

Analyzing Bank Aceh's Reputation: The Mediating Role of CSR in Governance and Service Quality

*The Mediating Role of
CSR in Governance
and Service Quality*

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ABSTRACT

Reputation is a crucial intangible asset for banks, as it builds customer trust, attracts investors, and strengthens competitiveness in a competitive market. This study examines how corporate governance and service quality influence the reputation of Bank Aceh, with Corporate Social Responsibility (CSR) acting as a mediating factor. Using a quantitative method and purposive sampling, data were collected from 100 customer respondents and external stakeholders who have been engaged with Bank Aceh for at least one year and are familiar with its services and CSR activities. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) via SmartPLS 4.0. The findings show that both corporate governance and service quality positively and significantly affect the bank's reputation. Additionally, corporate governance significantly impacts CSR, whereas service quality does not. CSR itself has a positive and significant effect on the bank's reputation. Furthermore, CSR mediates the relationship between corporate governance and reputation but does not mediate the link between service quality and reputation. These results underline CSR's strategic function in connecting internal governance with stakeholder perceptions, particularly within the setting of a regional Islamic bank.

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Keywords: Bank Reputation, Corporate Governance, Corporate Social Responsibility, Service Quality.

ABSTRAK

Reputasi adalah aset tidak berwujud yang penting bagi bank, karena membangun kepercayaan pelanggan, menarik investor, dan memperkuat daya saing di pasar yang kompetitif. Penelitian ini bertujuan untuk mengevaluasi pengaruh tata kelola perusahaan dan mutu layanan terhadap reputasi Bank Aceh, dengan Corporate Social Responsibility (CSR) sebagai variabel mediasi. Metode penelitian yang digunakan adalah pendekatan kuantitatif dengan teknik purposive sampling, melibatkan 100 partisipan yang terdiri dari nasabah dan pemangku kepentingan eksternal yang telah berinteraksi dengan Bank Aceh selama minimal satu tahun serta memahami layanan dan aktivitas CSR yang dijalankan. Data dianalisis menggunakan metode Structural Equation Modeling berbasis Partial Least Square (SEM-PLS) melalui perangkat lunak SmartPLS versi 4.0. Hasil studi menunjukkan bahwa tata kelola perusahaan dan mutu layanan memberikan dampak positif dan signifikan terhadap reputasi bank. Selain itu, tata kelola perusahaan terbukti berpengaruh secara signifikan terhadap CSR, sementara pengaruh serupa tidak ditemukan pada mutu layanan. CSR sendiri memberikan kontribusi positif dan signifikan terhadap reputasi bank. CSR juga berperan sebagai mediator antara tata kelola perusahaan dan reputasi bank, namun tidak menjadi mediator dalam hubungan antara mutu layanan dan reputasi. Temuan ini menggarisbawahi peran penting CSR dalam menjembatani praktik internal dengan persepsi pihak eksternal, serta menekankan perlunya penguatan tata kelola dan inisiatif sosial dalam membangun citra positif bank syariah di tingkat daerah.

Kata kunci: Reputasi Bank, Tata Kelola Perusahaan, Tanggung Jawab Sosial Perusahaan, Kualitas Layanan.

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INTRODUCTION

Reputation constitutes a highly valuable intangible asset for banking institutions. In an increasingly competitive environment, a strong reputation plays a pivotal role in fostering customer trust, attracting potential investors, and enhancing a bank's overall competitiveness (Afifah et al., 2021). Conversely, a damaged reputation may result in the erosion of stakeholder confidence, a decline in corporate value, and, in severe cases, financial distress or bankruptcy. Corporate governance significantly influences the reputation of a bank (Muchlis & Resky, 2021; Umiyati et al., 2023). Effective governance characterized by principles such as transparency, accountability, and independence help build stakeholder confidence, which in turn enhances the institution's image and credibility (Oanh et al., 2021). Moreover, the quality of service provided by a bank is another essential element in strengthening its reputation. Delivering responsive and solution-focused services improves customer satisfaction (Handajani et al., 2021), which promotes customer loyalty and generates favorable word-of-mouth, further solidifying the bank's positive reputation.

