

Explaining Bank Reputation through Technology Adoption: The Roles of Trust, Corporate Values, and Third-Party Funds

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ABSTRACT

Purpose – This study examines how technology adoption contributes to bank reputation by investigating the mediating roles of trust, corporate values, leadership, and third-party funds (DPK), while also assessing the moderating effect of bank size.

Design/methodology/approach – Data were collected from employees in the Indonesian banking sector and analyzed using Structural Equation Modeling (SEM) to examine the direct, indirect, and moderating relationships among the study variables.

Findings – The findings of the research reveal that technology adoption significantly strengthens trust and corporate values, which subsequently enhance third-party funds. Third-party funds emerge as the primary mechanism through which technology adoption translates into improved bank reputation. While technology adoption also influences leadership, leadership does not play a significant role in shaping bank reputation. In addition, bank size positively moderates the relationships involving third-party funds and bank reputation, indicating that larger banks derive greater reputational benefits from technology-driven initiatives.

Originality/value – This study extends the bank reputation literature by demonstrating that the reputational benefits of technology adoption are realized through trust, corporate values, and third-party funds rather than through a direct effect alone. The findings provide new insights into the mechanisms linking digital transformation and reputation management in the banking industry.

Practical Implications – The findings suggest that banks should integrate technology adoption with initiatives that strengthen trust and corporate values rather than relying on digital investments alone. Such an approach can enhance third-party funds and improve bank reputation. Managers should also tailor digital transformation strategies according to the size and capabilities of their institutions.

Keywords: Reputation, Trust, Leadership, Loan-to-Deposit Ratio, Tobin's Q, Technology Adoption, and Size.

INTRODUCTION

Reputation is a crucial aspect for both individuals and organizations, especially those engaged in business. In fact, some companies pay very close attention to reputational risks for the sake of their own interests. A company can go bankrupt immediately if the reputational damage it faces is severe enough to force it to close. Take hospitals, for example: they face serious problems if a patient accuses the hospital of medical malpractice. Omni Hospital in Tangerang lost its reputation after a patient (Prita Mulyasari) voiced her complaint on social media. Similarly, a restaurant serving expired food caused customers to experience stomachaches, and they shared their experiences with others. On the other hand, product quality is often difficult for buyers to measure or observe when making transactions in the marketplace. However, buyers frequently consider the reputation of the product manufacturer and seller when deciding which products to purchase. Consequently, reputation is often associated with product quality (Rogerson, 1983; Allen, 1984).

The banking industry pays close attention to this issue of reputation because reputation is one of the key selling points for banks (Buckley and Nixon, 2009; Fang, 2005; and Dinc, 2000). A bank with a poor reputation will serve fewer customers, and its future will likely become increasingly uncertain. If a customer's funds are lost from the bank in question—for instance, by having a portion of their savings transferred to a third party—even though the transfer was not initiated by the bank itself but by a third party using sophisticated computer programs operated by hackers, the bank is often forced to compensate for those losses. There are even cases where bank employees conduct transactions at their own discretion by abusing the authority granted to them, which damages the bank's reputation. On the other hand, the reputation of investment banking (known in Indonesia as "Sekuritas") can influence the shares offered to the public because it acts as the underwriter for those share offerings (Beatty and Ritter, 1986).

The previous discussion shows that all company management must pay close attention to the company's reputation so that the business can continue to operate. The existence of a division dedicated to monitoring and managing reputational risk is essential for the company to function effectively. Managing reputational risk does not require a large, dedicated division; a single sub-division under the company's risk management division is sufficient to identify issues and resolve them effectively to prevent them from escalating. There is even a call for all company staff to report any issues they encounter so that their potential impact on the company's reputation can be assessed. Discussions among staff regarding these issues are crucial, whether conducted in person or via internal group emails.

As explained earlier, and as indicated by the title of this chapter, this chapter will discuss corporate reputation. The initial discussion will cover the concept and definition of reputation. This will be followed by a discussion of reputation measurement and the components of corporate reputation.

