HOW DO GENERAL EVALUATIONS OF CORPORATIONS DEVELOP? TEST OF AN IMPRESSION FORMATION MODEL

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Despite the importance of corporate reputation, little is known about how reputation develops. The main purpose of the current study was to begin to understand the formation of corporate reputation by investigating the antecedents of general evaluations of corporations. Specifically, an impression formation model (Highhouse, Brooks, & Greguras, 2009) was tested with a sample of working professionals, using two companies from two different industry sectors (Microsoft and Disney). This study investigated the fit of the overall model, as well as specific relations among corporate images, corporate impressions, and general evaluations of companies. Results indicated that relations among different corporate images (e.g., social image, market image) and general evaluations of corporations were mediated by impressions of company respectability and impressiveness. Hence, results showed that the impression formation model received support, but that it might be better to include direct paths from images to general evaluations to better predict general evaluations of some corporations. Results also showed that respectability was more strongly related to general evaluations than was impressiveness, suggesting that corporations interested in managing their reputations should focus relatively more on company respectability. Findings also suggested that market image may be the most important driver of impressions of respectability and impressiveness.
This dissertation is dedicated to my parents and siblings who have instilled in me my passion for academia.
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INTRODUCTION

Gaining a better understanding of potential sources of sustained competitive advantage for corporations has become increasingly important in strategic management (Barney, 1991; Hall, 1993). Corporate intangible resources are assets or competencies that have been identified as a potential source of competitive advantage for firms (Barney, 1991; Hall, 1993). Because intangible resources are difficult to imitate (Barney, 1991), it is crucial to investigate how companies can accrue and sustain these types of resources.

Corporate reputation is one important intangible asset that can be a source of competitive advantage for firms (Barney, 1991), and it has become an increasingly important construct over the past couple of decades. Indeed, a relatively new academic journal, *Corporate Reputation Review*, is dedicated solely to the study of this construct. Several researchers have indicated that applicants, customers, and investors rely heavily on corporate reputation in making career, consumer, and investment choices (e.g., Fombrun & Shanley, 1990; Highhouse, Broadfoot, Yugo, & Devendorf, 2009; Roberts & Dowling, 2002). Several factors have increased the importance of corporate reputation, such as corporate rankings, corporate scandals, and applicant attraction. *Fortune* magazine started providing rankings of the “Most Admired Companies” in 1983, which prompted increased interest in corporate reputation. Reputation became especially salient following things like the Enron scandal (Laurence, 2004). Applicant attraction has also been shown to be an important outcome of corporate reputation. For example, Cable and Turban (2003) showed that people were more willing to have lower wages in order to work for a company with a better reputation.

Hence, the importance of corporate reputation has been recognized in the literature. Indeed, Hall’s (1993) national survey of important intangible resources indicated that corporate
reputation is one of the most important intangible resources of several firms. This led Hall to conclude that “it should receive constant management attention” (p. 616). However, although the importance of corporate reputation has been well established, less is known about the formation of corporate reputation. Recently, Highhouse, Brooks, and Greguras (2009) proposed a theoretical framework for the formation of individual impressions that underlie general evaluations of corporations. They suggested that corporate reputation represents a collective or an aggregate of these individual general evaluations. The authors stated that this view of corporate reputation as a collection of individual general evaluations “necessitates a micro view of impression formation as a foundation for understanding corporate reputation” (p. 1483).

The purpose of the current study, therefore, was to begin to understand the formation of corporate reputation by investigating the development of general evaluations of corporations. Specifically, this study tested a portion of this impression formation model (Highhouse, Brooks, & Greguras, 2009), examining the relations among images, impressions, and general evaluations of companies. This study is important and timely, as it was the first to examine the development of individual general evaluations, which are the foundation of aggregate reputation judgments. Furthermore, this study extended the Highhouse, Brooks, and Greguras (2009) model by examining specific relations not specified in the original model, such as testing which images (e.g., market image, employer image) relate most strongly to which impressions (i.e., respectability and impressiveness).

Prior to discussing how corporate reputation and general evaluations of corporations are formed, it is important to specify what the reputation and general evaluations constructs are and how they should be measured. In the following sections, both the definition and measurement of corporate reputation will be discussed, along with the definition and measurement of general
evaluations of companies. This will be followed by a more detailed discussion of the Highhouse, Brooks, and Greguras (2009) impression formation model.

**Definitions of Corporate Reputation and General Evaluations of Corporations**

The corporate reputation construct has been described as “chaotic” and “poorly understood” by several researchers, and there has been a lack of consensus regarding its definition (e.g., Barnett, Jermier, & Lafferty, 2006, p. 28; Highhouse, Broadfoot, et al., 2009, p. 782). As a result, several articles have been dedicated to clarifying this concept (e.g., Balmer, 2001; Barnett et al., 2006; Chun, 2005; Highhouse, Broadfoot, et al., 2009; Lange, Lee, & Dai, 2011). According to Balmer (2001), corporate reputation deals with how stakeholders view the organization. Chun (2005) viewed reputation as an overall construct encompassing the impressions and views of both internal and external stakeholders. On the other hand, Elsbach (2006) viewed organizational reputation as the result of long-lived and general perceptions of outsiders (i.e., “external audiences and stakeholders;” p. 17).

Lange and colleagues (2011) recently reviewed the various definitions of corporate reputation in the literature and found that three definitional conceptualizations of the reputation construct emerged: *being known* (i.e., visibility of the company or prominence), *being known for something* (i.e., being known for a specific organizational aspect), and *generalized favorability* (i.e., a general evaluation of the company’s favorability). In this study, reputation is viewed as a general assessment of the company, which is in line with the *generalized favorability* conceptualization—this definition of reputation is in line with the recommendations of several researchers. For example, Barnett et al. (2006) offered a framework to help refine the corporate reputation construct. The authors distinguished between corporate reputation and corporate reputation capital, with the former referring to “observers’ collective judgments of a corporation
based on assessments of the financial, social, and environmental impacts attributed to the
corporation over time,” and the latter referring to the “economic and intangible asset” part of
reputation (p. 34). Similar to how Barnett et al. (2006) advocated viewing reputation as a general
evaluation of an organization, Brooks and Highhouse (2006) have further emphasized the need
for viewing reputation as a general assessment of an organization and differentiating it from
image. Therefore, the being known for something conceptualization offered by Lange and
colleagues seems to be more in line with corporate images and not reputation. Highhouse,
Brooks, and Slemp (2009) reiterated this distinction between reputation and images, noting that
images should refer to individuals’ perceptions of specific aspects of a company (i.e., financial
image, social image, employment image, and market image), whereas reputation should
represent a collective of experts’ general evaluations of a company. Therefore, general
evaluations should be measured at the individual level, whereas corporate reputation should be
measured at the group level (see Figure 1).

Several definitions of corporate reputation, therefore, exist in the literature. To date, there
still seems to be a lack of consensus regarding how reputation should be defined. Highhouse,
Brooks, and Slemp (2009) recently offered a comprehensive definition of corporate reputation that
incorporates ‘time’ (i.e., a measure of stability), defining reputation as “a global, temporally
stable, evaluative judgment about a firm that is shared by multiple constituencies” (p. 2). In the
current study, corporate reputation was defined using the comprehensive definition offered by
Highhouse, Brooks, and Slemp (2009), but the focus was on each constituency’s general evaluation.
Therefore, the aim of this study was to investigate how one expert’s individual general
evaluation of a company develops, as these individual evaluations are the foundation of
corporate reputation. Therefore, the level of analysis of the current study was the individual level.

**Measurement of Corporate Reputation and General Evaluations of Corporations**

Similar to the definitional issues facing corporate reputation, there are also issues with its measurement. These issues include type of measure used, source level, specificity level, and temporal stability. Chun (2005) tried to clarify reputation measurement issues by listing the different ways reputation has been measured. The measures that she discussed were ranking measures, brand equity scales, image measures, identity measures, and two multiple stakeholder reputation measures: the Reputation Quotient (RQ) and the Corporate Character Scale. Despite the apparent usefulness of these measures, all seem to be problematic. For example, image and identity measures should not be used to measure reputation because they are constructs that differ from reputation and should not, therefore, be used as proxy measures. Ranking measures (e.g., *Fortune* rankings, *Financial Times’* rankings) have been criticized on the grounds that financial performance seems to be dominating the rankings (e.g., Brown & Perry, 1994; Eberl & Schwaiger, 2005; Fryxell & Wang, 1994). Given that brand equity can be defined in different ways, brand equity scales have an unclear link to corporate reputation, and they focus on the perceptions of a single stakeholder. As for the multiple stakeholder measures, the RQ’s theoretical background is unclear (Highhouse, Broadfoot, et al., 2009), and the Corporate Character Scale seems to be measuring corporate personality and not corporate reputation—it was developed using a trait approach and uses personality traits to describe companies (Chun, 2005; Davies, Chun, da Silva, & Roper, 2004).

Although some researchers have used image and reputation interchangeably (e.g., Gatewood, Gowan, & Lautenschlager, 1993), more researchers have been emphasizing the need
to differentiate between these two constructs (e.g., Barnett et al., 2006; Brooks & Highhouse, 2006; Highhouse, Broadfoot, et al., 2009). Brooks and Highhouse (2006) argued for a clear distinction between reputation and image, such that image should be measured at a more specific level (e.g., financial image, social image), whereas reputation should be measured at a more general level (i.e., overall corporate reputation). As shown in Table 1, the key differences between image and reputation are the level of the source, specificity, and temporal stability (Brooks & Highhouse, 2006; Highhouse, Broadfoot, et al., 2009). Specifically, an image is formed by an individual, and is specific and transient, whereas reputation is formed at the group level, and is general and stable. For example, although one person may view a firm as being a bad employer, overall, that firm could still have a good reputation. As previously stated, the focus of the current study was on individual general evaluations of corporations. As shown in Table 1, the only key difference between corporate reputation and general evaluations is the source level (i.e., group vs. individual, respectively). Therefore, it is expected that both reputation and general evaluations should be global and stable, with individual general evaluations underlying corporate reputation.

Brooks and Highhouse (2006) suggested taking a generalizability (G) theory approach (Cronbach, Gleser, Nanda, & Rajaratnam, 1972) to measuring corporate reputation. Accordingly, Highhouse, Broadfoot, et al. (2009) used G theory (Cronbach et al., 1972) to examine the generalizability of corporate reputation judgments. The authors developed three overall reputation items that were based on the notion that corporate reputation is a general, stable judgment about a company shared by several stakeholders. The three items that they developed were: “This company has an excellent reputation,” “This company is widely admired and respected,” and “This company is among the best.” Participants had to respond to these items
using a five-point *Strongly Agree* to *Strongly Disagree* response format. As expected, results showed that expert judgments of reputation did not vary across items, time, and people, whereas they varied across companies. In other words, the authors’ definition of corporate reputation was generally supported by the variance components, suggesting that reputation judgments were generalizable. Overall, results showed that corporate reputation can be reliably assessed with as few as three items and as few as five experts.