Corporate Social Responsibility (CSR) also plays an important role in shaping a company's reputation. By implementing CSR programs, banks can showcase their dedication to social and environmental causes (Zanaria, 2022). These initiatives help cultivate a favorable public perception and strengthen the institution's overall reputation. Research evidence supports this, indicating that greater involvement in CSR activities is positively linked to enhanced corporate reputation (Afifah et al., 2021). In modern management theory, corporate governance and service quality are considered two fundamental pillars in establishing institutional trust and reputation (Hair et al., 2019). According to stakeholder theory, organizations are expected to consider and address the needs of all key stakeholders, such as the surrounding community, customers, and employees. In contrast, legitimacy theory emphasizes that a company's reputation is influenced by how well its behavior aligns with societal norms and public expectations.

Existing research has frequently analyzed the relationship between corporate governance and financial performance, along with the connection between CSR and customer loyalty (Faqihudin et al., 2020; Putri & Mulyani, 2024). However, there remains a research gap in integrating the three key elements corporate governance, service quality, and CSR into a single model that explains how bank reputation is formed. In addition, the connection between service quality and a bank's reputation is frequently assumed to be linear, whereas in practice, public perception of service may be influenced by their views on the social value delivered by the bank. Therefore, analyzing the mediating role of CSR is essential to better understand how internal factors namely governance and service quality indirectly shape reputation through the bank's social responsibility activities. Bank Aceh, as one of the regional development banks operating in the Aceh Province, possesses unique characteristics. Operating in a region where Islam is the prevailing religion among residents, Bank Aceh holds a particular responsibility to conduct its business in accordance with Sharia principles (Kurniawan et al., 2023). The implementation of sound corporate governance, the provision of high-quality services, and the execution of CSR activities aligned with Islamic values are expected to enhance the bank's standing in public opinion.

On the other hand, there is a limited number of studies that adopt a case study approach on Sharia-based regional development banks, such as Bank Aceh, which faces distinct challenges and operates under different conditions compared to national banks. Despite its critical role in the local economy, academic attention to this context remains scarce. This research seeks to address the existing gap in the literature by examining the roles of corporate governance and service quality in shaping bank reputation, with CSR serving as a mediating factor, specifically within the setting of a regional Islamic financial institution.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

Corporate Governance, Service Quality, and Bank Reputation

Corporate governance is a critical pillar in ensuring the stability, ethical operations, and long-term sustainability of banking institutions, as poor governance can expose banks to legal, credit, and reputational risks (Handajani et al., 2021). It comprises the principles, systems, and relationships among management, the board of directors, shareholders, and stakeholders, designed to ensure transparency, accountability, and ethical conduct (Rejeki & Ahmar, 2022; Schoenmaker & Schramade, 2023). Effective governance enhances public trust, safeguards depositors' funds, and supports financial system stability (Knechel & Salterio, 2017; Bellen et al., 2025). Strong corporate governance frameworks are thus expected to have a positive and significant effect on bank's reputation (Bakrie et al., 2022).

In parallel, service quality plays a vital role in shaping a bank's image and long-term success. It reflects an institution's ability to meet or exceed customer expectations through dimensions such as reliability, responsiveness, assurance, empathy, and tangibles (Dharmika & Subanda, 2023; Javed et al., 2021). Service quality is influenced by factors including product offerings, service processes, employee performance, and technology utilization (Obi et al., 2018; Ningsih & Putri, 2024). Superior service quality fosters greater customer satisfaction and loyalty, which positively contributes to the bank's reputation (Kumudani & Sugiarto, 2020). Satisfied customers become loyal advocates, enhancing the bank's image through positive word-of-mouth (Ramachandran & Vijayabanu, 2012; Hamzah et al., 2017).

H1: Corporate Governance has a significant effect on bank reputation.

H2: Service Quality has a significant effect on bank reputation.

Corporate governance, Service quality, and CSR

Corporate Social Responsibility (CSR) is widely recognized as an ethical obligation of businesses to address the broader social and environmental impact of their activities. It involves voluntary initiatives that go beyond legal requirements to promote public welfare (Afifah et al., 2021). In the banking sector, CSR functions as a vital mechanism to foster public trust, strengthen institutional reputation, and maintain long-term relationships with communities. CSR initiatives enhance the organization's image and stakeholder engagement (Firdaus et al., 2021). These initiatives extend beyond philanthropy and encompass support for MSMEs, financial literacy, environmental programs, education, and public health services.