Theoretical Review

Corporate reputation is a topic of great interest to researchers, academics, practitioners, and regulators. Corporate reputation refers to a company's standing as viewed from environmental, financial performance, and social perspectives—that is, the perceptions held by stakeholders toward the company. Fombrun (1996) defines reputation management as a systematic process through which an organization's existence is accepted and evaluated. Barnett et al. (2006) define reputation as the collective assessment of a business based on perceptions of its financial, social, and environmental consequences over time. Lange et al. (2011) identified three dominant concepts of corporate reputation, namely:

- A well-known company—one whose organization serves as a model and is highly regarded;
- A company known for something—highly trusted for the distinct characteristics of the organization and its behavior
- A company that generally possesses reasonable strengths—an overall assessment that is very good or very attractive.

The concept and definition of "reputation," as stated by The Oxford English Dictionary, defines reputation as:

The general opinion or estimate of a person's character or behavior, etc.; the regard in which a person or thing is held.

This concept refers to the existence of a general opinion or estimation of another party and the presence of a standard for reputation. This standard can change depending on the actions taken, allowing the assessment to become even higher.

Rayner (2003) defines reputation as follows:

Reputation is a collection of perceptions and beliefs, both past and present, that exist in the minds of an organization's stakeholders—its customers, suppliers, business partners, employees, investors, analysts,

communities, regulators, governments, pressure groups, non-governmental organizations, and the general public.

This concept clearly states that reputation is a collection of perceptions accumulated over time regarding the company by other parties, known as stakeholders.

CIMA defines reputation as follows:

Reputation is a perception of past actions and future behavior viewed not in isolation but in the context of what others are doing in the marketplace.

Larkin (2003) defines reputation as follows:

Reputation is a reflection of how well or how poorly different groups of interested people—stakeholders—view a commercial name.

This concept explains the commercial value of a company's name to other parties.

Honey (2009, 4) defines reputation as follows:

Reputation is based on perception; it does not have to rely on truth or reality but on a combination of stakeholders' experiences, knowledge, and beliefs.

Based on the four concepts of reputation discussed earlier, reputation is the perception that a person or party has of another party. This perception does not necessarily reflect the truth or reality but rather represents the other party's experience with the managed company. As Larkin (2003) noted, this perception can be positive or negative. Furthermore, Fitzsimmons and Atkins (2017, 14) state that reputation is the sum total of how stakeholders perceive a given institution. An individual or institution forms a perception of another organization not only through information from others but also through a collection of information received directly or indirectly—or observed firsthand—and this perception is the accumulation of such information over time.

Reputation is an extremely valuable asset for those who possess it—such as a company that has products it takes great pride in and serves as a role model for other companies. This reputation cannot be copied by others because it is tied to the characteristics of the entity that holds it, particularly the key traits that arise from within the corporation (Fombrun, 1997).

It is possible that a single piece of reputational information could cause damage or cause a company's reputation to plummet immediately, resulting in significant losses for the company. Honey (2009, 1) states that reputation is always associated with consequences known as "damage." Such damage destroys the value of a reputation that has been built over a considerable period of time—whether in terms of tangible or intangible value, prestige, pride, or the inner satisfaction of the company's management or owners.

Based on the preceding discussion, reputation has the following characteristics:

1. One party's perception of another party.
2. There are criteria for these assessments or perceptions.
3. A combination of experience, knowledge, and the trust of others
4. Accumulated over time
5. Positive or negative perceptions
6. Can be commercialized or used as a tool to help commercialize a product.
7. Has an impact or causes harm

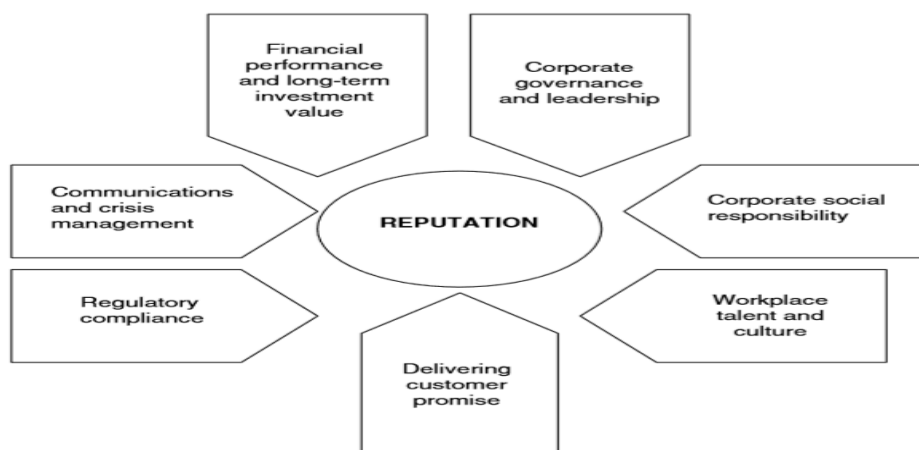
8. It is somewhat difficult to estimate the impact, but it can be measured