In the current study, the scale developed by Highhouse, Broadfoot, et al. (2009) was used to measure general evaluations of corporations. Although the scale was developed to measure corporate reputation at the group level, at the individual level, this scale measures each expert’s general evaluation. Give that the focus of the current study was on the individual level, this scale is referred to as measuring general evaluations of corporations instead of corporate reputation.

**Model of Individual Impression Formation**

Highhouse, Brooks, and Greguras (2009) offered a conceptual model to explain how corporate reputations develop from individual impressions of constituents. The authors proposed that corporate reputation represents a collection of several individual evaluations, and not just the evaluation of one individual (see Figure 1). In other words, individual corporate evaluations are the foundation of collective corporate reputation judgments, and corporate reputation reflects a *shared*, stable judgment of an organization. Figure 2 shows a simplified version of their impression formation model. As the model suggests, company impressions that different constituencies develop precede people’s general evaluations of a company. According to the model, these impressions are thought to be preceded by images, which are preceded by cues.

Highhouse, Brooks, and Greguras (2009) proposed that environmental cues signal characteristics of the company to individual people. Environmental cues involve information
about the company that constituents use when forming images of the organization, and they can be divided into substantive actions, symbolic actions, and external factors. Substantive and symbolic actions are largely controlled by the company and can be differentiated based on the type of investment companies make. For example, whereas substantive actions might include investing in product development, symbolic actions might include investing in advertising (Petkova, Rindova, & Gupta, 2008) or engaging in socially responsible actions, such as contributing to charities (e.g., Fombrun & Shanley, 1990). External factors are less under the company’s control, and they might include publicity (e.g., an article published about a firm in a newspaper) or word-of-mouth (e.g., an informal conversation with an acquaintance; Van Hoye & Lievens, 2005; Van Hoye & Lievens, 2009). According to signaling theory, people sometimes draw inferences based on cues or signals that are available (Spence, 1974). Therefore, environmental cues about a company signal specific things to people judging the organization, resulting in specific images being formed about certain aspects of the company. These specific images then influence respectability and impressiveness impressions about the organization, which are more stable and more general than images. These impressions precede an individual’s general evaluation of the company. In other words, Highhouse, Brooks, and Greguras hypothesized that impressions will mediate the relations among image perceptions and general evaluations (see Figure 3). Therefore, the following hypothesis was developed:

Hypothesis 1: Company respectability and impressiveness ratings will mediate the relations among image perceptions and general evaluations of corporations.

Although Highhouse, Brooks, and Greguras (2009) proposed that images, impressions, and general evaluations should be related, they did not specify relations among these different
constructs. Therefore, this study investigated specific relations among the different images, respectability and impressiveness impressions, and general evaluations. In the following sections, corporate impressions and corporate images are discussed in detail.

**Respectability and Impressiveness Impressions of Corporations**

According to Highhouse, Brooks, and Greguras (2009), respectability and impressiveness are the main corporate impressions dimensions preceding a person’s general evaluation of a company (see Figure 2). The authors proposed that, similar to how people engage in impression management, corporations engage in impression management (Bolino, Kacmar, Turnley, & Gilstrap, 2008). They suggested that corporations have two self-presentation motives: desire for approval and desire for status, which are grounded in the *getting along-getting ahead* distinction in socioanalytic theory in personality psychology. According to socioanalytic theory, there are two main motives that drive people’s behaviors, and these are getting along and getting ahead (Hogan, 1983; Hogan & Shelton, 1998). *Getting along* is the desire to seek approval and be accepted, whereas *getting ahead* is the desire to gain power and be in control (Wolfe, Lennox, & Cutler, 1986). According to Hogan and Shelton (1998), people differ based on which type of motive is more important to them. In other words, seeking approval and being accepted might be important to some people, whereas gaining power and being in control might be more important to other people (Hogan & Shelton, 1998).

This getting along-getting ahead distinction for human behavior is similar to the respectability-impressiveness distinction for corporate behavior. More specifically, companies should have a desire to be viewed as *respectable* and a desire to be viewed as *impressive* (Highhouse, Brooks, & Greguras, 2009). Respectability and impressiveness are somewhat in line with the *perceived quality* and *prominence* reputation dimensions offered by Rindova,
Williamson, Petkova, and Sever (2005). However, one main difference is that they viewed perceived quality as more specific than respectability, such that it reflects perceptions based on a specific attribute (e.g., company being a good employer). This definition seems to be more in line with how image is defined in this study (e.g., company having a positive employer image).

Respectability and impressiveness also seem to map on to the dimensions of *warmth* and *competence* from the social perception and social cognition literatures, which suggest that when people interact with others, they try to find out *what other people’s intentions are* (i.e., warmth) and *what their capabilities are* (i.e., competence; Fiske, Cuddy, & Glick, 2006; Fiske, Cuddy, Glick, & Xu, 2002). According to Fiske et al. (2006), research has shown that when people make judgments about other people, warmth and competence seem to account almost completely for how people evaluate others. The warmth construct encompasses characteristics that reflect perceived intent, whereas the competence construct encompasses characteristics reflecting perceived ability. For example, people or groups high on *warmth* tend to be characterized by adjectives such as friendly, trustworthy, and respectable, whereas people or groups high on *competence* are characterized as being intelligent, skillful, and creative (Fiske et al., 2006). Fiske and colleagues (2006) also concluded that status seems to predict competence, and that individuals seem to equate people’s high status (e.g., people with prestigious jobs) with perceived competence.

Based on these descriptions, warmth and competence also seem to be roughly parallel to respectability and impressiveness. Similar to how people judge others’ warmth and competence, it seems likely that when people are evaluating a company, they would take into account how respectable it is (similar to warm) and how impressive it is (similar to competent). However, it is unclear how the two types of impressions would affect general evaluations of corporations.
Research has shown that warmth seems to be more important than competence—warmth is evaluated prior to competence, and warmth judgments are more influential in affecting judgments about people (Fiske et al., 2006). In other words, warmth judgments have a stronger impact than competence judgments in people’s evaluations of others (Fiske et al., 2006). Therefore, it seems that people higher on warmth will be judged more favorably than will people higher on competence. In a similar vein, it seems that people lower on warmth will be judged more harshly than will people lower on competence. This finding seems to be an extension of the negativity bias, which states that positive traits are difficult to confirm and easy to disconfirm, whereas negative traits are easy to confirm and difficult to disconfirm (Rothbart & Park, 1986; Tausch, Kenworth, & Hewstone, 2007). Indeed, Tausch et al. (2007) showed that the negativity bias was moderated by trait content, such that there was a strong negativity bias for warmth and a reduced negativity bias for competence. This seems to be in line with the notion that warmth is related to perceived intent, whereas competence is related to perceived ability. It seems likely that people would be judged more harshly or more favorably on intent as opposed to ability. Along similar lines, it was expected that respectability impressions would have a stronger relation with general evaluations of corporations than would impressiveness impressions because respectability seems to be parallel to warmth. Therefore, if companies are especially high or low on respectability, then this should be weighted more heavily when people are evaluating a company than if companies are especially high or low on impressiveness. In other words, a company is expected to be judged more harshly if it is low on respectability than if it is low on impressiveness, and a company is expected to be judged more favorably if it is high on respectability than if it is high on impressiveness.
This study was the first step in examining the relative importance of each impression in predicting general evaluations of companies. Based on the above discussion, it was expected that both impressiveness and respectability would be significantly related to general evaluations, but that respectability would have a stronger relation with general evaluations than impressiveness. Therefore, the following hypothesis was developed:

**Hypothesis 2:** Company respectability ratings will be more strongly and positively related to general evaluations of companies than will company impressiveness ratings.

**Corporate Images**

According to Balmer (2001), corporate image deals with how external people perceive the organization. Similarly, Chun (2005) proposed that image refers to how other people view the firm. Some researchers, however, have argued that images can be perceptions of people either internal or external to an organization. For example, Elsbach (2006) defined organizational images as short-lived and specific perceptions of either insiders (i.e., organizational members) or outsiders (i.e., “external audiences and stakeholders;” p. 17). Barnett et al. (2006) also indicated that corporate image deals with general perceptions of the firm, regardless of whether the observers are internal or external to the company.

As previously stated, images are formed by an individual, and they are specific and transient. Given their specificity, images should address certain aspects of a company (e.g., financial aspect, social aspect). Highhouse, Brooks, and Greguras (2009) offered four examples of images: employer, market, financial, and social. These four images seem to be consistent with the four corporate performance markets offered by Rogers and Wright (1998). Although corporate performance has traditionally been viewed as how well corporations are doing
financially, researchers have been paying more attention to other aspects of corporate performance. Rogers and Wright (1998) tried to clarify the organizational performance construct by introducing the *Performance Information Market* (PIM) system. The PIM system differentiates among four markets that are relevant to the measurement of organizational performance, and these are the labor/employee, consumer/product, financial, and social/political markets. Therefore, it seems likely that people will form images about firms based on these four types of performance. In the current study, all four images were measured by asking people their image of a company as an employer, a producer (of goods and/or services), an investment opportunity, and a corporate citizen (see Figure 2).

*Employer image* refers to how a company is perceived as a place to work (e.g., this company is a good employer). *Market image* refers to how people view a company’s products or services (e.g., this company makes good cars). *Financial image* refers to people’s perceptions of a company’s financial performance (e.g., this company generates high profits; Brown & Perry, 1994). Highhouse, Broadfoot, et al. (2009) looked at the effects of employer, market, and financial images on overall corporate reputation judgments, using a sample of business professors. Results showed that all expert groups (i.e., finance, human resource management, and marketing professors) gave more weight to market image (i.e., company as a producer of goods and/or services) than either financial or employer image when making overall corporate reputation judgments. In other words, most weight was given to market image, regardless of the experts’ areas of specialization. Although Highhouse, Broadfoot, et al. investigated the effects of corporate images on evaluations of corporate reputation, they did not look at the influence of social image on corporate reputation judgments. *Social image* refers to people’s perceptions of a company’s social responsibility or social performance (e.g., this company cares about society).
Researchers have been paying more attention to the concept of corporate social performance or corporate social responsibility (CSR). Social performance has been linked to several competitive advantages, including corporate financial success, consumer decision making, and applicant decision making (e.g., Turban & Greening, 1996). For example, Turban and Greening (1996) found that companies that were higher on social performance had better reputations and were perceived as more attractive employers than companies that were lower on social performance.

Corporate images are expected to be directly related to individual company impressions. Given that there is a lack of research investigating the effects of corporate images on individual impressions, the present research examined the effects of all four images (i.e., employer, market, financial, and social) on the formation of impressions (i.e., respectability and impressiveness), and different images were expected to have a stronger relation with either respectability or impressiveness. Therefore, this study provided preliminary information regarding the relative importance of each image in predicting respectability and impressiveness impressions.