Corporate governance plays a central role in ensuring the effectiveness and integration of CSR into core business strategies. Good governance practices marked by transparency, accountability, and ethical leadership facilitate strategic CSR implementation by embedding social and environmental values into corporate decision-making (Zieita & Chenag, 2019). Organizations with sound governance structures are more likely to view CSR as a strategic priority rather than a compliance-driven activity. Through board oversight, stakeholder-oriented policies, and internal controls, governance frameworks align CSR programs with company values and long-term sustainability goals. Consequently, CSR serves not only to meet stakeholder expectations but also to create competitive advantage and institutional legitimacy (Gulema & Roba, 2021).

In addition, service quality reflecting the firm's ability to meet customer needs and provide consistent, customer-focused service also shapes CSR engagement. High-quality service is itself a form of social responsibility, especially in the banking sector, where customer satisfaction directly influences brand image and public perception (Selvaraj, 2016). Superior service delivery enhances institutional credibility, thereby reinforcing CSR initiatives (Anika, 2024). Based on these perspectives, both corporate governance and service quality are expected to have a positive and significant effect on CSR.

H3: Corporate Governance has a significant effect on corporate social responsibility.

H4: Service Quality has a significant effect on corporate social responsibility.

CSR and Bank Reputation

Corporate Social Responsibility (CSR) has a positive and significant effect on a bank's reputation, functioning not merely as a philanthropic endeavor but as a strategic instrument to shape public perception and trust. CSR serves as a vital communication channel to convey the bank's core values, ethical commitments, and identity to stakeholders (Freeman et al., 2010). Through meaningful social initiatives such as community development programs, environmental sustainability efforts, and financial literacy campaigns, the bank actively positions itself as a responsible and caring institution. These initiatives contribute to building a favorable image among customers, regulators, and the broader public (Yen & Chen, 2025).

CSR activities play a pivotal role in strengthening the bank's relationship with its environment by aligning business goals with societal needs. When CSR is executed consistently and in alignment with community expectations, it can significantly enhance stakeholder trust and long-term loyalty (Anika, 2024; Ananda, 2025). Prior studies affirm a strong correlation between CSR engagement and corporate reputation, revealing that companies perceived as socially responsible tend to enjoy improved public image and increased customer support (Kurucz et al., 2009). In this light, CSR becomes more than a corporate obligation; it evolves into a strategic driver of reputation capital. Integrating CSR into its operational and strategic framework not only fulfills social responsibilities but also reinforces its institutional credibility. Therefore, CSR initiatives should be viewed as essential components of reputation management, capable of differentiating the bank in a competitive financial landscape. Based on this rationale, it is hypothesized that CSR has a positive and significant effect on bank reputation.

H5: Corporate social responsibility has a significant effect on bank reputation.

The Mediating Role of CSR on Bank Reputation

Corporate Social Responsibility (CSR) acts as a strategic link between corporate governance and bank reputation, creating a virtuous cycle where effective governance fosters CSR engagement, and CSR, in turn, enhances reputation and attracts investor confidence and public trust (Bhargava & Wadhwa, 2018; Obasi, 2019). Strong corporate governance reflects transparency, accountability, and stakeholder-oriented management. These governance qualities encourage banks to not only pursue profitability but also fulfill social responsibilities through CSR initiatives. CSR functions as a mediating variable in the relationship between governance and reputation, ensuring that ethical and sustainable business practices are visible to stakeholders (Pucheta-Martínez et al., 2021). CSR initiatives contribute positively to financial performance, which subsequently reinforces public trust. When the public perceives CSR as a genuine effort that contributes to business success rather than a symbolic gesture, the bank's reputation benefits significantly (Rizal et al., 2025).

Furthermore, CSR also mediates the effect of service quality on bank reputation. Service quality dimensions such as reliability, empathy, tangibility, and security contribute not only to customer satisfaction but also to the public's perception of the bank's ethical stance and social commitment (Hamzah et al., 2017). High-quality service, when combined with meaningful CSR initiatives, enhances reputational value by demonstrating the bank's commitment to addressing broader societal issues (Wang, 2020). Satisfied customers are more likely to associate their positive experience with the bank's values, which amplifies brand credibility. CSR thus transforms service quality into long-term reputational gains, positioning the bank as both a service leader and a socially responsible institution (Fida et al., 2023). Therefore, CSR is expected to mediate the effect of both corporate governance and service quality on bank reputation.

H6: Corporate social responsibility mediates the effect of corporate governance on bank reputation.

