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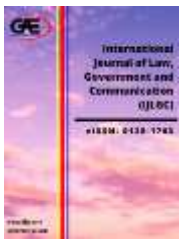

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REFRAMING ORGANIZATIONAL REPUTATION IN THE DIGITAL COMMUNICATION ERA WITH ARTIFICIAL INTELLIGENCE (AI) TOOLS AND STAKEHOLDER ENGAGEMENT

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Abstract:

The landscape of digital communication technologies and innovations has evolved, presenting opportunities and challenges for organizations seeking to build and maintain trust with their stakeholders. Artificial Intelligence (AI) tools might change the management of organizational communication and help sustain trust with stakeholders. In particular, this study aims to develop a conceptual framework for organizational reputation and to examine the relationships among AI tools, stakeholder engagement and organizational reputation in the evolving field of digital communication in Malaysian higher education institutions. Concurrently, this conceptual paper proposes a framework that derives a model or theory from an exhaustive interdisciplinary review of the literature. This study explores organizational reputation through a framework that integrates Stakeholder Theory, Relationship Management Theory, and the Modality, Agency, Interactivity, Navigability (MAIN) Model. At the same time, this study's findings explain how AI tools are reshaping organizations to build, sustain, and measure stakeholder relationships by introducing new modes of personalization, responsiveness, and interaction. Overall, the findings contribute to university management and communication practitioners in developing a structured process or guideline to strengthen the positive impact on organizational reputation. In addition, this study offers valuable knowledge and perspective on a trending topic in the discipline, as well as fresh theoretical insights for communication

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studies. This paper also provides an outline of avenues for future research on how AI-mediated engagement can strengthen or challenge an organizational reputation in the digital communication era.

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Keyword:

Artificial Intelligence (AI) Tools, Digital Communication, Organizational Reputation, Stakeholder Engagement

Introduction

Organizational reputation is widely recognized as a strategic, intangible asset that influences performance, resilience, and legitimacy (Fombrun & van Riel, 2004; Walker, 2010). It reflects how stakeholders collectively judge an organization's credibility, trustworthiness, and ability to meet their expectations over time (Barnett, Jermier, & Lafferty, 2006). For higher education institutions, reputation matters in very concrete ways, shaping student recruitment, staff and faculty attraction, research collaboration, funding opportunities, alumni support, and broader public trust in the institution's academic and social roles.

Notably, earlier work tended to treat reputation as the outcome of image management, something universities project through logos, branding, and carefully curated messages (Dowling, 2006). Still, as interactive media and participatory platforms have expanded, reputation is increasingly seen as a co-created, relational construct forged in ongoing exchanges between universities and their stakeholders (Etter, Ravasi, & Colleoni, 2019). Nonetheless, students, staff, alumni, employers, and the wider public all contribute to reputation by interpreting and sharing their experiences, primarily through digital channels.

This shift coincides with a second significant development, the rapid diffusion of Artificial Intelligence (AI) into communication and service ecosystems. AI-driven tools now support tasks such as automated inquiry handling, sentiment analysis, content personalization, and predictive outreach (Dwivedi et al., 2021; Ngai et al., 2021). Following this, many universities have introduced chatbots for admissions or student services, AI-enhanced learning support, and data-driven early warning systems. In essence, these tools extend beyond improving efficiency. They can change how stakeholders experience the institution and how the institution listens and responds to them.

At the heart of this transformation is stakeholder engagement. From a Stakeholder Theory perspective, organizations create value by identifying and attending to the interests of those who can affect, or are affected by, their activities (Freeman, 1984). In universities, stakeholders include students, academic and administrative staff, alumni, parents, funding bodies, regulators, and surrounding communities. In other words, engagement involves involving these groups in meaningful interactions, consultations, and co-creation, rather than treating them as passive audiences (Greenwood, 2007). Engaged stakeholders contribute feedback, ideas, and narratives. At the same time, they post, comment, recommend, criticize, defend, and mobilize. Accordingly, they help construct the university's reputation in public arenas. Relationship Management Theory (Ledingham, 2003; Hon & Grunig, 1999) suggests that what ultimately matters are the quality of these relationships, often assessed through trust, satisfaction, commitment, and mutuality of control. When relationships are strong, stakeholders are more likely to speak positively, offer support, and grant the benefit of the doubt in times of crisis, all of which are central to a favorable reputation.

