

Using structural equation modelling to survey Corporate Image components in the Food manufacturing

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Abstract

This paper reports the results of a survey of gather Corporate Identity components on Corporate Image in the Food manufacturing. This applied research as well as correlation studies there. The population of the employees in Food manufacturing which 244 were selected by stratified random sampling. For data analysis, structural equation modeling with LISREL software was used. The results indicate that the membership on organization, loyalty and Similarities with organization not effected on Corporate Image. In other words, Corporate Identity components not affected on Corporate Image.

Keywords: Membership on Organization, loyalty with Organization, Similarities with Organization, Corporate Image, Food Industry

Introduction:

Asia is fast becoming a major economic centre. It is the largest continent (16.99 million square miles) as well as the most populous one (approximately 4 billion people), accounting for 29.79 percent of the land area and hosts 60 percent of the world population. Firms that market their products in East Asia must be concerned with building strong corporate identities in the region in addition to providing appropriate product-related associations for the brands (Han & Schmitt, 1997); and use different definitions than in the West in order to appeal to regional clients and customers (Schmitt & Pan, 1994; Schmitt & Simonson, 1995). Studies also have shown that in Asia, consumers from different countries have varying media habits and demographic characteristics, traits, and product evaluation criteria (Onkvisit & Shaw, 1985). As there is little academic writing to guide or even understand corporate identity development and

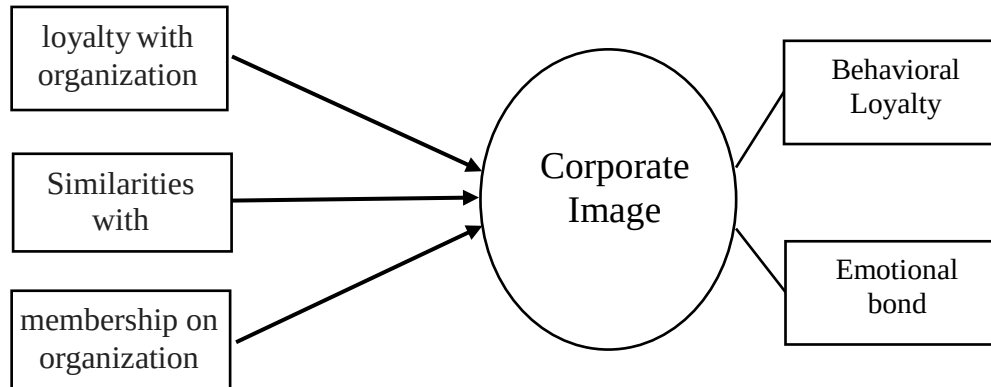
management in Iran(Kurdistan province) in relations to image, the purpose of this study is therefore to try to fill the gap and enrich the data by investigating selected employees' perception on the role of identity in the formation of corporate image. Corporate identity through branding communication is a marketing concept that focuses on how companies can increase their visibility and reach by creating memorable associations between a product and a group customers it targets. Despite the attention given to corporate identity over the past 20 years, the actual definition of corporate identity is highly contentious and many have opted not to define the term precisely (Melewar & Jenkins, 2002). Literatures have revealed the different conceptions of corporate identity elaborated from many different angles (Alessandri, 2001). According to a 1993 survey by the British agency Market and Opinion Research International (MORI), the conception of corporate identity was defined differently in several European countries (Van Riel, 1995). Traditional writers tend to have narrow definition of corporate identity and associate it primarily with visual cues and symbol such as the name, the logo, the tagline, and the corporate colour (Boyle, 1996). Modern writers like Balmer (2002) and Melewar and Karaosmanoglu (2006) have broader approach and taking into account all aspects of a company including communication and behaviour. The approach taken on corporate identity by practitioners is generally more process-oriented (Allesandri, 2001) whereas academics take an approach that is more oriented towards structure and tend to address a greater number of the corporate identity mix components (Melewar & Karaosmanoglu, 2006). Image, on the other hand, is "the sets of meanings by which an object is known and through which people describe, remember, and relate to" (Dowling (1986).

That is, it is the net result of the interaction of person's beliefs, ideas, feeling and impressions about an object." (Van Riel, 1985). It is related to business name, architecture, variety of products/services, tradition, ideology, and to the impression of quality communicated by each person interacting with the organisation's client (Davies, Chun & Da Silva, 2001). It has two components namely the functional (tangible attributes) and emotional (psychological dimensions manifested by feelings and attitudes) components. The discussion on relationship between concepts also has lead to much confusion among scholars.