H7: Corporate social responsibility mediates the effect of service quality on bank reputation.

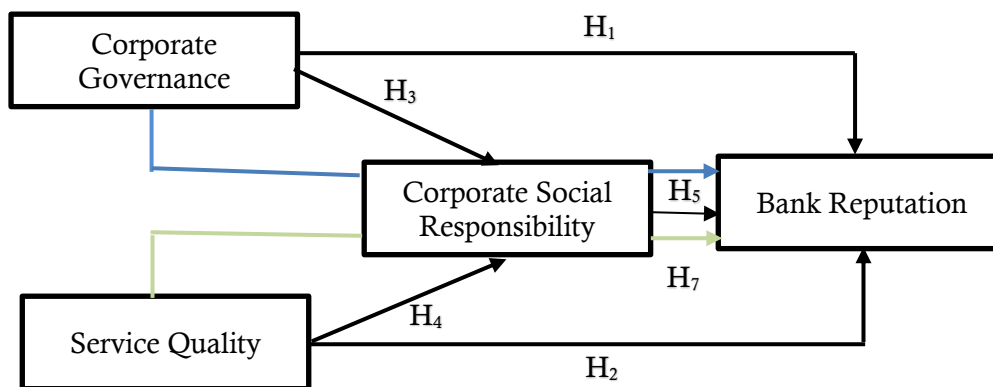


Figure 1. Conceptual Framework

Figure 1 illustrates a contextual model of the relationship between Corporate Governance, Service Quality, Corporate Social Responsibility (CSR), and Bank Reputation. In this model, Corporate Governance and Service Quality act as independent variables that influence CSR as a mediating variable. Furthermore, CSR acts as an intermediary connecting these two variables with Bank Reputation, which acts as the dependent variable. The direction of the arrows indicates that Corporate Governance and Service Quality not only have a direct influence on CSR but also indirectly influence bank reputation through CSR. This model illustrates that improving corporate governance and service quality can encourage more strategic CSR implementation, which will ultimately strengthen the reputation of banking institutions in the eyes of the public and stakeholders.

RESEARCH METHODS

The research adopts a quantitative design with an explanatory approach, aiming to empirically test the relationships between variables and examine the mediating effect of Corporate Social Responsibility (CSR) in the association between Corporate Governance, Service Quality, and Bank Reputation. This approach is particularly suitable for analyzing causal relationships and understanding the mechanism through which independent variables influence the dependent variable via a mediator. The methodological framework emphasizes the application of Partial Least Squares Structural Equation Modeling (PLS-SEM), a robust analytical technique used for assessing complex relationships among latent constructs, especially when the model includes multiple endogenous and exogenous variables as well as mediation pathways. PLS-SEM is appropriate for this study as it allows simultaneous estimation of direct and indirect effects, making it ideal for testing the hypothesized mediation model.

The research was conducted at Bank Aceh, specifically targeting its customers and external stakeholders. These include individuals who have direct experience with the bank's services, CSR initiatives, and corporate governance practices. The choice of Bank Aceh as the study site is grounded in the bank's active involvement in community-based programs and its growing focus on improving governance and service quality in a competitive regional banking sector. The target population comprises all customers and external stakeholders of Bank Aceh who are familiar with its reputation, service quality, CSR activities, and governance practices. To determine the sample size, the study follows the general rule of thumb for Structural Equation Modeling (SEM), which recommends a minimum of 100 respondents for adequate statistical power. The sampling method used was purposive sampling, a non-probability technique that selects respondents based on specific inclusion criteria to ensure relevance and data quality.

The inclusion criteria for the study were clearly defined to ensure the relevance and reliability of the responses. Respondents were required to have been customers of Bank Aceh for at least one year, allowing them to accumulate sufficient experience in assessing the bank's services and overall performance. Additionally, participants were expected to possess knowledge or experience related to Bank Aceh's social responsibility programs or corporate governance policies, ensuring that they could provide informed evaluations of the variables under investigation. Data collection was conducted using a structured questionnaire consisting of closed-ended statements that were specifically designed to measure respondents' perceptions. A 5-point Likert scale was employed, ranging from 1 (strongly disagree) to 5 (strongly agree), enabling standardized responses and facilitating quantitative analysis of attitudes and opinions related to corporate governance, service quality, CSR, and bank reputation.