As previously stated, employer image refers to how a company is perceived as a place to work, and social image refers to people’s perceptions of a company’s social performance or responsibility. Overall, being a good employer suggests that a company treats its employees well and in a fair manner, and treating employees well indicates that a company is warm. Along similar lines, being socially responsible also seems to show that a company is warm. As previously discussed, respectability is similar to getting along (e.g., Hogan, 1983) and to warmth (Fiske et al., 2002). Therefore, it was expected that both employer and social images would be more strongly and positively related to respectability impressions than to impressiveness impressions. On the other hand, as previously mentioned, market image refers to how people view a company’s products or services, and financial image refers to people’s perceptions of a
company’s financial performance (Brown & Perry, 1994). Having an excellent brand market image indicates that the company should be doing well in selling its products or services. Similarly, excellent financial performance also implies that a company is doing well financially. Overall, doing well implies that a company is getting ahead. As previously discussed, impressiveness is similar to getting ahead (e.g., Hogan, 1983) and to competence (Fiske et al., 2002). Hence, it was expected that both market and financial images would be more strongly and positively related to impressiveness impressions than to respectability impressions. Therefore, the following hypotheses were developed regarding how employer, market, financial, and social images were expected to relate to respectability and impressiveness:

- **Hypothesis 3:** Employer image will be more strongly and positively related to company respectability ratings than to company impressiveness ratings.
- **Hypothesis 4:** Market image will be more strongly and positively related to company impressiveness ratings than to company respectability ratings.
- **Hypothesis 5:** Financial image will be more strongly and positively related to company impressiveness ratings than to company respectability ratings.
- **Hypothesis 6:** Social image will be more strongly and positively related to company respectability ratings than to company impressiveness ratings.

**The Current Study**

The current study was the first to test the impression formation model proposed by Highhouse, Brooks, and Greguras (2009), shedding light on the development of general evaluations of corporations, which is crucial for understanding the development of corporate reputation. This study also tested specific relations among corporate images, corporate impressions, and general evaluations of corporations (see Figure 3). It was hypothesized that
respectability impressions would have a stronger relation with general evaluations than would impressiveness impressions (see Table 2). In addition, it was expected that whereas employer and social images would be more strongly related to respectability than impressiveness, market and financial images would be more strongly related to impressiveness than respectability (see Table 3). Finally, it was expected that impressiveness and respectability impressions would mediate the relations among image perceptions and general evaluations of corporations (see Figure 3).
METHOD

Stimulus Companies

Two target companies were chosen as the focus of this investigation: Microsoft and Disney. This was done in order to see if the model identified for one well-known company would generalize to another well-known company in a different industry. Both companies were ranked among the top “60 most visible companies in the United States” in the RQ survey, which is conducted annually by Harris Interactive (Harris Interactive, 2010). These two companies are highly familiar, and elicit both positive and negative evaluations (Brooks, Highhouse, Russell, & Mohr, 2003). For example, Highhouse, Broadfoot, et al. (2009) found that Disney received several “best company” nominations as well as “worst company” nominations. Therefore, using these two companies ensured that people would be familiar enough with them to adequately evaluate them, and ensured variability in people’s perceptions of them.

Participants

Data were collected from alumni of the College of Business Administration at Bowling Green State University (BGSU). The initial data set consisted of 636 cases; however, 10 cases only had information pertaining to which condition the participants were assigned to, but had no other data provided (seven cases in Microsoft and three cases in Disney). Therefore, these 10 cases were immediately discarded, reducing the sample size to 626. Further data inspection revealed 31 additional problematic cases that did not have responses to at least one entire measure (21 cases in Microsoft and 10 cases in Disney). Those cases were also discarded, further reducing the sample size to 595. Finally, two more cases were deleted due to an apparent “glitch” in those participants’ web browsers, where two participants in the Microsoft condition seemed to have responded to both a Microsoft and a Disney item. In order to be conservative, both cases
were discarded. Therefore, after data cleaning, 271 cases were retained for the Microsoft condition, and 322 cases were retained for the Disney condition, resulting in a total sample size of 593. Furthermore, a “comfort” background item was included at the end of the study, where participants were asked to indicate how comfortable they were in evaluating the company to which they were assigned. This item was included as a response quality check prior to running the main analyses, such that only participants who gave a “3” (Neutral), a “4” (Comfortable), or a “5” (Very Comfortable) were retained. In other words, participants who gave a “2” (Uncomfortable) or a “1” (Very Uncomfortable) were eliminated prior to running the main analyses. This resulted in a sample size of 250 for Microsoft and a sample size of 304 for Disney. Overall, demographics of participants in both conditions were very similar, and they are reported separately for the Microsoft and Disney samples below (please see Appendix A for a list of all demographic items).

**Microsoft**

Participants in the Microsoft condition had a mean age of 43 years ($SD = 10$ years). Of the people who reported sex, 67% were males and 33% were females. Most participants indicated that they were White or Caucasian (97%). For highest degree received, 58% indicated that a Bachelor of Science in Business Administration was their highest degree received, 32% had a Master of Business Administration, and 10% had other degrees listed as their highest degree (these included degrees such as Master of Organization Development, Master of Accountancy, and Juris Doctorate, among others). The majority of participants were employed (92%), 11% were lower-level managers, 14% were middle managers, 34% were upper-level managers and executives, and 36% were in non-management or professional positions. Overall, participants had a mean of 20 years of work experience ($SD = 10$ years).
Disney

Participants in the Disney condition had a mean age of 42 years ($SD = 10$ years). Of the people who reported sex, 58% were males and 42% were females. Most participants indicated that they were White or Caucasian (93%). For highest degree received, 59% indicated that a Bachelor of Science in Business Administration was their highest degree received, 28% had a Master of Business Administration, and 12% had other degrees listed as their highest degree (these included degrees such as Master of Organization Development, Master of Accountancy, and Juris Doctorate, among others). The majority of participants were employed (92%), 9% were lower-level managers, 17% were middle managers, 29% were upper-level managers and executives, and 39% were in non-management or professional positions. Overall, participants had a mean of 20 years of work experience ($SD = 10$ years).

Measures

General Evaluations of Corporations

General evaluations of corporations were assessed using the scale developed by Highhouse, Broadfoot, et al. (2009). Their scale consisted of three items: “This company has an excellent reputation,” “This company is widely admired and respected,” and “This company is among the best.” A five-point Strongly Disagree to Strongly Agree response format was used for this scale. Highhouse, Broadfoot, et al. reported high internal consistency (mean alpha across companies = .88) and sensitivity to differences in evaluations across corporations. Reliability and exploratory factor analyses were run to ensure that the general evaluations scale has adequate psychometric properties, and those results are reported in the Results section.
Respectability and Impressiveness Impressions of Corporations

Respectability and impressiveness impressions were measured using adjectives or phrases that described respectability (e.g., decent, honorable, trustworthy) and impressiveness (e.g., prominent, influential, dominant). Using a five-point *Strongly Disagree* to *Strongly Agree* response format, participants were asked how much they thought these adjectives or phrases described the company to which they were assigned. Reliability and exploratory factor analyses were also run to ensure that the impressions subscales have adequate psychometric properties, and those results are also provided in the *Results* section. All corporate impressions items are provided in Appendix B.

Corporate Images

Four subscales were used to measure employer, market, financial, and social images. Highhouse, Broadfoot, et al. (2009) used three items to measure employer, market, and financial images. The current study expanded on Highhouse, Broadfoot, et al.’s single-item measures, developing six additional items to measure these three images, resulting in a three-item subscale for each image. A sample *employer image* item is: “This company is an excellent employer.” A sample *market image* is: “This company has a terrific brand image.” A sample *financial image* item is: “The financial performance of this company is excellent.” Similarly, a three-item subscale was developed to measure social image. A sample *social image* item is: “This company is socially responsible.” A five-point *Strongly Disagree* to *Strongly Agree* response format was used for these subscales. Reliability and exploratory factor analyses were also run to ensure that the image subscales have adequate psychometric properties, and those results are also reported in the *Results* section. Please see Appendix C for a list of all corporate images items.
Procedure

Business alumni who graduated from BGSU were recruited to participate in this study. They were sent an e-mail soliciting their participation and informing them about the study. They were also told that, for every person who participates, $1 will be donated to a BGSU scholarship fund for students of the College of Business Administration, up to $600. This was used as an incentive to increase participation. They were told to reply and enter “YES” in the subject line if they were interested in participating. If alumni indicated that they wanted to participate, then they were sent another e-mail that included the survey link. A total of 699 alumni indicated that they were interested in participating in this study, and a total of 593 usable surveys were returned. This resulted in an effective response rate of about 85%. When they clicked on the survey link, participants were directed to an informed consent statement (see Appendix D). Upon consenting to participate, participants were randomly assigned to either Microsoft or Disney and had to complete the different study measures. Participants had to complete the general evaluations scale first because it was important to ensure that the participants’ overall evaluation of the stimulus company was not influenced by the dimensions measured in the impressions and image subscales. The impressions subscales were counterbalanced such that people who completed the Microsoft survey were presented with respectability prior to impressiveness, whereas people who completed the Disney survey were presented with impressiveness prior to respectability. The image subscales were counterbalanced in both surveys. These procedures were followed to reduce the likelihood that results might be due to order effects. After completing the primary study measures, participants were asked to rate their level of comfort evaluating the company to which they were assigned, and to answer a few demographic items. Finally, participants were thanked for their participation and debriefed.
RESULTS

Preliminary Analyses

Prior to conducting the main analyses, some preliminary analyses were run to ensure that the scales used to measure the primary variables of interest have adequate psychometric properties. Specifically, exploratory factor analyses and reliability analyses were run on the measures assessing general evaluations, respectability and impressiveness impressions, and images. Given that a large sample size is preferable for running a factor analysis, all data were combined for these preliminary analyses, resulting in a sample size of 593. Means, standard deviations, and intercorrelations of the primary study variables in the entire sample are shown in Table 4. Coefficient alphas are shown in the diagonal. Although factor analytic results from the entire sample were used to decide whether items should be retained or deleted, in order to be complete, factor analyses were also run in each company separately, and those results are reported as well.

The scales were subjected separately to an exploratory factor analysis (EFA) using principal axis factoring (PAF) with an oblique direct oblimin rotation. With an oblique rotation, two types of matrices are produced: a pattern matrix and a structure matrix. Although there is some disagreement and controversy regarding which type of matrix to use when interpreting factors, the pattern matrix has been recommended (e.g., Tabachnick & Fidell, 2001; Timm, 2002) because the structure matrix provides zero-order correlations between the items and the factors (as opposed to “loadings”), and thus makes it more difficult and ambiguous to interpret factors when the factors are correlated (Pedhazur & Schmelkin, 1991). The loadings in the pattern matrix show the unique amount of variance explained in the item by the factor, and can be interpreted like partial regression coefficients; they also seem to be the loadings interpreted...
most frequently in applied research (Brown, 2006). Moreover, the structure matrix is essentially the pattern matrix multiplied by the factor correlations (Brown, 2006). Therefore, the pattern matrix loadings are reported as well as the factor correlations. Given the simple structure of the pattern matrix, which should essentially result in a solution that has clear strong loadings on one primary factor and low loadings on the remaining factors, more conservative cut-offs were used in this study, where items had to have a strong loading of .50 or higher on the primary factor (Costello & Osborne, 2005) and a loading of .20 or lower on the other factor(s) to be retained.