Corporate Reputation

As explained earlier, reputation can be held by all parties—that is, by individuals as well as corporations or institutions. These corporations may be those that produce products and services that require a reputation. This chapter will focus solely on corporate reputation. In conducting their business operations, companies rely heavily on their corporate reputation, more commonly known as “company reputation.” Weigelt and Camerer (1988) define corporate reputation as “a set of attributes ascribed to a firm, inferred from the firm’s past actions.” This concept clearly states that corporate reputation consists of the attributes or characteristics inherent to the corporation itself.

Rayner (2003) states that there are seven drivers of corporate reputation, as shown in Figure 1 below (viewed clockwise): Corporate Governance and Leadership; Corporate Social Responsibility; Workplace Talent and Culture; Delivering the Customer Promise; Regulatory Compliance; Communication and Crisis Management; and Financial Performance and Long-term Investment Value.

Figure 1: Drivers of Reputation



Sources: Rayner (2007)

Kanto (2016) discusses corporate reputation during Economic Crisis and its relationship with financial performance for ASEAN Companies. Kanto (2017) explores the corporate reputation in the Malaysian Banking Industry and found that financial performance significant affect corporate Reputation. Kitchen and Laurence (2003) stated that corporate reputation helps to sustain business in their national, international, and indeed global performance. Nuortimo et al. (2026) explore the relationship between corporate reputation and crisis communication. Hartman (2025) stated that corporate reputation studies emphasize that effective global corporate reputation management enhances credibility, resilience, and sustainable performance in international markets. Pollak and Markovic (2022) stated that the market has adapted relatively quickly to the changes in the Pandemic Era. Bigus et al. (2024) stated that there are many further research opportunities: Accounting scholars may focus more on (a) stakeholders' subjective nonfinancial assessments; (b) the emotional appeal of companies and its relationship with competence and integrity assessments; (c) the role of stakeholders' normative expectations and (d) explicitly consider a multi-stakeholder perspective, where corporations have multiple reputations rather than one.

RESEARCH METHODOLOGY

This subsection will explain the operational definitions of variables, the methodology, and the data sources used in this paper. This paper uses nine constructs: bank reputation as a dependent variable; trust (TR), third-party funds (DPK), leadership (LB), corporate values (NP), and technology adoption (AT) as independent variables; and bank size (SZ) as a moderating variable.

As described earlier, this study aims to investigate the influence of the independent variables—namely, Trust, Third-Party Funds (DPK), firm value as measured by Tobin’s Q, Leadership, Technology Adoption (AT), and Firm Size—on a bank’s reputation. The unit of analysis for this study is bank employees of companies listed on the Indonesia Stock Exchange.

Concepts of Operational Constructs

The operational constructs used in this study are outlined in Table 1 below. The constructs used in this study are not directly measurable, so measurement indicators must be developed. These indicators consist of statements presented to the units of analysis—bank employees—who will rate them on a scale of 1 to 5, where 1 indicates a statement considered false and 5 indicates a statement considered true.

Table 1: Constructs, Indicators, and Rating Scales

No.	Construct	Indicator	Researcher
1.	Reputation	1. The bank where I work has a good reputation among the public 2. I’m proud to be part of a bank with a positive image. 3. Customers have a high level of trust in my bank.	Ruiz & García (2021); Roberts-Lombard et al. (2025); Pramukti (2022)
2.	Third-Party Funds	1. I have a good understanding of the lending capacity of the bank where I work. 2. Assess that the bank’s current credit capacity is sufficient to meet customers’ financing needs 3. Play an active role in supporting increased credit disbursement in my work unit.	Fauzi et al. (2026); Munzir et al. (2025); Jahidah et al. (2024)
3.	Corporate Value; Tobin’s Q	1. Understanding the values upheld by the company where I work. 2. Striving to apply the company’s values in all my work. 3. Believing that corporate values are reflected in the day-to-day work culture.	Illahi, Alfarisi, & Rahim (2026); Jamaludin (2025); Halawa (2025)
4.	Trust	1. I have confidence in the policies and decisions made by the bank’s management. 2. The organization where I work is trustworthy in carrying out its operations. 3. I believe that my superiors act honestly and transparently.	Ayuningtyas & colleagues (2025); Abbas et al. (2024); Alomran et al. (2024)
5.	Leadership	1. My supervisors are able to provide clear guidance regarding work tasks. 2. My leaders are able to make the right decisions in work situations. 3. Support and motivation from management to improve my performance	Aslam et al. (2024); Putri (2023); Wijaya (2023)