RESULTS

The demographic profile of respondents in this study encompasses variables such as gender, age, level of education, employment status, and duration of customer relationship with Bank Aceh. A detailed summary of these respondent characteristics is provided in the following table:

Table 1. The Characteristics of Respondents

Characteristic	Category	Frequency	Percentage (%)
Gender	Male	55	55%
	Female	45	45%
Age	< 25 years	20	20%
	25 – 35 years	40	40%
	36 – 45 years	25	25%
	> 45 years	15	15%
Last Education	High School	15	15%
	Diploma	20	20%
	Bachelor's Degree	50	50%
	Postgraduate Degree	15	15%
Employment Status	Civil Servant	35	35%
	Private Employee	25	25%
	Entrepreneur	20	20%
	Student	10	10%
Length of Relationship with Bank Aceh	Others	10	10%
	1 – 3 years	40	40%
	4 – 6 years	30	30%
	> 6 years	30	30%

Based on Table 1, the 100 respondents comprised 55% males and 45% females. The majority were aged 25–35 (40%), followed by those aged 36–45 (25%), under 25 (20%), and over 45 (15%). In terms of education, 50% held a bachelor's degree, while 15% each had senior high school or postgraduate qualifications, and 20% held diplomas. Employment-wise, 35% were civil servants, 25% private employees, 20% entrepreneurs, and 10% each were students or in other occupations. Regarding customer tenure, 40% had been with Bank Aceh for 1–3 years, while 30% had been customers for 4–6 years or over 6 years.

Table 2. Descriptive Statistics of Research Variables

Variable	Indicator Statement	Mean	Category
Corporate Governance (X1)	Bank Aceh discloses important information openly and on time (CG1)	4.3	Very High
	The Board of Directors and management are accountable for every business decision (CG2)	4.46	Very High
	Bank Aceh complies with all regulations and ethical principles in its operations (CG3)	4.28	Very High
	Decision-making at Bank Aceh is free from conflicts of interest (CG4)	4.11	High

Variable	Indicator Statement	Mean	Category
	All customers are treated fairly without discrimination (CG5)	4.17	High
Average		4.264	Very High
	Bank Aceh's physical facilities are clean, comfortable, and modern (SQ1)	4.21	Very High
	The service I receive at Bank Aceh always meets my expectations (SQ2)	4.2	Very High
Service Quality (X2)	Bank Aceh employees are quick and responsive in meeting my needs (SQ3)	4.24	Very High
	I feel safe and confident in the competence of Bank Aceh employees (SQ4)	4.02	High
	Bank Aceh employees show care and empathy to customers (SQ5)	4.1	High
Average		4.154	High
	Bank Aceh supports MSME growth and the local economy (CSR1)	4.23	Very High
Corporate Social Responsibility (Z)	Bank Aceh is active in social initiatives such as education and health (CSR2)	4.15	High
	Bank Aceh is concerned about environmental sustainability (CSR3)	4.32	Very High
	Bank Aceh contributes to religious and cultural activities (CSR4)	4.48	Very High
Average		4.295	Very High
	I perceive Bank Aceh as a trustworthy financial institution (RP1)	4.3	Very High
Bank Reputation (Y)	Bank Aceh has a good image in the community (RP2)	4.31	Very High
	I believe Bank Aceh has strong social responsibility (RP3)	3.87	High
	Bank Aceh operates with high ethical standards (RP4)	4.11	High
Average		4.148	High

Based on Table 2, the study's 100 respondents rated Bank Aceh's corporate governance and CSR practices as "very high," with mean scores of 4.264 and 4.295, respectively. Service quality and bank reputation received "high" ratings, with average scores of 4.154 and 4.148, reflecting favorable perceptions across all measured variables.

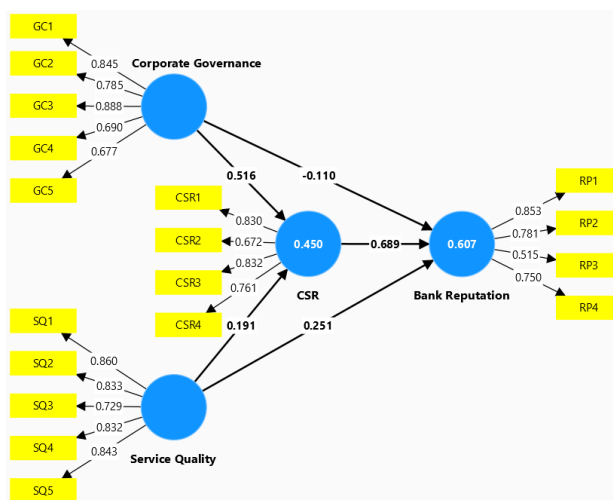


Figure 2. Outer Model Algorithm Results

Based on Figure 2, one indicator under the latent variable Bank Reputation must be removed due to a factor loading below 0.60. The indicator in question is RP3 with a loading value of 0.515.