Wei (2002, p. 270) argued that reputation should not subsume image, but rather image should subsume reputation. Among the famous hierarchy used by many authors is that corporate identity leads to corporate image (Van Riel, 1995; Dowling, 1986; Davies et al., 2001), and corporate image then leads to corporate reputation (Mason in Gotsi & William, 2001). The concept hierarchy used in this study is parallel to hierarchy given by Barnett, Jermier and Lafferty (2006).

Conceptual model

The conceptual model of the research has been adapted from the study conducted by Rosmiza Bidin et al (2014). In this model, membership on organization, Similarities with organization, loyalty with organization were the independent variables, and corporate image was the dependent variable.



Source Rosmiza Bidin et al (2014) and Rashidi & Shafeei(2016)

Based on this model, the following hypotheses are made:

Hypotheses:

- There is a significant relationship between loyalty with organization and corporate image in food manufacturing companies in Kurdistan Province.
- There is a significant relationship between Similarities with organization and corporate image in food manufacturing companies in Kurdistan Province.
- There is a significant relationship between membership on organization and corporate image in food manufacturing companies in Kurdistan Province.

Methodology

In general, research methods can be divided according to two criteria: first, objective research and second, how to collect data. The present study is an applied research and the method of data collection, research is descriptive. Population consists of all of the employees of food companies in Kurdistan Province. The population was classified using random sampling method and the sample size was determined 244 employees of food manufacturing companies of Kurdistan based on Cochran Formula. Data were collected using a questionnaire due to the nature of the subject under study. Structural equation model was used to analyze the data and the research hypothesis respectively. This is a cross-sectional study in terms of time and was performed in the food manufacturing companies in Kurdistan Province. The questionnaires were distributed among the companies in Kurdistan Province.

The Analysis of Data

Reliability

Cronbach's alpha was used in this study to determine the reliability of the test. The higher the alpha, the more reliable the scale will be.

Table 1: results of testing the reliability of the items

variable	Number of questions	Cronbach's alpha
Similarities with organization	3	0.782
loyalty with organization	4	0.734
membership on organization	5	0.782
corporate image	7	0.870
total	19	0.731

As presented in Table (1), Cronbach's alpha for all of the four constructs is greater than 0.7, which shows high reliability.

Data normality test

Data should first be tested in terms of normality before analysis. The most commonly-used test for this purpose is Kolmogorov-Smirnov Test. This test has also been used in the present study for examining the normality or non-normality of the data used. The results presented in the following table indicates that the data have a normal distribution because the Sig values are higher than 0.05.