AI tools have the potential to support or disrupt these relational processes. On the one hand, AI systems can make communication more responsive, accessible, and tailored. They can answer questions instantly, recommend relevant information, and detect emerging concerns in large volumes of data. Through the lens of Sundar's Modality, Agency, Interactivity, Navigability (MAIN) Model (2008), AI-enabled platforms provide technological affordances, such as modality (e.g., voice, avatars), perceived agency, interactivity, and navigability, that shape user perceptions of credibility and social presence. Under certain conditions, stakeholders may treat AI interfaces as quasi-social partners (Sundar & Lee, 2022), and positive experiences with those interfaces may spill over into perceptions of the institution deploying them.

On the other hand, the use of AI raises important questions about privacy, transparency, bias, and authenticity (Floridi & Cowls, 2022). However, stakeholders may feel uneasy if they do not understand how their data is used, if AI outputs seem unfair or inaccurate, or if they experience AI as a barrier to reaching human contact. In such cases, AI can undermine trust and damage, rather than strengthen reputation. Despite growing interest, existing research offers limited conceptual clarity on how AI tools, stakeholder engagement, and reputation are linked, particularly in higher education. AI is often examined as a technical innovation or efficient tool. Simultaneously, engagement and reputation are studied separately within communication and public relations. Thus, there is a need to systematically theorize how AI tools in communication may affect stakeholder engagement processes and how those processes, in turn, feed into reputation outcomes.

The proposed conceptual model offers several important contributions to the theoretical understanding of how AI tools, stakeholder engagement, and organizational reputation interact in the higher education context. From a Stakeholder Theory perspective, universities have a responsibility to consider the interests and expectations of various stakeholders, including students, staff, alumni, employers, regulators, and communities (Freeman, 1984). Correspondingly, reputation reflects the aggregate of these stakeholders' perceptions. Engagement is a one-way university that demonstrates respect and responsiveness to stakeholder concerns, creating value for them as well as for the institution. In response, AI tools can be viewed as additional instruments to support stakeholder engagement, provided they are deployed in ways that align with stakeholder needs and values.

Furthermore, the Relationship Management Theory suggests that communication efforts should be assessed in terms of how they affect relationship quality in terms of trust, satisfaction, commitment, and a sense of mutual control (Hon & Grunig, 1999; Ledingham, 2003). Here, we conceptualize stakeholder engagement as a relational process. It is not just about the frequency of contact; instead, it also concerns the quality of interaction and the relational outcomes it generates. In response, we propose that AI tools influence reputation indirectly by shaping stakeholder engagement and relationship quality. As such, AI may help or hinder reputation depending on whether it improves or harms relationships.

The MAIN Model provides a micro-level account of how AI tools affect stakeholder experiences. The technological affordances of AI interfaces, such as modality, agency, interactivity, and navigability, can influence how stakeholders perceive interactions, whether they feel heard and supported, and whether they view the organization as competent and caring. When AI is designed to be user-friendly, transparent, and responsive, it can foster positive heuristics and encourage deeper engagement. By contrast, when it is opaque, rigid, or confusing, it may do the opposite.

Integrating these perspectives, we argue that AI tools, when designed and implemented thoughtfully, can enhance stakeholder engagement by offering timely, interactive, and personalized communication experiences. In addition, enhanced stakeholder engagement, in turn, leads to stronger relationship outcomes, which are known as antecedents of favorable organizational reputation. Still, the strength and direction of these effects depend on how AI tools are designed (MAIN affordances) and governed (through ethical and transparent practices). The purpose of this study is to establish a conceptual and integrative framework that explains how AI tools can influence organizational reputation in higher education, with stakeholder engagement as a mediating factor. This can be achieved by combining insights from Stakeholder Theory, Relationship Management Theory, and the MAIN Model of technological affordances.

