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AUTHORS

Finch, David Hillenbrand, Carola Rubin, Harris

PROXIMITY, STRATEGIC GROUPS AND REPUTATION: AN EXPLORATORY STUDY OF REPUTATION IN HIGHER EDUCATION

ABSTRACT

This paper explores the idea that stakeholder proximity, that is, how much/little experience a stakeholder has with a focal organization, impacts the extent to which stakeholders rely on strategic group characteristics as an anchor when judging the reputation of higher education institutions. We synthesize theories from psychology (ie, cognitive categorization theory) and management (ie, strategic group theory) to explore how stakeholder proximity may influence the formation of organizational reputation. Specifically, we examine how the proximity of three key stakeholders (N= 1,049; prospective students, parents of students and hiring managers of new graduates) influences the perceived strategic character and generalized favorability of three distinct groups of post-secondary institutions (research-intensive universities, teaching-intensive universities and career colleges). Our results suggest that high proximity stakeholders rely less on strategic group characteristics, while reputation at a strategic group level is suggested to have greater influence on stakeholders who have less direct experience of and low proximity to an organization. Interestingly, our findings reveal some consistent differences between perceptions of prospective students and hiring managers that pose important theoretical questions about the role and impact of direct experiences in the reputation-building process, while also suggesting that higher education institutions may benefit significantly from differentiated marketing strategies according to

issues of proximity.

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