**General Evaluations of Corporations**

General evaluations of companies were assessed using three items developed by Highhouse, Broadfoot, et al. (2009). As stated above, factor and reliability analyses were conducted to ensure that this scale is unidimensional and internally consistent. The EFA results indicated that there was one factor underlying these items, as only one factor was extracted, and all three items loaded highly on the factor (.89, .91, and .70, respectively). After extraction, the factor accounted for a little over 70% of the variance. The factor matrix loadings were used, as only one factor was extracted, and therefore, no rotated matrices were produced. A similar factor structure was also found in each company, separately. A reliability analysis was then conducted using the entire sample, and results showed that this scale was internally consistent, with Coefficient alpha = .87. Moreover, results showed that alpha would not substantially increase if any of the items were deleted.

**Respectability and Impressiveness Impressions of Corporations**

As previously stated, respectability and impressiveness impressions were measured using 27 items (17 for respectability and 10 for impressiveness) which included adjectives or phrases that described respectability and impressiveness. Based on the eigenvalue greater than 1 rule,
initial EFA results showed a four-factor solution. However, other criteria were taken into
consideration to determine the underlying factor structure, including the scree plot and the
percentage of variance explained by each factor. It was clear from the scree plot that there were
only two factors underlying these items. Moreover, the first two factors accounted for the most
percentage of variance explained, with the first factor explaining almost 45% of the variance, and
the second factor explaining an additional 12% of the variance. The last two factors accounted
for only about 5 and 3% of the variance, respectively, and were not interpretable. Similar results
were found in Microsoft and Disney, where the first two factors accounted for the most
percentage of variance explained. The only difference was that Disney had an initial three-factor
solution instead of a four-factor solution, but the last factor also explained only about 3% of the
variance. Therefore, overall, similar results were found in each company.

After determining that two factors should be retained, it was necessary to determine
whether any items should be discarded. In order to get a better sense of which items should be
discarded, another PAF with an oblique direct oblimin rotation was run, forcing a two-factor
solution. The two factors had a correlation of .34. As shown in Table 5, results of this analysis
revealed that all the Respectability items loaded highly on the first factor (.50 or higher) with the
exception of revered that had a loading of .48. This item also had a loading .21 on the second
factor. Although praiseworthy had a loading of .65 on the primary factor, it had a loading of .23
on the second factor. Therefore, these two items were deleted from further analyses. The item
loadings were also examined in each company. Similar item loadings were found in Microsoft,
suggesting that revered and praiseworthy are the only two items that should be deleted. Overall,
similar item loadings were also found in Disney; however, praiseworthy met the criteria to be
retained, and likeable did not.
Regarding the *Impressiveness* items, six items met the criteria set in this study. As shown in Table 5, all items but *impressive, prestigious, renowned*, and *popular* had both high loadings on the second factor and low loadings on the first factor. Although *impressive* and *prestigious* had loadings higher than .50 on the second factor, they had loadings of .27 and .33 on the first factor. The item *renowned* had a loading of .47 on the primary factor and a loading of .26 on the first factor. Finally, the item *popular* had a higher loading on the first factor than the second factor (.41 and .13, respectively). Therefore, a decision was made to discard these four items. The item loadings were also examined in each company. Overall, similar item loadings were found in Microsoft; however, *impressive* and *renowned* met the criteria to be retained, and *high-status* did not. Similar item loadings were also found in Disney, but *important* did not meet the criteria to be retained.

Based on the EFA results from the entire sample, 15 items were retained for *Respectability* and six items were retained for *Impressiveness*. Although the adjective *impressive* was discarded and the retained adjectives of *prominent, high-status, important, influential,* *powerful,* and *dominant* seem to underlie a factor that could be labeled *prominence*, these items still reflect *impressiveness* as Highhouse, Brooks, and Greguras (2009) stated that companies that are high on impressiveness are “regarded as having prominence and prestige” (p. 1487). Therefore, the retained adjectives seem to reflect impressiveness as originally defined by Highhouse, Brooks, and Greguras. The item factor loadings for the retained items ranged from .70 to .85 for the *Respectability* factor, and ranged from .62 to .79 for the *Impressiveness* factor. After finalizing the items to be retained, reliability analyses were conducted on the *Respectability* and *Impressiveness* subscales. Results showed that both subscales were internally consistent, with Coefficient alphas of .96 and .84 for *Respectability* and *Impressiveness*, respectively.
Moreover, results showed that alphas for both subscales would not increase if any of the items were deleted.

**Corporate Images**

As previously mentioned, three-item subscales were used to measure employer, market, financial, and social images. The EFA results showed that there were indeed four factors underlying these items. The correlations among the four factors are shown in Table 6. The four factors accounted for about 39%, 13%, 11%, and 9% of the variance, respectively. It was also clear from the scree plot that there was a four-factor solution. Therefore, a decision was made that all four factors should be retained. As shown in Table 7, the four factors consisted of the market image items, the financial image items, the employer image items, and the social image items, respectively. After investigating the factor loadings in the pattern matrix (see Table 7), it was clear that the appropriate items strongly loaded on their corresponding factors, with loadings on the primary factors ranging from .59 to .96 in magnitude. All employer and social images items loaded negatively on their respective factors. Given that all items in each subscale loaded in the same direction, it is evident that the same factor is underlying the items in each subscale. Hence, the magnitude of the factor loadings can be interpreted regardless of the sign and can be reported in absolute value, and therefore, all loadings shown in Table 7 are in absolute value. Along similar lines, the correlations in Table 6 are also shown in absolute value. Moreover, all items had very low loadings on the other factors, ranging from .00 to .10 in magnitude. Hence, the EFA results showed that the four subscales developed to measure corporate images were adequately assessing the four appropriate images, and therefore, all 12 items measuring the four corporate images were retained for the main analyses. A similar four-factor solution, with similar item loadings, was also found in each company, separately. A reliability analysis was conducted.
for each corporate image subscale using the entire sample. Results showed that all four subscales were internally consistent, with Coefficient alphas of .90 for Employer Image, .84 for Market Image, .82 for Financial Image, and .92 for Social Image. Moreover, results showed that alphas for the Market and Social Image subscales would not increase if any of the items were deleted. Results also showed that alphas for the Employer and Financial Image subscales would not substantially increase if any of the items were deleted.

**Main Analyses**

For testing the primary hypotheses of this study, analyses were run separately for Microsoft and Disney. Means, standard deviations, and intercorrelations of the primary study variables in the final Microsoft and Disney samples are shown in Tables 8 and 9, respectively. Coefficient alphas are shown in the diagonals. Market image, financial image, respectability, impressiveness, and general evaluations were significantly different from each other in the two companies ($p < .001$), whereas employer image and social image were not significantly different from each other in the two companies (see Table 10 for $t$-tests and effect sizes). Specifically, Microsoft was rated higher on financial image and was perceived as more impressive than Disney; however, Microsoft was rated lower on market image, was perceived as less respectable, and was rated lower on general evaluations than Disney.

Path analyses using LISREL 8.80 were used to simultaneously test all the hypotheses of the current study (i.e., to investigate the relations among images, impressions, and general evaluations for each company). Specifically, the hypothesized fully-mediated model was tested in each company, with respectability and impressiveness impressions fully mediating the relation between each image and general evaluations of corporations (see Figure 3). To account for measurement error in the measures, the value of the path coefficient from each construct to its
observed indicator (single indicator equals the mean of the individual item responses) was set to equal the square root of the reliability of the measure, and the error variance of each indicator was fixed to equal the scale variance multiplied by one minus the scale reliability (VandeWalle, Brown, Cron, & Slocum, 1999; Williams & Hazer, 1986). Researchers have recommended comparing the hypothesized model to plausible alternative models when using path analysis to ensure that the hypothesized model best fits the data (e.g., Ullman, 2006). Two other alternative models of impression formation that are theoretically plausible are a partially-mediated model and an unmediated model. The partially-mediated model has respectability and impressiveness impressions partially mediating the relation between each image and general evaluations, and the unmediated model has direct paths from corporate images to general evaluations and excludes the mediators (i.e., respectability and impressiveness). Therefore, both alternative models were assessed for fit in addition to the hypothesized model.

**Goodness-of-Fit Indices**

Several indices were used to assess the goodness of fit of the different models, and these were the chi-square statistic ($\chi^2$), the root mean square error of approximation (RMSEA), the standardized root mean square residual (SRMR), and the comparative fit index (CFI). The $\chi^2$ statistic was used as an overall test of fit. However, because the $\chi^2$ statistic is highly dependent on sample size, other fit indices have been designed to deal with this problem (Hu & Bentler, 1999; Ullman, 2006), and they were used in this study. Some cut-off criteria have been suggested for each index. For the RMSEA, values of .06 or smaller have been suggested to indicate good fit (Hu & Bentler, 1999; Ullman, 2006). Other researchers have stated that a value of RMSEA less than .08 indicates good fit, whereas a value less than .05 indicates very good fit (e.g., Williams, Ford, & Nguyen, 2002). As for the SRMR, a cut-off close to .08 has been recommended (Hu &
Bentler, 1999). Finally, values of CFI greater than .95 have been suggested to indicate good fit (Hu & Bentler, 1999; Williams et al., 2002). Finally, given that the models are nested, the $\chi^2$ difference statistic ($\Delta \chi^2$) was used to compare the fit of the hypothesized model to the alternative models (Ullman, 2006).

As previously stated, a fully-mediated model was tested, along with a partially-mediated model and an unmediated model (see Figures 4, 5, and 6 for Microsoft; see Figures 7, 8, and 9 for Disney). The goodness-of-fit indices for the fully-mediated and partially-mediated models in the Microsoft and Disney samples are shown in Tables 11 and 12, respectively. No goodness-of-fit indices were calculated for the unmediated model as the model was saturated, and therefore, the fit was perfect. Inspection of the fit indices in Table 11 shows that although the SRMR and CFI showed very good fit for the fully-mediated model, the $\chi^2$ statistic and the RMSEA showed poor fit. On the other hand, all fit indices for the partially-mediated model showed excellent fit. Therefore, based on the fit indices, it seems that the partially-mediated model better fits the data in the Microsoft sample. Moreover, the addition of the direct paths from images to general evaluations resulted in a significant decrease in the chi-square statistic, $\Delta \chi^2 (4, N = 250) = 37.99, p < .001$. Therefore, results seem to show that a partially-mediated model better fits the data than a fully-mediated model in the Microsoft condition. Inspection of the fit indices in Table 12 shows that, with the exception of the $\chi^2$ statistic, all fit indices for the fully-mediated model showed good to excellent fit in the Disney sample. For the partially-mediated model, although the SRMR and CFI showed excellent fit, the $\chi^2$ statistic and the RMSEA showed poor fit. Moreover, the addition of the direct paths from images to general evaluations did not result in a significant decrease in the chi-square statistic, $\Delta \chi^2 (4, N = 304) = 7.55, p = .110$. Therefore, it
seems that the fully-mediated model better fits the data than the partially-mediated model in the Disney condition.