Organizational Reputation in Higher Education Institutions

Organizational reputation has been defined as a collective assessment of an organization's ability to meet stakeholder expectations, based on perceptions of past behavior and prospects (Fombrun, Gardberg, & Sever, 2000; Barnett et al., 2006). In particular, it combines cognitive elements (beliefs about competence and reliability), affective elements (feelings of trust or admiration), and behavioral tendencies, such as willingness to support or oppose (Fombrun, Ponzi, & Newburry, 2015). In higher education institutions, reputation is closely linked to perceptions of academic quality, research excellence, student experience, graduate outcomes, and social contribution. A reputable university often enjoys advantages such as increased student applications, stronger alumni loyalty, better staff recruitment, and easier access to partnerships and funding. Following this, reputation also plays a key role in rankings and league tables, which further reinforces perceptions in a self-reinforcing cycle.

Traditional approaches to reputation management in universities emphasized image and identity, projecting a coherent brand, controlling messages, and securing favorable media coverage (Dowling, 2006). Nevertheless, such approaches become less effective as communication environments become more participatory and networked. Walker (2010) and others argued that reputation is better understood as a dynamic, relational construct that emerges from interactions among multiple stakeholders and the organization. For universities,

this suggests that reputation is continually shaped by what students say on social media, how staff describe their workplace, how alumni talk about their alma mater, and how communities perceive institutional behavior. From this relational perspective, reputation does not belong solely to the organization; it is co-owned by stakeholders whose experiences and judgments collectively shape it. Thus, this shift has important implications; reputation management cannot be reduced to messaging; it must include relationship building, responsiveness, and participation.

Digital Transformation of Organizational Reputation

The rise of social media, review platforms, and online communities has transformed the landscape of reputation management (Aula, 2010; Schultz, 2020). Communication is now more decentralized, dialogic, and transparent. Correspondingly, stakeholders use digital platforms to share experiences, mobilize issues, and challenge institutional narratives. Meanwhile, in cases where universities cannot fully control these conversations, they must participate in them. This digital transformation has two key consequences. First, visibility and speed increase the likelihood that local incidents can become widely known in minutes, and responses, or silence, are observed and evaluated quickly. Second, stakeholder voice becomes more central; the students, staff, and other stakeholders can publicly express satisfaction, frustration, or demands, influencing how others perceive the institution. Concurrently, these dynamics shift reputation management from a focus on symbolic visibility to one on substantive responsiveness and engagement (Etter et al., 2019).

Recent advances in AI intensify these trends. AI tools can analyze large volumes of online content, identify sentiment patterns, and flag emerging issues. As such, chatbots and virtual assistants can provide continuous, immediate responses to questions. Recommendation systems can tailor content and services to individual profiles. In principle, such tools can help universities be more responsive and personalized in their communication, thus supporting reputation building. At the same time, AI introduces new risks. Algorithmic bias can produce unfair or discriminatory outcomes, whereas deep fakes and synthetic media can spread misinformation; opaque decision-making can erode trust and authenticity (Floridi & Cowls, 2022). For example, if an AI-based admissions tool is perceived as biased, or if a chatbot provides incorrect or insensitive responses, stakeholders may question the institution's competence and integrity. Thus, digital transformation and AI deployment create a more complex reputational environment; opportunities for better engagement and understanding sit alongside elevated risks and heightened stakeholder expectations for transparency and fairness.

Stakeholder Engagement and Relationship Management

Stakeholder Theory highlights the importance of recognizing and actively addressing the needs and interests of multiple stakeholder groups (Freeman, 1984). Stakeholder engagement extends beyond informing stakeholders; it involves listening, consulting, involving, and sometimes partnering with them in decision-making and value creation (Greenwood, 2007). Moreover, engagement is both a normative obligation (respecting stakeholder rights) and an instrumental strategy (building support and reducing conflict).