6.	Technology Adoption	1. I find it easy to use the technology implemented at my workplace. 2. I actively use technology to improve my work efficiency. 3. I am able to adapt quickly to changes or updates in technology at the bank.	Kaur & Ali (2021); Ikhsan et al. (2025); Ikwanto et al. (2024)
7.	Size	1. I assess that my bank's resources reflect its size (large, medium, or small). 2. My bank's service coverage reflects its size (large, medium, or small). 3. believes that my bank's position in the banking industry reflects its competitive size.	Halawa (2025); Athayya et al. (2025); Lestari et al. (2026)

Source: Compiled from various sources

Population and Sampling

The unit of analysis in this study is employees working at private banks. These bank employees were sent questionnaires covering the desired constructs. This study used purposive sampling to select the respondents.

The sample size for questionnaire respondents, according to Hair (2022), is as follows:

$$n = \text{Number of Indicators} \times (\text{minimum } 5, \text{ maximum } 15). \quad (1)$$

$$n = 11 \times 8 = 88 \text{ data points}$$

In this study, a total of 90 respondents were surveyed over a one-month period.

Data Sources

As described earlier, this study aims to explore the factors that influence a bank's reputation. The research model employed in this study is a multiple mediation model, which includes the constructs of third-party funds, trust, corporate values, and leadership, as well as the independent construct of technology adoption. Since the constructs used are unmeasurable (latent), the data source must be primary data, collected by distributing a questionnaire to bank employees via Google Forms. The data were collected using a Likert scale ranging from 1 to 5 (Hair, 2022).

This study will use Structural Equation Modeling (SEM) to estimate the effects of independent constructs and mediating constructs on the dependent construct. The model to be estimated is as follows:

$$NP_i = a_1 + AT_i + e_1 \quad (2)$$

$$LD_i = a_2 AT_i + e_2 \quad (3)$$

$$TR_i = a_3 AT_i + e_3 \quad (4)$$

$$DPK_i = b_1 NP_i + b_2 LD_i + b_3 TR_i + e_4 \quad (5)$$

$$RB_i = c_1 DPK_i + c_2 NP_i + c_3 LD_i + c_4 TR_i + e_5 \quad (6)$$

Moderation is defined as follows:

$$DPK_i = b_1 NP_i + b_2 LDi + b_3 TR_i + b_4 SZ_i + b(5) (SZ_i * NP_i) + b_6 (SZ_i * LDi) + b_7 (SZ_i * TR_i) + e_6 \quad (7)$$

$$RB_i = c_1 DPK_i + c_2 NP_i + c_3 LDi + c_4 TR_i + c_5 (SZ_i * DPK_i) + c_6 (SZ_i * NP_i) + c_7 (SZ_i * LDi) + c_8 (SZ_i * TR_i) + e_8 \quad (8)$$

Coefficients for models (1) through (8) will be estimated using the Maximum Likelihood Estimation method (Hair, 2022; Manurung, 2025).

Statistical Analysis and results

This section will outline how the analysis of the discussion was conducted. First, we will explain how the indicators used serve as representatives of the underlying constructs. We will then discuss causality using the estimated SEM model.

Reliability and Validity of Research Instruments

This study aims to examine the constructs that influence a bank's reputation using a two-stage multiple mediation model: the first mediation is a direct effect on the bank's reputation via Third-Party Funds (TPF), and the second mediation involves Trust, Corporate Values, Leadership, and the dependent construct of Technology Adoption. To collect data, each construct is represented by three indicators.