**Hypothesis 1**

*Hypothesis 1* stated that impressions would fully mediate the relations between each image and general evaluations. To test this hypothesis, model fit was assessed by looking at the goodness-of-fit indices as well as percentage of variance explained in general evaluations of corporations. As previously stated, fit indices provided support for a partially-mediated model in the Microsoft condition and for a fully-mediated model in the Disney condition.

Given that no goodness-of-fit indices were calculated for the unmediated model, another statistic was inspected to investigate whether the unmediated model might be a more appropriate and parsimonious model than the partially-mediated and fully-mediated models in Microsoft and Disney, respectively. Specifically, the percentage of variance explained (i.e., $R^2$) in general evaluations of corporations was compared across the three models. As shown in Table 13, the partially-mediated model explained the most variance in general evaluations of Microsoft (72%). This was followed by the unmediated model (66%), with the fully-mediated model explaining the least amount of variance in general evaluations of Microsoft (60%). Therefore, these results also suggest that the partially-mediated model might be the most appropriate model for Microsoft. The partially-mediated model also explained the most amount of variance in general evaluations of Disney (46%). This was followed by the fully-mediated model (44%), with the unmediated model explaining the least amount of variance in general evaluations of Disney (39%). Although the partially-mediated model also accounted for the most percentage of variance explained in general evaluations of Disney, the increase in percentage of variance from the hypothesized fully-mediated model to the partially-mediated model was not very substantial.
Including direct paths from corporate images to general evaluations resulted in much more variance explained in general evaluations of Microsoft (a 12% increase) than of Disney (a 2% increase). Therefore, this small increase in variance explained does not seem to warrant including direct paths from images to general evaluations, and the fully-mediated model seems to be the most appropriate and parsimonious model for Disney. Hence, these results also seem to support a partially-mediated model for Microsoft and a fully-mediated model for Disney, providing partial support for Hypothesis 1.

**Hypothesis 2**

In Hypothesis 2, it was expected that company respectability ratings would be more strongly and positively related to general evaluations of companies than would company impressiveness ratings. To test this hypothesis, the relevant standardized parameter estimates were investigated by looking at the estimates of the partially-mediated model in the Microsoft condition (see Figure 5) as well as the estimates of the fully-mediated model in the Disney condition (see Figure 7). As shown in Figure 5, the standardized parameter estimates for the paths from respectability and impressiveness to general evaluations of Microsoft were .42 ($p < .001$) and .02 ($p = .739$), respectively. As shown in Figure 7, the standardized parameter estimates for the paths from respectability and impressiveness to general evaluations of Disney were .43 ($p < .001$) and .34 ($p < .001$), respectively. As expected, respectability was more strongly and positively related to general evaluations than impressiveness in both companies. Hence, results provided support for Hypothesis 2.

**Hypothesis 3**

Hypothesis 3 stated that employer image would be more strongly and positively related to company respectability ratings than to company impressiveness ratings. To test this hypothesis,
the relevant standardized parameter estimates were also examined. As shown in Figure 5, the 
paths from Microsoft employer image to Microsoft respectability and impressiveness were .15 ($p$
$= .014$) and .08 ($p = .325$), respectively. As shown in Figure 7, the paths from Disney employer
image to Disney respectability and impressiveness were .12 ($p = .009$) and -.01 ($p = .841$),
respectively. Even though employer image had a negative relation with impressiveness (and
**Hypothesis 3** stated that the relation would be positive), the path estimate was not statistically
significant. Therefore, **Hypothesis 3** was also supported.

**Hypothesis 4**

In **Hypothesis 4**, it was expected that market image would be more strongly and
positively related to company impressiveness ratings than to company respectability ratings. To
test this hypothesis, the relevant standardized parameter estimates were also investigated. As
shown in Figure 5, the opposite was actually found in Microsoft, such that the parameter
estimate for the market image-respectability relation was more strongly related to respectability
than to impressiveness, with estimates of .46 ($p < .001$) and .20 ($p = .024$), respectively.
Therefore, **Hypothesis 4** was not supported in the Microsoft condition. As for Disney, Figure 7
shows that market image had a stronger positive relation with impressiveness than with
respectability, with path estimates of .43 ($p < .001$) and .26 ($p < .001$), respectively. Therefore, as
expected, market image was more strongly and positively related to impressiveness than
respectability in the Disney condition, providing support for **Hypothesis 4**. Hence, overall,
**Hypothesis 4** was partially supported.

**Hypothesis 5**

**Hypothesis 5** stated that financial image would be more strongly and positively related to
company impressiveness ratings than to company respectability ratings. To test this hypothesis,
the relevant standardized parameter estimates were also investigated (see Figures 5 and 7).

Results indeed showed that for Microsoft, financial image had a significant relation with impressiveness, with a path estimate of .31 \( (p < .001) \), whereas it had a negative non-significant relation with respectability, with a path estimate of -.08 \( (p = .236) \). Even though financial image had a negative relation with respectability (and Hypothesis 5 stated that the relation would be positive), the path estimate for that relation was not statistically significant. Results showed that for Disney, financial image was also more strongly and positively related to impressiveness than to respectability, with path estimates of .34 \( (p < .001) \) and .05 \( (p = .331) \), respectively. Hence, overall, results provided support for Hypothesis 5.

**Hypothesis 6**

Finally, in Hypothesis 6, it was expected that social image would be more strongly and positively related to company respectability ratings than to company impressiveness ratings. To test this hypothesis, the relevant standardized parameter estimates were also examined (see Figures 5 and 7). Results showed that for Microsoft, social image was more strongly related to respectability than to impressiveness, with path estimates of .44 \( (p < .001) \) and .16 \( (p = .028) \), respectively. Similarly for Disney, social image was also more strongly and positively related to respectability than to impressiveness, with path estimates of .52 \( (p < .001) \) and .09 \( (p = .321) \), respectively. Therefore, Hypothesis 6 was also supported.

It is worth noting that similar patterns of standardized parameter estimates were found in the fully-mediated model for Microsoft (see Figure 4). One notable difference is that there was a statistically significant relation between impressiveness and general evaluations in the fully-mediated model, with an estimate of .12 \( (p = .030) \), and that was not the case in the partially-mediated model. However, that estimate was still weaker than the estimate for the respectability-
general evaluations relation, which was .72 ($p < .001$). Similar patterns of standardized parameter estimates were also found in the partially-mediated model for Disney (see Figure 8).

Moreover, although no hypotheses were proposed for the images-general evaluations relations (given that a fully-mediated model was hypothesized), it is interesting to note that inspection of the path estimates in the unmediated models revealed that both market and social images had significant relations with general evaluations of Microsoft and Disney (see Figures 6 and 9). However, only market image had a statistically significant relation with general evaluations in the partially-mediated models (see Figures 5 and 8), with estimates of .54 ($p < .001$) and .22 ($p = .016$) for Microsoft and Disney, respectively. Therefore, after the inclusion of the mediators (i.e., respectability and impressiveness), the direct effect of social image on general evaluations became non-significant in both companies. This implies that the effect of social image on general evaluations seems to be completely mediated by respectability and impressiveness. Moreover, the market image-general evaluations relation was stronger in Microsoft than in Disney, providing further support for why a partially-mediated model seems to best fit the data in Microsoft and why a fully-mediated model seems to best fit the data in Disney. In other words, with respectability and impressiveness included in the model as mediators, there was still a strong direct effect of market image on general evaluations in Microsoft, but there was a weaker one in Disney.
DISCUSSION

Despite the importance of corporate reputation, little is known about how reputation develops. The main purpose of the current study was to begin to understand the formation of corporate reputation by investigating the development of general evaluations of corporations. Specifically, an impression formation model, recently proposed by Highhouse, Brooks, and Greguras (2009), was tested with a sample of working professionals. This study investigated the fit of the overall model, as well as specific relations among images, impressions, and general evaluations of companies (see Figure 2). The hypothesized model (see Figure 3) was tested using two companies from two different industry sectors (i.e., Microsoft and Disney) to increase the generalizability of the results. This study was the first step in building the theory of how general evaluations of corporations develop.

Overall, results indicated that the hypothesized fully-mediated model seems to best fit the data for Disney, but that a partially-mediated model seems to better fit the data than the fully-mediated model for Microsoft. Overall, the fit indices for the hypothesized fully-mediated model were better than the partially-mediated model in Disney, and only an additional 2% of variance in general evaluations was explained by adding direct paths from images to general evaluations. On the other hand, overall, fit was better for the partially-mediated model than the fully-mediated model in Microsoft, and substantially more variance in general evaluations was explained by the partially-mediated model (72%) than by the fully-mediated model (60%). Moreover, although fit indices could not be compared to the unmediated model, the partially-mediated and fully-mediated models still explained more variance than the unmediated models for Microsoft and Disney, respectively (see Table 13). Hence, results seem to suggest that the impression formation model proposed by Highhouse, Brooks, and Greguras (2009) received support, but that
depending on the company being evaluated, it might be better to include direct paths from images to general evaluations to better fit the data and to explain the most variance in general evaluations of corporations. These results imply that different mechanisms might be operating in the two different companies—whereas full mediation seems to be occurring in Disney, partial mediation seems to be occurring in Microsoft. Moreover, the partially-mediated model supported in Microsoft showed that only market image had a significant direct relation with general evaluations, implying that the relation between market image and general evaluations might be driving the partial mediation found in Microsoft.

Shrout and Bolger (2002) outline four situations where partial mediation may occur that could shed light on these findings. The first situation where partial mediation may occur is when the predictor has both direct and indirect effects on the criterion. This implies that images might also have direct and specific effects on general evaluations in addition to their indirect effects on general evaluations via impressions.

Another plausible situation is when there are other mediators that should be included in the model for full mediation to occur. This situation implies that the model was misspecified for excluding other possible mediating variables (Baron & Kenny, 1986). For example, there could be other impressions, in addition to respectability and impressiveness, which should be included as mediators in the model for full mediation to occur. Although this may be possible, it seems that if it were true, then a partially-mediated model should have fit better in both conditions. However, that was only true for Microsoft, but not for Disney.

The third situation that may lead to partial mediation is another instance of model misspecification. In this situation, there could be possible moderators influencing the predictor-mediatedator relation, the mediator-criterion relation, the predictor-criterion direct relation (Edwards
& Lambert, 2007), or any combination of all those possibilities. For example, there could be a moderator influencing the effect of images on general evaluations, but it was excluded from the impression formation model.

The final situation where partial mediation may occur is when the mediator is measured with error. In other words, respectability and impressiveness might have been measured with error. Although this is a possibility, it does not seem plausible either because the hypothesized fully-mediated model held in at least one company. Hence, it seems that the respectability and impressiveness subscales were sufficient in capturing their constructs well and were not measured with error.