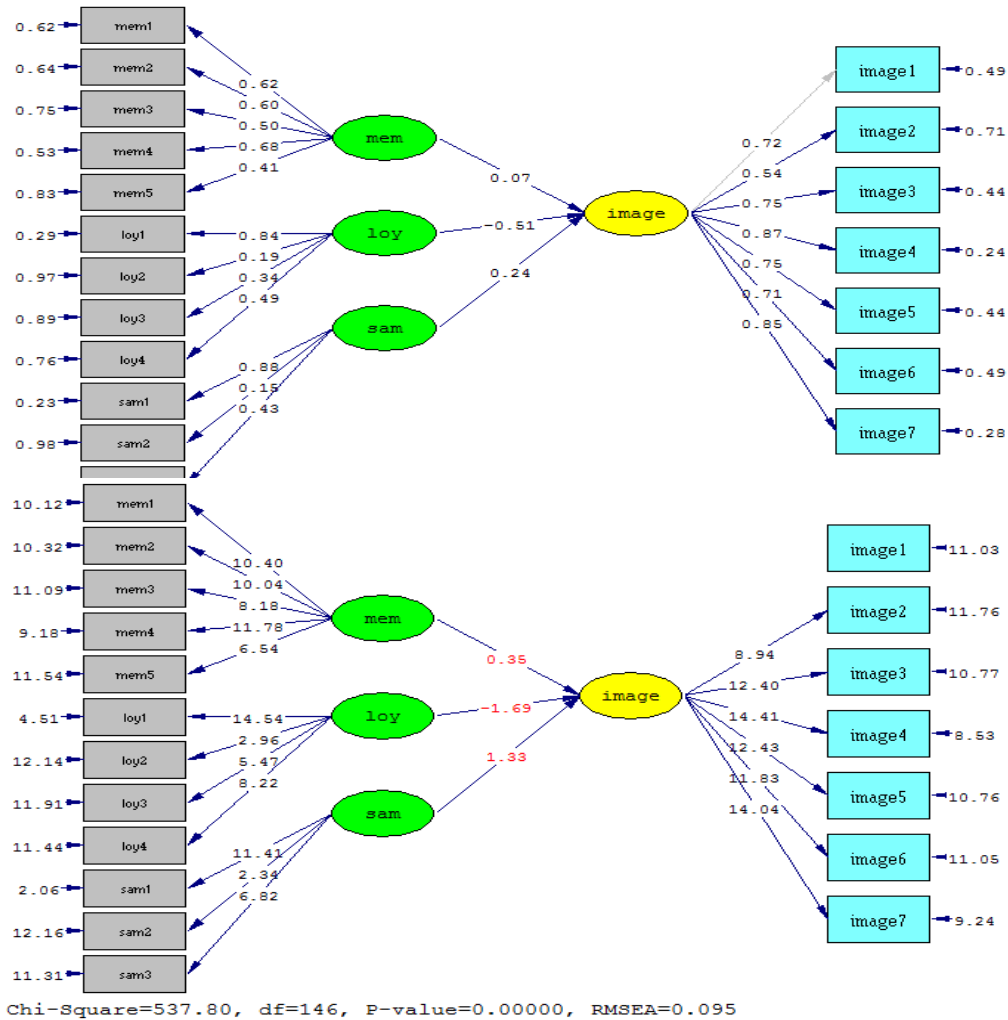
Table 2: Data normality test

VARIABLE	SIG
SIMILARITIES WITH ORGANIZATION	0.118
LOYALTY WITH ORGANIZATION	0.096
MEMBERSHIP ON ORGANIZATION	0.408
CORPORATE IMAGE	0.112

Structural model and path analysis

By structural model is meant the causal relationship between latent variables. The goal of this model is to discover both direct and indirect effects of latent exogenous variables on endogenous latent variables, or to provide the path analysis of the research model.

Figure (1). The estimation coefficients of structural model Corporate Identity components and corporate image



In the table below, the results of hypothesis testing is expressed:

Table (3): Hypotheses Test

hypothesis	Factor	T value	Significance level	Results
Similarities with organization on corporate image	1/33	0/24	0/000	rejected
loyalty with organization on corporate image	1/69	0/51	0/000	rejected
membership on organization on corporate image	0/35	0/07	0/000	rejected

According to Table (3) H_1 assume all assumptions about the relationship between Similarities with organization, loyalty with organization, membership on organization and corporate image will be rejected.

Conclusion

The results of this study need to be compared with those of the previous studies so that we can achieve strong theoretical foundations and results. As shown by the analysis, Corporate Identity components not affects corporate image and this is the answer to the main question of the research. Compared with the results of the previous studies, the findings of this study not confirms the existence of a relationship between Corporate Identity components and corporate image, as did the most important research conducted in this regard in 2014 by Rosmiza Bidin et al. The findings also show a negative relationship between loyalty with organization, membership on organization and Similarities with organization, as did not the findings of previous studies. because the present study reported no relationship between them, while the study conducted by Rosmiza Bidin et al (2014) showed that there is a positive relationship between them. Therefore, further research should be done in this regard in order to help find an answer to the existence or non-existence of a relationship between the variables. It should be noted that to the best of our knowledge, no research has been conducted in this regard, on the relationship between Corporate Identity components and corporate image.

Suggestions

- Holding regular meetings of strategic and executive committees by the managing directors,
- Providing the cultural backgrounds and training the colleagues by holding seminars - Holding workshops on Corporate Identity and corporate image and training courses for representatives of companies associated with the transaction.
- Making use of other motivational levers for extending the corporate image to the projects of the organizations and providing letters of appreciation, and appreciating the effective members of teams and so on.
- The companies are recommended to use a participatory leadership style, away from orders and imperative behaviors.

- Organizations should always try to provide new services for employees; that is, services which have not already been provided by their competitors.

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