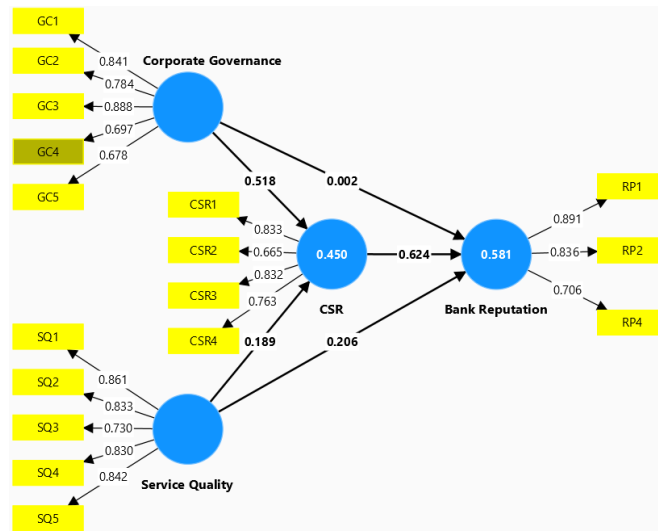


Figure 3. Outer Model Algorithm Results (Revised)

Figure 3 shows a PLS-SEM structural model that analyzes the influence of Corporate Governance and Service Quality on Bank Reputation with Corporate Social Responsibility (CSR) as a mediating variable. The results show that Corporate Governance has a significant effect on CSR (0.518) and CSR has a significant effect on Bank Reputation (0.624). However, the direct effect of Corporate Governance on Bank Reputation is not significant (0.002), indicating full mediation by CSR. Meanwhile, Service Quality does not show a significant effect on CSR (0.189) or Bank Reputation (0.206). The R² value of 0.450 for CSR and 0.581 for Bank Reputation indicates that this model is able to explain variability moderately. Overall, CSR is proven to be a significant mediator between Corporate Governance and Bank Aceh's reputation.

Table 3. Average Variance Extracted

Construct	AVE	Cronbach's Alpha	Composite Reliability
Corporate Governance	0.611	0.840	0.886
Service Quality	0.673	0.878	0.911
CSR	0.603	0.777	0.858
Bank Reputation	0.541	0.710	0.821

The results presented in Table 3 indicate that all constructs exhibit Cronbach's Alpha and Composite Reliability values exceeding the 0.70 threshold. This suggests the absence of unidimensionality issues and confirms that the measurement model demonstrates adequate reliability in evaluating the influence of corporate governance and service quality on Bank Aceh's reputation, with Corporate Social Responsibility (CSR) serving as a mediating variable.

Since no issues were found with convergent validity, the analysis proceeds to examine potential issues related to discriminant validity. As shown in Table 4, each indicator demonstrates a higher cross-loading value on its corresponding construct compared to other constructs. This finding confirms that all indicators satisfy the criteria for discriminant validity, indicating that they are appropriately aligned with and effectively measure their respective latent variables.

Table 4. Discriminant Validity - Cross Loading

Indicator	Bank Reputation	CSR	Corporate Governance	Service Quality
CSR1	0.545	0.833	0.631	0.546
CSR2	0.563	0.665	0.354	0.468
CSR3	0.627	0.832	0.522	0.343
CSR4	0.576	0.763	0.515	0.427
GC1	0.497	0.647	0.841	0.490
GC2	0.452	0.590	0.784	0.490
GC3	0.517	0.588	0.888	0.564
GC4	0.370	0.404	0.697	0.563
GC5	0.334	0.296	0.678	0.561
RP1	0.891	0.657	0.513	0.455
RP2	0.836	0.657	0.475	0.486
RP4	0.706	0.477	0.389	0.455
SQ1	0.532	0.471	0.710	0.861
SQ2	0.468	0.486	0.572	0.833
SQ3	0.433	0.486	0.503	0.730
SQ4	0.458	0.441	0.548	0.830
SQ5	0.416	0.390	0.556	0.842

Following the validity assessments, a reliability test was performed by evaluating the values of Cronbach's Alpha and Composite Reliability. A construct is deemed reliable when both Cronbach's Alpha and Composite Reliability exceed the threshold value of 0.70, indicating internal consistency among the indicators used to measure the latent variable.