The most plausible explanation for this study seems to be a combination of the first and third situations, such that one or more moderators could be influencing the strength of the direct effects of corporate images on general evaluations, and should be included in the impression formation model—this could explain why full mediation was observed in one company, whereas partial mediation was observed in another company. Given that only market image had a significant direct relation with general evaluations, it is possible that for some companies, the effect of market image on general evaluations might be fully mediated by impressions, but for others, the effect of market image on general evaluations might be partially mediated by impressions. Therefore, there could be a direct and specific effect of market image on general evaluations, depending on the company being evaluated. For example, type of product could account for the discrepancy in results found. More specifically, how “recognizable” or how “salient” a company’s products are could moderate the direct relation between market image and general evaluations. Specifically, if a company has highly recognizable and salient products (e.g., Microsoft, Honda, Coca-Cola), then market image will likely be very salient and will
probably have both an indirect effect and a strong direct effect on general evaluations. On the other hand, if a company has less recognizable products (e.g., Disney, Home Depot, Best Buy), then the direct effect of market image might not be very strong, and might only affect general evaluations via impressions. This might also be true of other images, whereby depending on the company being evaluated and on how salient the specific images are to people, some images might have direct strong relations with general evaluations in addition to their relations with company impressions.

This study also examined the relative importance of impressiveness and respectability impressions in predicting general evaluations of corporations. It was expected that both impressiveness and respectability would be positively related to general evaluations, but that respectability would have a stronger relation with general evaluations than would impressiveness. Results indeed showed that respectability had a stronger relation with general evaluations than did impressiveness. Research has shown that when people make judgments about other people, warmth and competence seem to account almost completely for how people evaluate others, and that warmth seems to be more important than competence (Fiske et al., 2006). Therefore, it seems that there might be similar processes underlying how people judge others and how people judge companies. Specifically, it seems likely that when people are making an overall judgment about an organization, how respectable (e.g., likeable) a company is (similar to warm) seems to be more important than how impressive (e.g., prominent) that company is (similar to competent). These findings also support the two reputation dimensions of perceived quality and prominence offered by Rindova et al. (2005), and extend those findings by indicating that perceived quality might be perceived as more important than prominence when evaluating a company’s reputation.
This study also looked at how each specific image was related to respectability and impressiveness impressions. It was expected that both employer and social images would be more strongly and positively related to respectability than to impressiveness for both Microsoft and Disney (see Figures 5 and 7). Being a good employer and being a good corporate citizen should primarily signal that a company is respectable (e.g., decent, moral) as opposed to impressive (e.g., prominent, influential). Results indeed showed that both employer and social images were more strongly and positively related to respectability than to impressiveness in both companies. It was also expected that financial image would be more strongly and positively related to impressiveness than to respectability for both Microsoft and Disney (see Figures 5 and 7). Financial image deals with people’s perceptions of a company’s corporate financial performance (Brown & Perry, 1994), which is an indication of how well a company is doing. How well a company is doing should primarily signal how prominent that company is, and whether that company is getting ahead (Hogan, 1983) and, as expected, financial image was primarily associated with company impressiveness perceptions. It was also hypothesized that market image would be more strongly related to impressiveness than to respectability. Specifically, it was hypothesized that having an excellent market image would indicate that the company should be doing well in selling its products or services, and doing well implies that a company is getting ahead (Hogan, 1983), which should be a reflection of how prominent a company is. Overall, results showed that market image was significantly related to both impressiveness and respectability. However, the magnitudes of those relations differed for Microsoft and Disney. As hypothesized, market image had a stronger relation with impressiveness than with respectability for Disney (see Figure 7), but it had a weaker relation with impressiveness than with respectability for Microsoft (see Figure 5). These findings
indicated that market image might be affected by the types of products or services the company sells. In other words, employer, financial, and social images seem to generalize better across companies and across industry sectors than market image. For example, treating employees well should be related to respectability regardless of what industry sector the company belongs to. However, market image is more specific and relates to the industry sector the company belongs to, and this might affect which type of impression it would be more strongly related to. Specifically, two companies that produce “good” products might be known for producing either more respectable or impressive products. For example, whereas some companies could be known for producing safe or dependable products, other companies might be known for producing stylish or expensive products (Highhouse, Thornbury, & Little, 2007). In other words, if a company is mainly known for producing a safe product, then that company’s market image might primarily signal respectability impressions. On the other hand, if a company is primarily known for producing a stylish product, then that company’s market image might mainly signal impressiveness impressions. This is not to say that a product could not signal both types of impressions, where the company could have products that might be seen as both respectable and impressive.

**Theoretical and Practical Implications**

**Theoretical Implications**

This study is important and timely, as it was the first to examine the development of individual general evaluations of corporations. Although the focus of this study was on individual general evaluations, as Highhouse, Brooks, and Greguras (2009) noted, these evaluations provide the foundation for understanding the development of consensus corporate reputation judgments. This study was the first to test this impression formation model,
investigating the fit of the overall model. Results indicated that impressions of respectability (e.g., respectable, honorable, decent) and impressiveness (e.g., high-status, important, influential) at least partially mediated the relations among different corporate images (e.g., social image, market image) and general evaluations of corporations, providing partial support for the hypothesized model. In other words, impressions seem to either fully or partially account for the relations among corporate images and general evaluations, suggesting that images seem to influence general evaluations via their effects on impressions. Hence, results showed that the impression formation model received support, but that depending on the company being evaluated, it might be better to include direct paths from images to general evaluations to better fit the data and to explain the most variance in general evaluations of corporations. These findings suggest that there could be possible moderators relating to the characteristics of the company being evaluated that might have to be included in the impression formation model to fully understand how general evaluations develop. Although images seem to primarily signal respectability and impressiveness impressions, some might directly signal general evaluations, depending on how salient or important they are in a specific company.

Furthermore, this study extended the Highhouse, Brooks, and Greguras (2009) model by examining specific relations not specified in the original model, such as testing which type of impressions (i.e., respectability or impressiveness) related most strongly to general evaluations of corporations. Results showed that respectability seems to be more strongly related to general evaluations than impressiveness. These results provide additional support to the getting along and getting ahead self-presentation motives in socioanalytic theory and to the universal dimensions of warmth and competence found in the social cognition literature, and extend them to an organizational context. Moreover, given the proximal nature of impressions as antecedents
to general evaluations, more research needs to be conducted to investigate whether other factors might directly influence respectability and impressiveness, paying special attention to respectability. For example, could some cues directly influence impressions? Cues were not included in the current investigation, but research should be conducted investigating the nature of the relations among cues, images, and impressions to determine if images fully or partially mediate the relations among the different cues and impressions, and if type of company might also possibly moderate these relations. Ultimately, such research would provide a more comprehensive theoretical framework for understanding how reputation develops. The relations among images and impressions were also examined in this study. Findings suggested that market, employer, and social images were significantly related to respectability. Given the role that images seem to play in the formation of corporate impressions and general evaluations, it is important to investigate the factors that influence these images.

**Practical Implications**

Results of this study should have implications for practice, as companies could use these results to help enhance people’s evaluations of them. Given that impressions seem to be proximal antecedents of general evaluations, companies should try to enhance their respectability and impressiveness impressions. Companies should especially focus on enhancing their respectability impressions, as respectability was more positively and strongly related to general evaluations than impressiveness. For example, companies could try to enhance people’s impressions of them by using some of the descriptors used in this study in their company and job ads (e.g., friendly, honest). As shown in this study, images seem to be proximal antecedents of impressions, and therefore, companies should also focus on enhancing their images in order to enhance people’s impressions of them. Results showed that market image had a very strong
relation with respectability impressions for two companies that are in different industry sectors. Therefore, enhancing market image seems to be something that companies should pay attention to and spend resources on. Along similar lines, both employer and social images were related to respectability, and therefore, those are two types of images to which companies should pay attention. Moreover, these are images that should be relatively easy to control (e.g., treating employees well, contributing to charity) as opposed to financial image (e.g., increasing profits). Hence, companies whose reputations have recently suffered might benefit from these results and could start repairing their reputations by enhancing these images. As previously stated, research should also try to investigate if there are factors or cues that could directly influence impressions. Companies could try to manipulate these organizational cues to enhance people’s impressions of them.

**Study Limitations**

There are a couple of limitations to this study that should be mentioned. The primary limitation of this study is that all the study variables were measured using self-report in a single time period. This might be of concern because common method contamination could inflate correlations among variables measured using the same method. Although common method variance seems to be consistently viewed as problematic in research, some researchers have recently stated that it might not be as problematic as it seems, and that this problem appears to be an “urban legend” (e.g., Chan, 2009; Lance, Dawson, Birkelbach, & Hoffman, 2010). For example, Lance and colleagues (2010) recently conducted a study examining the effects of common method variance on inflating correlations among variables. The authors indeed found that “common method effects do not appear to be so large as to pose a serious threat to organizational research, especially when the counteracting effects of measurement error are
considered” (p. 450). Moreover, different potential biasing factors that might be problematic when using self-report data, such as social desirability and negative affectivity (Spector, 2006), do not seem relevant to this study. For example, it seems likely that social desirability might affect responses to “sensitive” items but not to “less sensitive” items (Spector, 1994, p. 386). Given that no items in this study were personally sensitive, and they simply asked people to evaluate companies, it does not seem that this should have been a cause for concern. Even if people might think it might be more socially desirable to evaluate a certain company positively or negatively, the stimulus companies used in this study (i.e., Microsoft and Disney) do not warrant this to be a cause for concern either. For example, if a stimulus company that had recently suffered from a scandal was used (e.g., BP), then this might have been a legitimate concern. Another limitation involves the use of newly-developed subscales to measure respectability and impressiveness. The items used were developed for this study, and more validation is needed to support their use in the future. However, preliminary factor and reliability analysis results showed that these subscales had good psychometric properties. In addition, the majority of the image items were also developed for this study, but preliminary results also showed that they had good psychometric properties.

**Future Directions**

Different stimulus companies could be used to enhance the external validity of the inferences made. For example, companies from other sectors, companies that are not *Fortune 500* companies, new companies, and companies with bad reputations could be examined to see whether the model is relevant to different situations. Moreover, it would be interesting to investigate if the hypothesized fully-mediated model would indeed hold for companies with less recognizable or salient products (e.g. Home Depot), and if a partially-mediated model would
indeed be more appropriate than a fully-mediated model for companies with more recognizable or salient products (e.g., Honda). Another potential study could investigate whether this model holds across different subpopulations (e.g., stockholders vs. applicants, Americans vs. Asians). We might find, for example, that stockholders place more emphasis on financial image than applicants when evaluating a company. We might expect people from East Asian countries to pay more attention to how companies are portrayed in the media than Americans when forming impressions about companies (e.g., Fan, 2007). Results of studies such as these could shed light on whether some subpopulation groups should be included as potential moderators in the impression formation model. Moreover, future research should further pursue construct validation efforts, especially for the respectability and impressiveness subscales. Research should also examine if using descriptors or adjectives in company and job ads could be effective in enhancing respectability and impressiveness impressions. Furthermore, this study did not test the environmental cues that signal information about a company’s social image, employment image, and so forth. Research should also examine the relations among cues, images, and impressions to better understand how reputation develops. For example, does introducing flexible work hours enhance employer images? Future research could involve experimentally manipulating different cues and investigating their effects on the different images. For example, a study could manipulate different CSR policies (e.g., promoting environmentally-friendly work practices, making charitable donations) and examine the effects of the different policies on social image. As previously mentioned, research should investigate if there are factors or cues that could directly influence corporate impressions. For example, studies could also examine if some CSR policies might have a direct effect on respectability impressions to better understand the role that images play in the formation of corporate impressions. Similar studies could be conducted to
investigate the effects of several organizational practices on images and impressions. Studies such as these could provide more guidance for companies regarding what strategies they could employ and what actions they could take in order to enhance their images and impressions.