Table 2: Validity and Reliability Testing

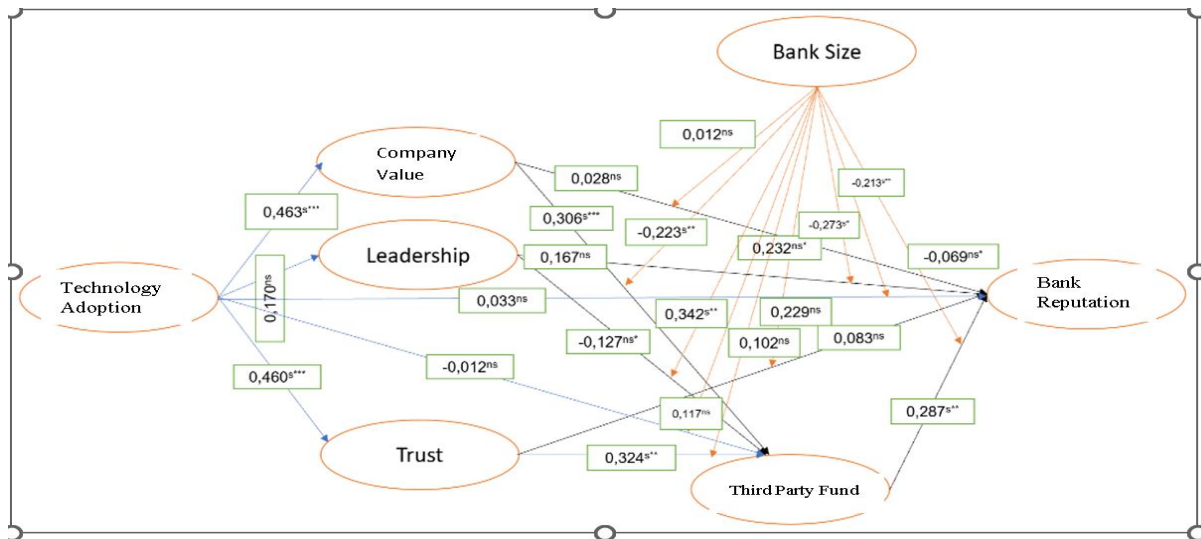
	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
AT	0,842	0,860	0,904	0,758
BS	0,929	0,933	0,954	0,875
DPK	0,697	0,774	0,828	0,619
NP	0,866	0,868	0,918	0,789
RB	0,893	0,895	0,934	0,824
TR	0,853	0,879	0,911	0,773

Based on Table 2, the construct reliability used in this study is very high, as the scores exceed the required values. Similarly, the validity of the instrument is sufficient, as the Cronbach's alpha values are greater than or equal to 0.7. These results indicate that the constructs used should be retained.

Causality Test

Based on the previous discussion, this paper aims to explore the constructs that influence a bank's reputation through multiple mediation variables—namely, third-party funds, corporate values, leadership, trust, and technology adoption—with bank size serving as a moderating variable. Initially, corporate values were identified as an intervening construct; however, the empirical results were not significant, so the intervening construct was replaced with an existing one. This change did not alter the data, as the indicators merely represented statements about those constructs. Consequently, third-party funds became the intervening construct. Figure 2 below shows the research framework and empirical results obtained using Smart-PLS software for the Structural Equation Model.

Figure 2: Multiple Mediation Model of Four Bank Reputation Constructs



Source: Adapted from SMART-PLS results

The mathematical model is as follows:

$$NP_i = 0.463 AT_i + e_1 \quad (9)$$

(0.00)

$$LB_i = 0.170 AT_i + e_2 \quad (10)$$

(0.145)

$$TR_i = 0.460 AT_i + e_3 \quad (11)$$

(0.00)

$$DPK_i = 0.324 TR_i + 0.306 NP_i - 0.012 AT_i - 0.127 LB_i + e_3 \quad (12)$$

(0.021) (0.001) (0.919) (0.350)

$$RB_i = 0.287 DPK_i + 0.083 TR_i - 0.096 NP_i + 0.167 LB_i + 0.033 AT_i + e_4 \quad (13)$$

(0.016) (0.535) (0.537) (0.161) (0.782)

The mathematical model incorporating Size as a moderating variable is:

$$DPK_i = 0.324 Tr_i + 0.306 NP_i - 0.127 LB_i - 0.012 AT_i + 0.434 SZ_i + 0.102 (SZ_i * TR_i) - 0.223 (SZ_i * NP_i) + 0.117 (SZ_i * AT_i) + e_5 \quad (14)$$

(0.021) (0.001) (0.350) (0.919) (0.00) (0.537)