Table 5. Standardized Root Mean Square Residual (SRMR) and R-square (R²) test

Variable	R Square	R Square Adjusted	Saturated Model	Estimated Model	Interpretation
SRMR			0.077	0.077	
CSR	0.450	0.439			Moderate
Bank Reputation	0.607	0.594			Moderate-Strong

The analysis in Table 5 shows that the SRMR values for both the Saturated Model and the Estimated Model are 0.077, which falls below the recommended cutoff of 0.08, as proposed by Hair et al (2019). This suggests that the structural model demonstrates a satisfactory level of fit, thereby validating its suitability for further examination of the relationships among the latent variables in the inner model. The R-square (R²) test results show that the CSR construct has an R² value of 0.450, meaning that 45% of the variance in Corporate Social Responsibility is accounted for by the independent variables in the model. Meanwhile, the R² value for the Bank Reputation construct is 0.607, which means that CSR, Corporate Governance, and Service Quality can explain 60.7% of the variance in Bank Reputation.

The hypothesis testing results from Table 6 reveal several key findings. Corporate Governance (CG) has a significant positive effect on Bank Reputation ($\beta = 0.325$, $t = 2.321$, $p = 0.020$), supporting Hypothesis 1. Similarly, Service Quality (SQ) positively influences Bank Reputation ($\beta = 0.324$, $t = 2.049$, $p = 0.041$), confirming Hypothesis 2. CG also significantly affects CSR ($\beta = 0.518$, $t = 4.510$, $p = 0.000$), supporting Hypothesis 3, while SQ does not significantly affect CSR ($\beta = 0.189$, $t = 1.427$, $p = 0.154$), leading to the rejection of Hypothesis 4. CSR has a strong positive impact on Bank Reputation ($\beta = 0.624$, $t = 6.087$, $p = 0.000$), validating Hypothesis 5. Additionally, CSR significantly mediates the relationship between CG and Bank Reputation ($\beta = 0.323$, $t = 3.488$, $p = 0.000$), supporting Hypothesis 6. However, CSR does not significantly mediate the link between SQ and Bank Reputation ($\beta = 0.118$, $t = 1.396$, $p = 0.163$), resulting in the rejection of Hypothesis 7.

Table 6. Hypothesis Test

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values
Corporate Governance -> Bank Reputation	0.325	0.343	0.140	2.321	0.020
Service Quality -> Bank Reputation	0.324	0.315	0.158	2.049	0.041
Corporate Governance -> CSR	0.518	0.532	0.115	4.510	0.000
Service Quality -> CSR	0.189	0.186	0.133	1.427	0.154
CSR -> Bank Reputation	0.624	0.622	0.102	6.087	0.000
Corporate Governance -> CSR -> Bank Reputation	0.323	0.331	0.093	3.488	0.000
Service Quality -> CSR -> Bank Reputation	0.118	0.115	0.085	1.396	0.163

DISCUSSION

The findings of this study demonstrate that corporate governance exerts a significant and positive influence on the reputation of Bank Aceh. This suggests that strong implementation of Good Corporate Governance (GCG) principles, such as transparency, accountability, and stakeholder orientation, contributes to enhancing institutional reputation. When banks consistently apply GCG, they reduce the risk of mismanagement and unethical conduct, thereby reinforcing stakeholder trust and public confidence (Listyawati & Kristiana, 2018). The integrity and efficiency achieved through robust governance mechanisms signal to external parties that the bank operates responsibly, which in turn strengthens its public image and financial resilience.

Similarly, service quality is shown to have a significant positive effect on Bank Aceh's reputation. This supports the premise that delivering consistent, reliable, and customer-oriented services enhances stakeholder perceptions. High service quality leads to greater customer satisfaction and loyalty, which ultimately translates into a stronger reputation for the bank. This finding echoes the conclusions of Hamzah et al. (2017), who argue that responsiveness, reliability, and assurance in service provision are critical in shaping public trust and the perceived credibility of financial institutions. Therefore, continuous improvement in service quality should be viewed as a strategic initiative for banks seeking to reinforce their market position and public standing.