**Conclusions**

The main purpose of the current study was to begin to understand the formation of corporate reputation by investigating the development of general evaluations of corporations. Overall, results showed that impressions of respectability (e.g., respectable, honorable, decent) and impressiveness (e.g., high-status, important, influential) mediated the relations among different corporate images (e.g., social image, market image) and general evaluations of corporations, and that respectability was more strongly related to general evaluations than was impressiveness. Findings also suggested that companies should especially pay attention to their market image, which was strongly related to respectability and general evaluations, as well as their employer and social images, which were significantly related to respectability. This study, therefore, provided a first step in beginning to understand how individual general evaluations of corporations develop, thus shedding light on how consensus judgments of corporate reputation develop.
REFERENCES


Table 1

*Distinctions among Corporate Reputation, General Evaluations of Corporations, and Corporate Images*

<table>
<thead>
<tr>
<th>Corporate Construct</th>
<th>Source Level</th>
<th>Specificity Level</th>
<th>Temporal Stability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reputation</td>
<td>Group</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td><strong>General Evaluations</strong></td>
<td>Individual</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td><strong>Images</strong></td>
<td>Individual</td>
<td>High</td>
<td>Low</td>
</tr>
</tbody>
</table>
Table 2

*Hypothesis 2*

<table>
<thead>
<tr>
<th>Corporate Impressions</th>
<th>General Evaluations</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Respectability</em></td>
<td>++</td>
</tr>
<tr>
<td><em>Impressiveness</em></td>
<td>+</td>
</tr>
</tbody>
</table>
Table 3

*Summary of Hypotheses 3 through 6*

<table>
<thead>
<tr>
<th>Corporate Image</th>
<th>Respectability Impressions</th>
<th>Impressiveness Impressions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer</td>
<td>++</td>
<td>+</td>
</tr>
<tr>
<td>Market</td>
<td>+</td>
<td>++</td>
</tr>
<tr>
<td>Financial</td>
<td>+</td>
<td>++</td>
</tr>
<tr>
<td>Social</td>
<td>++</td>
<td>+</td>
</tr>
</tbody>
</table>
## Table 4

**Means, Standard Deviations, and Intercorrelations of Primary Study Variables for the Entire Sample**

<table>
<thead>
<tr>
<th>Variable</th>
<th>$M$</th>
<th>$SD$</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer Image</td>
<td>3.55</td>
<td>0.70</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(.90)</td>
</tr>
<tr>
<td>Market Image</td>
<td>4.20</td>
<td>0.71</td>
<td>.31**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(.84)</td>
</tr>
<tr>
<td>Financial Image</td>
<td>3.76</td>
<td>0.69</td>
<td>.29**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(.82)</td>
</tr>
<tr>
<td>Social Image</td>
<td>3.60</td>
<td>0.77</td>
<td>.44**</td>
<td>.43**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(.92)</td>
</tr>
<tr>
<td>Respectability</td>
<td>3.61</td>
<td>0.69</td>
<td>.45**</td>
<td>.62**</td>
<td>.24**</td>
<td></td>
<td></td>
<td></td>
<td>(.96)</td>
</tr>
<tr>
<td>Impressiveness</td>
<td>4.34</td>
<td>0.53</td>
<td>.29**</td>
<td>.25**</td>
<td>.48**</td>
<td>.35**</td>
<td></td>
<td></td>
<td>(.84)</td>
</tr>
<tr>
<td>General Evaluations</td>
<td>4.14</td>
<td>0.73</td>
<td>.31**</td>
<td>.57**</td>
<td>.24**</td>
<td>.45**</td>
<td>.63**</td>
<td></td>
<td>(.87)</td>
</tr>
</tbody>
</table>

Note. $N = 593$. Coefficient alphas are shown in the diagonal.

** $p < .01$. 

Table 5

*Pattern Matrix Loadings from the Exploratory Factor Analysis Run on the Respectability and Impressiveness Items after Forcing a Two-Factor Solution*

<table>
<thead>
<tr>
<th>Item</th>
<th>Factor 1</th>
<th>Factor 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Respectability Items</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Respectable</td>
<td>.70</td>
<td></td>
</tr>
<tr>
<td>Honorable</td>
<td>.82</td>
<td></td>
</tr>
<tr>
<td>Decent</td>
<td>.72</td>
<td></td>
</tr>
<tr>
<td>Likeable</td>
<td>.75</td>
<td></td>
</tr>
<tr>
<td>Friendly</td>
<td>.80</td>
<td></td>
</tr>
<tr>
<td>Kind</td>
<td>.85</td>
<td></td>
</tr>
<tr>
<td>Nice</td>
<td>.85</td>
<td></td>
</tr>
<tr>
<td>Truthful</td>
<td>.78</td>
<td></td>
</tr>
<tr>
<td>Praiseworthy</td>
<td>.65</td>
<td>.23</td>
</tr>
<tr>
<td>Moral</td>
<td>.80</td>
<td></td>
</tr>
<tr>
<td>High Integrity</td>
<td>.84</td>
<td></td>
</tr>
<tr>
<td>Honest</td>
<td>.80</td>
<td></td>
</tr>
<tr>
<td>Revered</td>
<td>.48</td>
<td>.21</td>
</tr>
<tr>
<td>Warm</td>
<td>.79</td>
<td></td>
</tr>
<tr>
<td>Trustworthy</td>
<td>.82</td>
<td></td>
</tr>
<tr>
<td>Has good values</td>
<td>.82</td>
<td></td>
</tr>
<tr>
<td>Ethical</td>
<td>.83</td>
<td></td>
</tr>
<tr>
<td><strong>Impressiveness Items</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impressive</td>
<td>.27</td>
<td>.55</td>
</tr>
<tr>
<td>Prestigious</td>
<td>.33</td>
<td>.53</td>
</tr>
<tr>
<td>Prominent</td>
<td>.64</td>
<td></td>
</tr>
<tr>
<td>High-status</td>
<td>.62</td>
<td></td>
</tr>
<tr>
<td>Important</td>
<td>.63</td>
<td></td>
</tr>
<tr>
<td>Influential</td>
<td>.71</td>
<td></td>
</tr>
<tr>
<td>Powerful</td>
<td>.79</td>
<td></td>
</tr>
<tr>
<td>Dominant</td>
<td>.70</td>
<td></td>
</tr>
<tr>
<td>Renowned</td>
<td>.26</td>
<td>.47</td>
</tr>
<tr>
<td>Popular</td>
<td>.41</td>
<td>.13</td>
</tr>
</tbody>
</table>

*Note.* Strong loadings on the primary factor (i.e., ≥ .50) are bolded; low loadings on the other factor (i.e., ≤ .20) are not shown.
Table 6

*Correlations among the Factors from the Exploratory Factor Analysis Run on the Images Items*

<table>
<thead>
<tr>
<th>Factor</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Image</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Image</td>
<td>.24</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employer Image</td>
<td>.33</td>
<td>.31</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Social Image</td>
<td>.49</td>
<td>.33</td>
<td>.46</td>
<td>1.00</td>
</tr>
</tbody>
</table>

*Note.* All employer and social images items loaded negatively on their respective factors; therefore, correlations are shown in absolute value.
Table 7

Pattern Matrix Loadings from the Exploratory Factor Analysis Run on the Images Items

<table>
<thead>
<tr>
<th>Item</th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>Factor 3</th>
<th>Factor 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employer Image Items</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>This company is an excellent employer.</td>
<td></td>
<td></td>
<td></td>
<td>.92</td>
</tr>
<tr>
<td>This company treats its employees well.</td>
<td></td>
<td></td>
<td></td>
<td>.96</td>
</tr>
<tr>
<td>This would be a great company to work for.</td>
<td></td>
<td></td>
<td></td>
<td>.69</td>
</tr>
<tr>
<td><strong>Market Image Items</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>This company has a terrific brand image.</td>
<td>.70</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>This company provides excellent products and/or services.</td>
<td>.85</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>This company is known for its great quality.</td>
<td>.85</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial Image Items</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The financial performance of this company is excellent.</td>
<td>.87</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>This company generates high profits.</td>
<td></td>
<td></td>
<td></td>
<td>.90</td>
</tr>
<tr>
<td>This company is a great investment opportunity.</td>
<td>.59</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Social Image Items</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>This company is socially responsible.</td>
<td></td>
<td></td>
<td></td>
<td>.89</td>
</tr>
<tr>
<td>This company cares about society.</td>
<td></td>
<td></td>
<td></td>
<td>.93</td>
</tr>
<tr>
<td>This company is a great corporate “citizen.”</td>
<td></td>
<td></td>
<td></td>
<td>.85</td>
</tr>
</tbody>
</table>

*Note.* Strong loadings on the primary factor (i.e., ≥ .50) are bolded; low loadings on the other factors (i.e., ≤ .20) are not shown. All employer and social images items loaded negatively on their respective factors; therefore, loadings are shown in absolute value.
Table 8

Means, Standard Deviations, and Intercorrelations of Primary Study Variables for the Microsoft Sample

<table>
<thead>
<tr>
<th>Variable</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Employer Image</td>
<td>3.60</td>
<td>0.66</td>
<td>(.87)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Market Image</td>
<td>3.92</td>
<td>0.76</td>
<td>.35**</td>
<td>(.83)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Financial Image</td>
<td>3.96</td>
<td>0.67</td>
<td>.43**</td>
<td>.42**</td>
<td>(.80)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Social Image</td>
<td>3.61</td>
<td>0.79</td>
<td>.32**</td>
<td>.42**</td>
<td>.26**</td>
<td>(.93)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Respectability</td>
<td>3.43</td>
<td>0.65</td>
<td>.41**</td>
<td>.61**</td>
<td>.32**</td>
<td>.65**</td>
<td>(.96)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Impressiveness</td>
<td>4.55</td>
<td>0.46</td>
<td>.33**</td>
<td>.40**</td>
<td>.42**</td>
<td>.34**</td>
<td>.34**</td>
<td>(.86)</td>
<td></td>
</tr>
<tr>
<td>7 General Evaluations</td>
<td>4.04</td>
<td>0.68</td>
<td>.34**</td>
<td>.67**</td>
<td>.30**</td>
<td>.46**</td>
<td>.69**</td>
<td>.34**</td>
<td>(.86)</td>
</tr>
</tbody>
</table>

Note. N = 250. Coefficient alphas are shown in the diagonal.  
** p < .01.
Table 9

Means, Standard Deviations, and Intercorrelations of Primary Study Variables for the Disney Sample

<table>
<thead>
<tr>
<th>Variable</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer Image</td>
<td>3.54</td>
<td>0.74</td>
<td>(.92)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Image</td>
<td>4.46</td>
<td>0.55</td>
<td>.37**</td>
<td>(.80)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Image</td>
<td>3.60</td>
<td>0.67</td>
<td>.20**</td>
<td>.32**</td>
<td>(.83)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Image</td>
<td>3.63</td>
<td>0.76</td>
<td>.51**</td>
<td>.53**</td>
<td>.40**</td>
<td>(.92)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Respectability</td>
<td>3.81</td>
<td>0.67</td>
<td>.51**</td>
<td>.57**</td>
<td>.37**</td>
<td>.73**</td>
<td>(.97)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impressiveness</td>
<td>4.20</td>
<td>0.53</td>
<td>.25**</td>
<td>.47**</td>
<td>.44**</td>
<td>.42**</td>
<td>.47**</td>
<td>(.80)</td>
<td></td>
</tr>
<tr>
<td>General Evaluations</td>
<td>4.27</td>
<td>0.73</td>
<td>.32**</td>
<td>.49**</td>
<td>.32**</td>
<td>.47**</td>
<td>.56**</td>
<td>.46**</td>
<td>(.88)</td>
</tr>
</tbody>
</table>

*Note. N = 304. Coefficient alphas are shown in the diagonal.