(0.015) (0.324)

$$RB_i = 0.287 DPK_i + 0.803 TR_i - 0.096 NP_i + 0.167 LB_i + 0.033 AT_i + 0.302 SZ_i - 0.052 (SZ_i * DPK_i) + 0.017 (SZ_i * TR_i) + 0.012 (SZ_i * NP_i)$$

(0.016) (0.535) (0.537) (0.161) (0.782) (0.012)

$$\begin{aligned}
 & (0.622) \quad (0.229) \quad (0.929) \\
 & -0.213 (SZ_i * AT_i) + e_6 \quad (15) \\
 & (0.048)
 \end{aligned}$$

Based on Figure 2, the findings were translated into mathematical form as presented in Equations (9) through (15). The first analysis examined the effect of the independent construct Technology Adoption (TA) on the first three mediating constructs: Trust, Corporate Values, and Leadership. Corporate values are significantly and positively influenced by the independent variable Technology Adoption (TA). Similarly, Technology Adoption (TA) significantly and positively influences the Trust construct (TR). However, the mediating construct of leadership is not significantly influenced by Technology Adoption.

The relationship between third-party funds (DPK) is influenced by Technology Adoption (AT), Trust (TR), Leadership (LB), and Corporate Values (NP). The results show that trust (TR) has a positive effect on third-party funds (DPK). Corporate values also have a positive effect on third-party funds (DPK). Leadership (LB) and Technology Adoption have a negative effect on third-party funds (DPK), and neither is statistically significant.

The non-independent construct of reputation was tested for its relationship with the constructs of Technology Adoption (TI), Trust (TR), Leadership (LB), Corporate Values (NP), and Third-Party Funds (DPK). The results showed that Third-Party Funds (DPK) positively influence a bank's reputation. The positive influence of third-party funds indicates model fit and consistency with theory. Trust (TR), Leadership (LB), and Technology Adoption (AT) positively influence reputation but are not statistically significant.

Furthermore, this study includes firm size (SIZE) as a moderating construct that either strengthens or weakens the relationship between the independent and dependent constructs. The first model discussed is Equation 14, followed by Equation (15).

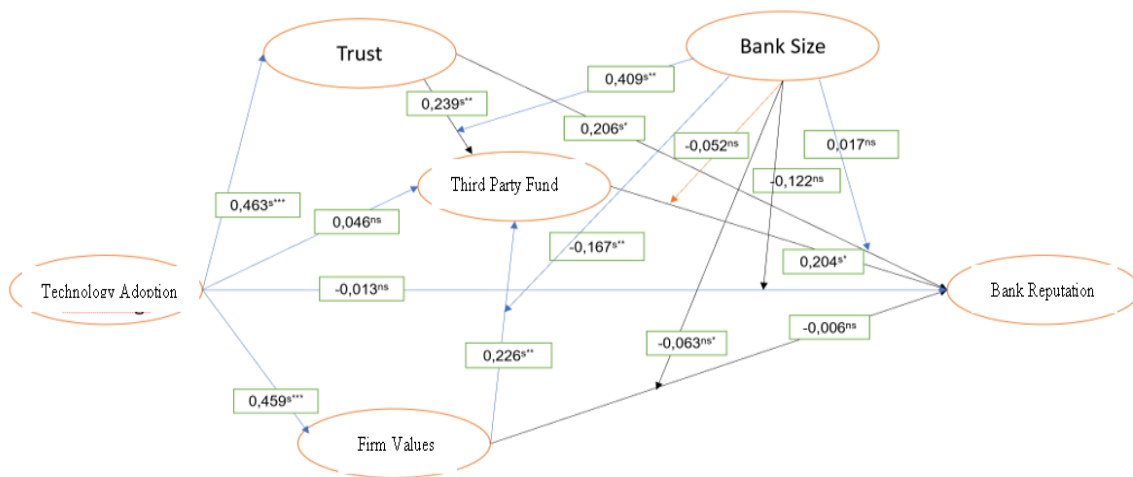
The results of the study using Equation (14) indicate that trust (TR), corporate values (NP), leadership (LB), technology adoption (AT), and firm size (SZ) have a significant positive effect on third-party funds (DPK). However, technology adoption (AT) has a negative effect on bank reputation, though this effect is not significant. Meanwhile, the interaction between the Size construct and the Corporate Values construct significantly influences Third-Party Funds (DPK).