The study also reveals that corporate governance significantly influences the implementation of Corporate Social Responsibility (CSR) programs. Institutions with robust governance frameworks are more likely to implement socially responsible initiatives that align with ethical standards and long-term strategic objectives. Effective governance fosters a culture of accountability, ensuring that CSR is not a symbolic gesture, but a meaningful extension of corporate values (Zanaria, 2022). In this context, CSR becomes a key mechanism through which well-governed institutions engage with societal needs, enhance brand value, and comply with evolving stakeholder expectations regarding sustainability and ethics.

The relationship between service quality and CSR was found to be statistically insignificant, indicating that enhancements in service quality do not directly lead to greater CSR engagement or perception. This may stem from the distinct ways customers evaluate service encounters compared to CSR initiatives, with the former focusing on direct interactions and the latter on broader commitments to societal and environmental causes (Ahmad & Akbar, 2022). Furthermore, other variables such as customer satisfaction or trust may mediate this relationship. Although service quality is often linked to social responsibility, it does not fully represent the multidimensional nature of CSR, which encompasses ethical practices, environmental care, and community involvement (Bello et al., 2021).

Furthermore, CSR is shown to significantly and positively influence Bank Aceh's reputation. The successful execution of CSR programs such as community empowerment, environmental stewardship, and financial education serves to elevate public perception and build long-term trust among stakeholders. These outcomes align with the findings of Dell'Atti et al. (2017), who emphasize that CSR enhances brand value by showcasing an organization's commitment to ethical behavior and societal contribution. When CSR is embedded within corporate strategy and communicated effectively, it becomes a reputational asset that reinforces the bank's legitimacy and credibility in the eyes of customers, investors, and regulators.

The study confirms that CSR significantly mediates the relationship between corporate governance and bank reputation, suggesting that strong governance fosters CSR engagement, which enhances stakeholder trust and credibility (Aryani & Setiawan, 2020). However, CSR does not mediate the link between service quality and reputation, as customers tend to form reputational judgments based more on direct service experiences than on CSR efforts (Wambugu, 2015; Nguyen, 2022). This highlights the importance of employing distinct strategies for reputation-building through governance versus service quality.

The findings imply that strengthening corporate governance should be a strategic priority for banks seeking to enhance their reputation, as robust governance not only directly improves public trust but also fosters effective CSR initiatives that further reinforce credibility. Service quality remains a critical driver of reputation through its direct impact on customer satisfaction and loyalty, yet it does not necessarily translate into increased CSR engagement, suggesting that separate approaches are required for service excellence and social responsibility. Therefore, banks should adopt a dual strategy: invest in transparent, accountable governance systems to drive both CSR and reputational gains, while simultaneously enhancing service quality to build strong, lasting customer relationships. Embedding CSR within governance frameworks ensures that social and environmental programs are aligned with long-term corporate values, enabling banks to meet evolving stakeholder expectations and maintain a competitive edge in the financial industry.

CONCLUSION

The findings of this study reveal that corporate governance and service quality both have significant direct effects on the reputation of Bank Aceh, with governance also significantly influencing CSR, which in turn positively affects reputation. However, service quality does not significantly influence CSR, nor does it indirectly affect reputation through CSR. These results confirm CSR's mediating role between corporate governance and bank reputation, underscoring its strategic importance in translating internal governance into external trust. From a theoretical standpoint, the study advances the literature by integrating CSR as a key mechanism linking corporate governance to reputational outcomes, especially within the context of a regional Islamic bank.

Practically, the study highlights the need for Bank Aceh and similar institutions to prioritize strong governance frameworks to enhance CSR performance and strengthen reputational capital. While service quality remains crucial for direct customer perception, its role in shaping CSR outcomes may be limited, suggesting that banks must develop parallel strategies to address service and social responsibility dimensions separately. A key limitation of this study lies in its use of cross-sectional data and focus on a single institution, limiting generalizability. Future research should consider longitudinal approaches and broader comparative samples to validate these relationships across different banking contexts. Additionally, exploring alternative mediating or moderating variables such as customer satisfaction or regulatory compliance may yield deeper insights into reputation-building mechanisms.

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