believe that trust and **corporate reputation** gives you advantages compared to your competitors? -----how -----
-
11. As a PR expert did you participate in the process of decision making with the top management?-----if yes explain-----
-
12. How do you evaluate the trust of customers to your bank?-----
-
-
13. What challenges have you faced in the effort to build the bank's reputation and trust?
-
-
14. How do you evaluate the perception of the employees and customers towards your PR activities? -----
-

Thank you for your time

Annex II

Questionnaire for customers of branch banks

Dear Respondents;

My name is Abel Solomon, MA on Public relations and Strategic Communication student of Addis Ababa University. As part of my studies, I am carrying out a research to assess PR legitimacy, perception and practice in the banking sector the case of Awash bank. I hereby assure you that all the information obtained through this questionnaire shall be used for academic purpose only and will be handled with the highest order of confidentiality.

Please don't write your name on the questionnaire

I thank you in advance for using your time to complete this questionnaire

General information

Sex Age

Level of education

Direction for main questions

The statements below refer to the current performance of the bank by its public relations works. Use the following Likert scale to indicate the extent of your agreement with the statements given hereunder:

Category	Item	Strongly agree	agree	disagree	Strongly disagree
		4	3	2	1
A	PR legitimacy				
1	There is a legally established PR unit in the bank				
2	The bank legally works PR to create common understanding with its customers				
3	The bank's PR has actively engaged in social responsibility activities				

4	PR is clearly identifiable from other disciplines (such as marketing) of the bank				
B	Perception on PR				
1	The bank's PR activities are in line with the needs of the public				
2	The bank gives great value to PR for creating positive image in the minds of the public's				
3	The bank organizes special events (e.g. exhibitions, workshop, seminar) to build its image				
4	The bank participates in community services to create a better relationship				
5	The bank takes information from its customers as an input to make corrective action on its works				
C	Strategies practiced				
1	The bank makes adequate communication through TV, radio, and print media to feed information and establish ongoing communication with its customers				
2	The bank provides adequate communication using online media, to feed information and establish ongoing communication with its customers				
3	The bank provides timely information to the external public				
4	Public relations have helped the bank to retain its customers				

Thank You for Your Time

Annex III

Interview Participants

No.	Name of interviewee	Sex	Age	Responsibility	Place of interview
1		M		Manager of the sample Awash bank	In his office (Addis Ababa)
2		M		Director of communication and CSR division	In his office
3		M		Senior Communication/PR expert in the head office	In his office
4		M		Junior PR expert of the head office	In his office