Relationship Management Theory (Ledingham, 2003) adds that the core task of strategic communication is to initiate and sustain mutually beneficial relationships between organizations and their publics. Hon and Grunig (1999) operationalized relationship quality

through dimensions such as trust, satisfaction, commitment, and mutuality of control. When these relationship indicators are high, stakeholders are more likely to cooperate, advocate, and engage in supportive behavior, especially in times of difficulty.

In higher education institutions, engagement encompasses many forms: student feedback mechanisms, town hall meetings, industry advisory boards, alumni networks, partnerships with communities, and increasingly, digital interaction via social media and online platforms. In line with this, effective engagement helps universities understand stakeholder expectations, identify emerging issues, and co-create solutions. In this view, engagement activities are not an end in themselves; they are meaningful insofar as they contribute to relationship quality. For example, inviting students to participate in curriculum discussions can build trust and commitment, while ignored feedback can erode them. Over time, the cumulative quality of these relationships significantly shapes organizational reputation.

AI in Stakeholder Communication: MAIN Model Perspective

AI in stakeholder communication is to understand how AI might influence engagement and relationships. It is helpful to consider the MAIN Model (Sundar, 2008). The model identifies four classes of technological affordances that influence how users process and respond to mediated communication: 1) modality is the sensory formats through which information is presented (text, audio, video, avatars), affecting perceived realism and user involvement; 2) agency is the sense of who or what is the source of information (human or machine), affecting perceptions of autonomy and intent; 3) interactivity is the extent to which users can act on and receive immediate, contingent responses from the system; and 4) navigability is the ease with which users can find and organize information in the environment.

AI tools exhibit these affordances in distinct ways. First, a voice-based university assistant offers a richer modality than a static Frequently Asked Questions (FAQ) page. That is, a chatbot that introduces itself with a persona ("I am your virtual student advisor") highlights machine agency. In addition, real-time conversation and adaptive responses can demonstrate interactivity. Similarly, search and recommendation functions support navigability by helping users promptly locate relevant information. According to Sundar and Lee (2022), users often apply heuristics when interacting with AI, sometimes attributing social qualities to machines. In general, a visually rich, responsive chatbot may be perceived as more competent and caring than a sparse, slow one. If stakeholders feel that "the system listens to me" or "the system remembers me," they may develop favorable attitudes towards the organization providing it.

Nevertheless, these positive effects depend on design and context. Poorly implemented AI, for example, a confusing interface, generic responses, or hidden automation that pretends to be human, can frustrate users and damage trust. Despite this, ethical concerns, such as data misuse or bias, can further undermine any engagement benefits. The MAIN Model thus helps explain why AI tools sometimes succeed in fostering engagement and relational warmth and, at other times, fail or backfire.

Methodology of Literature Review

This paper adopts a conceptual research design. It draws on an in-depth review and critical interpretation of existing literature on AI tools, stakeholder engagement, and organizational reputation. Accordingly, the review is organized thematically to identify key patterns,

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conceptual linkages, and unresolved gaps from a wide range of existing research, including journal articles, books, conference proceedings, and industry reports. The main theories, particularly Stakeholder Theory, Relation Management Theory, and the MAIN Model, are examined to establish a robust theoretical foundation. Insights from both global and local studies are then integrated to provide a comparative perspective that is sensitive to contextual differences. Together, these steps lead to the development of a conceptual framework intended to guide future empirical research and inform strategic practice.

Conceptual Framework

The conceptual framework developed in this study is grounded in the literature on organizational reputation, stakeholder engagement, and AI tools. AI tools as an independent variable: the extent and quality of AI use in stakeholder communication and services (e.g., chatbots, AI assistants, AI-driven recommendation systems, sentiment analysis and feedback tools). Meanwhile, organizational reputation as a dependent variable: stakeholders' collective judgment of the institution's credibility, trustworthiness, and overall esteem. Moreover, stakeholder engagement as a mediator: the degree and quality of stakeholders' involvement with the institution, including frequency of interaction, perceived responsiveness, and relational outcomes such as trust and satisfaction.