** p < .01.
Table 10

*Mean Differences between the Primary Study Variables in Microsoft and Disney*

<table>
<thead>
<tr>
<th>Variable</th>
<th>$t$</th>
<th>$d$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer Image</td>
<td>1.01</td>
<td>0.09</td>
</tr>
<tr>
<td>Market Image</td>
<td>-9.45***</td>
<td>0.81</td>
</tr>
<tr>
<td>Financial Image</td>
<td>6.22***</td>
<td>0.54</td>
</tr>
<tr>
<td>Social Image</td>
<td>-0.41</td>
<td>0.03</td>
</tr>
<tr>
<td>Respectability</td>
<td>-6.60***</td>
<td>0.58</td>
</tr>
<tr>
<td>Impressiveness</td>
<td>8.19***</td>
<td>0.71</td>
</tr>
<tr>
<td>General Evaluations</td>
<td>-3.82***</td>
<td>0.33</td>
</tr>
</tbody>
</table>

*Note. N = 554. Mean Difference = $M$ in Microsoft - $M$ in Disney.*** $p < .001.$*
Table 11

Goodness-of-Fit Indices for the Fully-Mediated and Partially-Mediated Models in the Microsoft Sample

<table>
<thead>
<tr>
<th>Model</th>
<th>$\chi^2$</th>
<th>df</th>
<th>RMSEA</th>
<th>SRMR</th>
<th>CFI</th>
<th>$\Delta\chi^2$</th>
<th>df</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully-Mediated Model</td>
<td>38.11***</td>
<td>5</td>
<td>0.16</td>
<td>0.04</td>
<td>0.96</td>
<td>37.99***</td>
<td>4</td>
</tr>
<tr>
<td>Partially-Mediated Model</td>
<td>0.12</td>
<td>1</td>
<td>0.00</td>
<td>0.00</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note. $N = 250$. RMSEA = Root Mean Square Error of Approximation; SRMR = Standardized Root Mean Square Residual; CFI = Comparative Fit Index. *** $p < .001$. 
Table 12

*Goodness-of-Fit Indices for the Fully-Mediated and Partially-Mediated Models in the Disney Sample*

<table>
<thead>
<tr>
<th>Model</th>
<th>$\chi^2$</th>
<th>df</th>
<th>RMSEA</th>
<th>SRMR</th>
<th>CFI</th>
<th>$\Delta\chi^2$</th>
<th>df</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully-Mediated Model</td>
<td>11.56*</td>
<td>5</td>
<td>0.07</td>
<td>0.02</td>
<td>1.00</td>
<td>7.55</td>
<td>4</td>
</tr>
<tr>
<td>Partially-Mediated Model</td>
<td>4.01*</td>
<td>1</td>
<td>0.10</td>
<td>0.01</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note. N = 304. RMSEA = Root Mean Square Error of Approximation; SRMR = Standardized Root Mean Square Residual; CFI = Comparative Fit Index.*
* $p < .05.$
Table 13

Percentage of Variance Explained ($R^2$) in General Evaluations of Corporations

<table>
<thead>
<tr>
<th>Model</th>
<th>Microsoft</th>
<th>Disney</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully-Mediated Model</td>
<td>60%</td>
<td>44%</td>
</tr>
<tr>
<td>Partially-Mediated Model</td>
<td>72%</td>
<td>46%</td>
</tr>
<tr>
<td>Unmediated Model</td>
<td>66%</td>
<td>39%</td>
</tr>
</tbody>
</table>
Figure 1. Formation of corporate reputation.
Figure 2. Formation of general evaluations of corporations.
Figure 3. Hypothesized fully-mediated model.
**Figure 4.** Standardized parameter estimates for the fully-mediated model in the Microsoft sample. Indicator variables and errors were modeled but are not shown.

* p < .05. *** p < .001.
Figure 5. Standardized parameter estimates for the partially-mediated model in the Microsoft sample. Indicator variables and errors were modeled but are not shown. * $p < .05$. *** $p < .001$. 
Figure 6. Standardized parameter estimates for the unmediated model in the Microsoft sample. Indicator variables and errors were modeled but are not shown.

** $p < .01$. *** $p < .001$. 
Figure 7. Standardized parameter estimates for the fully-mediated model in the Disney sample. Indicator variables and errors were modeled but are not shown.

** $p < .01$. *** $p < .001$. 
Figure 8. Standardized parameter estimates for the partially-mediated model in the Disney sample. Indicator variables and errors were modeled but are not shown.

* $p < .05$. ** $p < .01$. *** $p < .001$. 
Figure 9. Standardized parameter estimates for the unmediated model in the Disney sample. Indicator variables and errors were modeled but are not shown.

* $p < .05$. *** $p < .001$. 
APPENDIX A: DEMOGRAPHIC ITEMS

Gender
- Male
- Female

Age _____

Race/Ethnicity (Check all that apply)
- White or Caucasian
- Black or African American
- American Indian or Alaska Native
- Asian
- Native Hawaiian or Other Pacific Islander
- Hispanic or Latino
- Other

Highest degree received
- Bachelor of Science in Business Administration
- Master of Business Administration
- Other (Please include degree and field your degree is in) _____

Specialization in highest degree received, if applicable (e.g., management, marketing, etc.)
_____

Years of overall work experience (if months, please write the word months) _____

Are you currently employed?
- Yes
- No

For the following questions, if you are not currently employed, then please refer to the most recent job that you held.

Current job level
- Non-supervisory
- First-line supervisor
- Lower-level manager
- Middle manager
- Upper-level manager
- Executive
- Division head
- Chief executive officer (CEO)
- Other _____
Department you work in at current employer

- Human Resources
- Marketing
- Sales
- Accounting
- Finance
- IT/IS
- Manufacturing
- Research and Development (R&D)
- Customer Service
- Other _____

Industry sector current employer belongs to

- Technology
- Travel and Tourism
- Retail
- Consumer Products
- Telecom
- Manufacturing
- Pharmaceutical
- Energy/Utilities
- Airlines
- Insurance
- Automotive
- Financial Services
- Other _____

Years of work at current employer (if months, please write the word months) _____
APPENDIX B: CORPORATE IMPRESSIONS ITEMS

*Respectability*

- Respectable
- Honorable
- Decent
- Likeable
- Friendly
- Kind
- Nice
- Truthful
- Praiseworthy*
- Moral
- High Integrity
- Honest
- Revered*
- Warm
- Trustworthy
- Has good values
- Ethical

*Impressiveness*

- Impressive*
- Prestigious*
- Prominent
- High-status
- Important
- Influential
- Powerful
- Dominant
- Renowned*
- Popular*

* Items were discarded based on exploratory factor analytic results.
APPENDIX C: CORPORATE IMAGES ITEMS

Employer Image Items

- This company is an excellent employer.
- This company treats its employees well.
- This would be a great company to work for.

Market Image Items

- This company has a terrific brand image.
- This company provides excellent products and/or services.
- This company is known for its great quality.

Financial Image Items

- The financial performance of this company is excellent.
- This company generates high profits.
- This company is a great investment opportunity.

Social Image Items

- This company is socially responsible.
- This company cares about society.
- This company is a great corporate “citizen.”
APPENDIX D: INFORMED CONSENT STATEMENT AND HSRB APPROVAL LETTER

**Principal Investigator:** Dalia Diab, M.S.
**Faculty Advisor:** Scott Highhouse, Ph.D.

You are invited to participate in a study about perceptions of corporations. Given your background in business, you may find this study to be interesting and beneficial. This research should also shed light on how people perceive companies.

If you choose to participate, you will be asked to respond to items pertaining to one company, as well as a few background items. It should take you only about 10 minutes to complete this online survey.

Your responses will remain anonymous, as you will not be asked to provide any identifying information that could be linked to your responses. To further preserve your anonymity, you may clear the browser cache and page history after submitting your survey responses, especially if you are completing the survey on a public computer. In addition, any demographic information you provide will not be used for identification purposes and will only be reported on an aggregated basis. Furthermore, only members of the research team (a doctoral student and a faculty advisor) will have access to the information you provide.

There are no known risks associated with this study. Participation in this study is entirely voluntary. Your decision to participate or not participate will have no impact on your relationship to this institution. You have the right to withdraw your consent or discontinue participation in this study at any time without penalty. You have to be at least 18 years old to participate in this study. For every person who participates, $1 will be donated to a BGSU scholarship fund for students of the College of Business Administration, up to $600.

If you have any further questions pertaining to this study, you may contact the principal investigator, Dalia Diab (ddiab@bgsu.edu, 419-372-4397), Department of Psychology, Bowling Green State University or the faculty advisor, Scott Highhouse (shighho@bgsu.edu, 419-372-8078), at any time. You may also contact the Chair of Human Subjects Review Board (hsrb@bgsu.edu, 419-372-7716), Bowling Green State University, with questions or concerns about the conduct of this study or your rights as a research participant.

By completing and submitting this survey, you are agreeing to participate in this study.
July 13, 2010

TO: Dalia Diab
   Psychology

FROM: Hillary Harms, Ph.D.
      HSRB Administrator

RE: HSRB Project #: H10D317GX2

TITLE: How do Global Impressions of Corporations Develop? Test of an
        Impression Formation Model

The Human Subjects Review Board (HSRB) has reviewed the requested modifications you submitted for your project involving human subjects. Effective July 12, 2010, the following modifications have been approved:

1. Provide a generic statement about fund and increase amount to $600.00 in the informed consent statement and recruitment email script.

You may proceed with subject recruitment and data collection.

The final approved version of the consent document(s) is attached. The consent document(s) bearing the HSRB approval/expiration date stamp is the only valid version and, if it is a revision to previously approved document(s), supersedes those versions. Copies of the dated document(s) must be used in obtaining consent from research subjects.

If you seek to make any additional changes in your project activities, complete the Request for Modifications/Addendum application and submit it to the HSRB via this office. Please notify me in writing upon completion of your project (fax: 419-372-6916 or email: hsr@bgsu.edu).

Good luck with your work. Let me know if this office or the HSRB can be of assistance as your project proceeds.

COMMENTS:
C: Dr. Scott Highhouse