The results of the study using Equation (15) indicate that Third-Party Funds (DPK) and Firm Size (SZ) have a significant positive effect on the reputation of the company. The fact that firm size significantly influences the bank's reputation suggests that firm size is unlikely to be a pseudo-moderating construct. The constructs of "Trust" (TR), "Leadership" (LB), and "Technology Adoption" (AT) have a positive but insignificant effect on bank reputation. Corporate values have a negative but insignificant effect on reputation. Meanwhile, the interaction between the constructs of "Size" and "Technology Adoption" has a significant effect on bank reputation.

Analysis of the model comprising equations (9) through (15) indicates that there is a construct—Leadership (LB)—that does not influence the constructs of Third-Party Funds and Bank Reputation. Consequently, the Leadership construct was removed from the model, and an estimation of the model was performed, as described below.

Based on the above discussion, the final results of the Reputation model without the leadership construct (LB), using a multiple mediation approach, are shown in Figure 3 below.

Figure 3: Three-Construct Multiple Mediation Model of Bank Reputation



The mathematical model does not include Size as a moderator, namely:

$$TR_i = 0.459 AT_i + e_1 \quad (16)$$

(0.00)

$$NP_i = 0.463 AT_i + e_2 \quad (17)$$

(0.00)

$$DPK_i = 0.239 TR_i + 0.226 NP_i + 0.046 AT_i + e_3 \quad (18)$$

(0.028) (0.013) (0.686)

$$RB_i = 0.204 DPK_i + 0.206 TR_i - 0.006 NP_i - 0.013 AT_i + e_4 \quad (19)$$

(0.081) (0.055) (0.969) (0.912)

Mathematical model incorporating Size as a moderating variable:

$$DPK_i = 0.239 TR_i + 0.226 NP_i + 0.046 AT_i + 0.395 SZ_i + 0.409 (SZ_i * TR_i)$$

(0.028) (0.013)(0.686)(0.00)(0.00)

$$-0.167 (SZ_i * NP_i) + 0.013 (SZ_i * AT_i) + e_5 \quad (20)$$

(0.039) (0.905)

$$RB_i = 0.204 DPK_i + 0.206 TR_i - 0.006 NP_i - 0.013 AT_i + 0.372 SZ_i$$

(0.081) (0.055) (0.969) (0.912) (0.001)

$$-0.052 (SZ_i * DPK_i) + 0.017 (SZ_i * TR_i) - 0.063 (SZ_i * NP_i)$$

(0.707) (0.897) (0.631)

$$-0.122 (SZ_i * AT_i) + e_6 \quad (21)$$

(0.223)

Figure 3 and the mathematical model above (Equation 16) clearly show that Technology Adoption (TA) has a significant positive effect on Trust. Technology Adoption (TA) also has a significant positive effect on Corporate Values (Equation 17). Similarly, Equation (18) shows that the constructs of Trust (TR) and Corporate Values (NP) have a significant positive effect on Third-Party Funds (DPK). However, the construct of Technology Adoption (AT) has a positive effect on DPK but is not statistically significant. Equation (19) indicates that Third-Party Funds (DPK) and Trust (TR) have a significant positive effect on the bank's reputation. However, the constructs of Corporate Values and Technology Adoption (AT) have a negative effect on the bank's reputation, though this effect is not statistically significant.

Furthermore, firm size is included as a moderating variable, as shown in Equations (20) and (21), whereas Equations (18) and (19) do not include firm size as a moderating variable. Equation (20) indicates that Trust (TR), corporate values (NP), and firm size (SZ) have a significant positive effect on third-party funds (DPK). Technology adoption (AT) also has a positive effect on third-party funds (DPK) but is not statistically significant. The interaction between company size (SZ) and trust (TR) has a positive and significant effect on third-party funds (DPK), and the interaction between company size and technology adoption (AT) also has a positive effect on third-party funds (DPK), though it is not statistically significant. The interaction between company size and corporate values has a negative and significant effect on third-party funds (DPK).

Equation (21) indicates that Third-Party Funds (DPK), Trust (TR), and Firm Size (SZ) have a significant positive effect on Bank Reputation. Corporate Values (NP) and Technology Adoption (AT) also have a negative effect on the Bank Reputation construct, but this effect is not statistically significant. Company Size (SZ) was included as a moderating construct; consequently, we had to test the interaction between company size and the independent constructs used in the model. The results show that none of the interactions between the company size (SZ) construct and the independent variables used in the model were statistically significant. The interactions between company size and Third-Party Funds (DPK), Corporate Values (NP), and Technology Adoption (AT) negatively affect the bank's reputation. The interaction between company size (SZ) and Trust (TR) positively affects the bank's reputation.