The conceptual model posits that AI tools influence organizational reputation primarily through their impact on stakeholder engagement. AI that makes communication more accessible, relevant, and interactive can deepen engagement. Briefly put, deeper engagement supports stronger relationships, and stronger relationships contribute to a positive reputation. In addition, the model recognizes that the positive potential of AI is conditional. The MAIN affordances of AI interfaces (modality, agency, interactivity, navigability) and the ethical context (transparency, fairness, data protection) moderate whether AI interfaces contribute to or detract from engagement and reputation. This conceptual framework brings together Stakeholder Theory, Relationship Management Theory, and the MAIN Model, offering a multi-layered explanation of how AI tools influence the organizational reputation through stakeholder engagement, particularly in higher education institutions. Based on the synthesis of these three theoretical perspectives, the proposed conceptual framework is illustrated below:

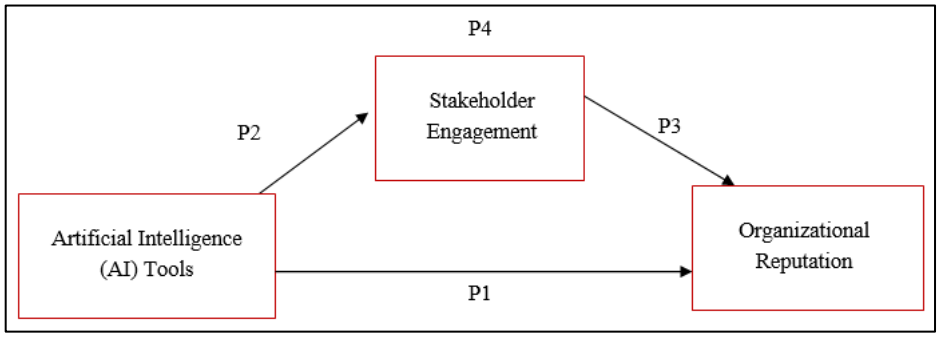

Figure 1: A Conceptual Model of Reframing Organizational Reputation in the Digital Communication Era with AI Tools and Stakeholder Engagement

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Proposition Development

Digital Communication Era with AI Tools

This section combines classical theories (Stakeholder Theory and Relationship Management Theory) with a modern digital model (MAIN Model) to examine the consequences of AI tools reshaping organizational reputation in communication research.

AI Tools and Organizational Reputation

AI tools can provide innovative solutions to enhance and monitor the organization's digital reputation. Notably, advanced AI tools can analyze large volumes of data from multiple online platforms and social media, delivering real-time perception and predictive analytics that help organizations manage their reputations more effectively (Moukdad & Juidette, 2024; Biancone et al., 2024; Krstić, 2025). Conversely, sentiment analysis is the primary AI application for processing large amounts of textual data to determine public sentiment, identify key themes and anticipate emerging trends. Sentiment analysis also helps the organization recognize stakeholder perspectives and respond to potential issues by providing a clear, inclusive and transparent organizational report (Biancone et al., 2024). This AI capability empowers organizations to highlight or address concerns based on data-driven perceptions prior to developing into larger issues.

Reframing AI tools as likely relational resources that can support discussion, understanding and responsiveness. Rather than conceptualizing AI solely in terms of efficiency or cost savings, it highlights AI's capacity to influence trust, satisfaction and commitment, which are central to relationship and reputation research. In recent years, many organizations have been increasingly adopting AI technologies to enhance user experience and engagement (Kai Xin et al., 2022). Following this, Kai Xin et al. (2022) reported that research on AI in the Malaysian context remains relatively limited. The study on AI implementation in human resource management and its relationship with organizational performance in Malaysia was constrained by the limited number of prior studies, which they attribute to low AI adoption and limited awareness of how to integrate AI effectively into organizational processes.

More broadly, AI represents a wide-ranging technological domain that has influenced numerous sectors, including education. In particular, the educational field is seeing a variety of AI tools and applications deployed to support teaching, learning, and assessment processes (Nemorin et al., 2023). The creation of digital media presents both challenges and opportunities for reputation management. In a similar vein, online platforms can amplify crises by rapidly spreading misinformation or harmful content; on the other hand, they also provide avenues for organizations to engage in real-time dialogue and correct false narratives (Harriott, 2025). This dual nature indicates that organizations must carefully navigate digital media, leveraging its benefits for crisis mitigation while remaining vigilant about its potential to exacerbate issues.