DISCUSSION

As described, in the model, Third-Party Funds (DPK) as an intermediate construct related to a bank's reputation are influenced by the technology adoption (AT) construct and two other intermediate constructs, while firm size serves as a moderating construct. The Third-Party Funds (DPK) construct is influenced by Trust (TR). This means that increased trust will lead more people to deposit their funds in banks, and those funds will be channeled. Research on the factors influencing TDD varies widely, and generally, this study supports previous research such as that by Aprilliawati et al. (2024), Tusa'dya and Wijayanti (2024), Indrarini and Febriyanti (2025), Sontani and Filianti (2020), and Fitri (2016). DPK is primarily influenced by trust (TR), as demonstrated by the model, which supports the earlier research by Wijayani (2017).

Third-party funds (DPK) as an intermediate construct significantly influence a bank's reputation. Typically, parties wishing to deposit their funds in a bank assume that if the bank holds a very large amount of third-party funds, its reputation will be high. The results of this study also support the findings of a previous study by Fitri (2016).

Company size serves as a construct in this study and is significant as an independent variable; generally, it functions adequately as a moderator. Consequently, firm size does not act as a pure moderator, consistent with the findings of Sharma et al. (1981), Soehaditama (2026), Damayanti and Mawardi (2022), Hermuningsih et al. (2023), and Alfadhli and AlAli (2021).

Theoretical Contribution

This study contributes to the bank reputation literature by extending Signaling Theory to explain how technology adoption influences bank reputation through a series of organizational and stakeholder-related mechanisms. Specifically, the findings demonstrate that technology adoption enhances bank reputation indirectly by strengthening trust, reinforcing corporate values, and increasing third-party funds, rather than through a direct

effect alone. By identifying these mediating pathways and examining the moderating role of bank size, the study provides a more comprehensive understanding of how digital transformation contributes to reputational outcomes in the banking sector.

Practical Contribution

The findings offer important implications for bank managers and policymakers seeking to strengthen organizational reputation in an increasingly digital environment. The results suggest that investments in technology should be accompanied by initiatives that foster stakeholder trust and embed strong corporate values throughout the organization. Banks that effectively integrate technological capabilities with relationship-building and value-driven management are more likely to attract third-party funds and enhance their reputation. Furthermore, the moderating role of bank size indicates that digital transformation and reputation management strategies should be tailored to the scale and operational characteristics of individual banks to maximize their effectiveness.

Research Limitations

This study has several limitations that should be acknowledged. First, the findings are based on cross-sectional data, which capture respondents' perceptions at a single point in time and therefore do not allow for strong causal inferences. Second, the study focuses on employees of Indonesian banks, which may limit the generalizability of the results to other countries or financial service contexts with different institutional and regulatory environments. Third, the data were collected using self-reported questionnaires, which may be influenced by respondents' subjective perceptions despite the satisfactory reliability and validity of the measurement scales. Finally, the study examines a specific set of organizational factors influencing bank reputation. Other potentially important determinants, such as service quality, corporate governance, customer experience, and corporate social responsibility, were beyond the scope of this research. Future studies are encouraged to employ longitudinal designs, include more diverse samples, and incorporate additional organizational and environmental variables to provide a more comprehensive understanding of the drivers of bank reputation.

CONCLUSION

This study investigates the influence of several constructs on a bank's reputation through multiple mediation, with technology adoption as the independent variable. The mediators in this multiple mediation are Trust, Corporate Values, and Leadership, while the initial mediator is third-party funds managed by the bank in question. In this model, it turns out that the technology adoption construct influences the second-order mediators—Trust and Corporate Values. Furthermore, leadership has no effect on third-party funds as the first mediator and also has no effect on reputation; therefore, the leadership construct was not included in the model. In this model, third-party funds influence bank reputation and are suitable as the first mediator. Third-party funds, as the mediator construct, are influenced by Trust (TR) and Corporate Values, while Bank Reputation is influenced only by third-party funds. Furthermore, the firm size construct was included as a moderator, and the results showed that firm size significantly influences third-party funds and bank reputation.

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