In response, organizations are encouraged to adopt proactive crisis management strategies that integrate AI and digital tools. By using AI to anticipate stakeholder reactions and by employing digital platforms for rapid, transparent communication, companies can respond to crises more effectively (Moukdad & Juidette, 2024; Harriott, 2025). Concurrently, leveraging AI's predictive capabilities in this way enables organizations to address issues before they escalate, thereby protecting their reputation and maintaining public trust.

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P1: Greater use of AI tools positively influences the organizational reputation.

AI Tools and Stakeholder Engagement

AI should complement, not replace, human interaction. Sensitive matters such as mental health queries, grievances, or complex academic decisions should always have clear routes to human support. Furthermore, AI can oversee routine questions and triage issues, freeing staff to focus on relational work that requires empathy and judgment. AI-mediated communication, which allows machines to simulate human behavior and cognitive processes, is understood as an interaction between virtual agents and human users situated within social, cultural, political, and ethical contexts (Xie et al., 2020).

In design matters, AI interfaces that are easy to use, respond promptly, provide rich and clear information, and present a consistent, well-communicated identity are more likely to generate positive user experiences and sustained engagement. However, poorly designed tools, even if technically sophisticated, may discourage engagement. Consistent with this, AI-powered communication tools are also transforming how organizations engage with their audiences. For instance, chatbots and digital human interfaces can provide consistent, accurate information around the clock. Consequently, this constant availability significantly enhances stakeholders' perceptions of support and organizational responsiveness (Newman & Gopalkrishnan, 2023). Hence, by augmenting human communication with these AI tools, organizations improve overall communication effectiveness and ensure that stakeholders receive timely information whenever needed.

The success of AI tools should be assessed by usage statistics and stakeholder perceptions: Do they feel better informed? Do they trust the system? Are they more satisfied with the institution's responsiveness? Regular monitoring of engagement and feedback can guide improvements and prevent issues from escalating. In addition, to maximize the benefits of AI in reputation management, experts emphasize integrating AI with human expertise. This interdisciplinary approach leverages the efficiency and analytical power of AI alongside the nuanced judgment and contextual knowledge of human professionals (Harriott, 2025; Gilkerson & Swenson, 2025). Such synergy between technological innovation and human capital is expected to strengthen organizational resilience and bolster efforts to safeguard corporate reputation.

An ethical and responsible AI perspective incorporates ethical considerations as a key moderating factor, aligning reputation research with emerging discussions on responsible AI. This underlines how AI is used as a transparent or opaque, fairly or unfair, matter as much as what it can do. At the same time, stakeholders are more likely to reward institutions that use AI responsibly. Explicit disclosure that an interaction involves AI, clear explanations of how data are used, and visible efforts to avoid bias can enhance trust and legitimize AI-enabled engagement. Conversely, perceived ethical lapses can quickly undermine both engagement and reputation. Similarly, German citizens, known for their high expectations of quality, demonstrate a strong interest in AI while maintaining heightened awareness of its potential risks. For AI to gain broader public acceptance, ethical principles and safeguards must therefore be carefully considered and clearly articulated (Kieslich et al., 2022).

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Organizations need to develop Institutional Guidelines for AI in Communication to establish clear policies that ensure the consistent, ethical use of AI. These might cover transparency standards, data protection, escalation protocols to human staff, and regular audits for bias and accuracy. As AI becomes more integrated into stakeholder engagement and reputation strategies, ethical considerations take on heightened importance. Similarly, organizations are urged to implement frameworks that prioritize data privacy, transparency, and even elements of emotional intelligence in their AI systems (Gilkerson & Swenson, 2025). Therefore, using AI tools responsibly and transparently, companies can ensure these technologies build stakeholder trust rather than erode it. Simultaneously, robust ethical guidelines and oversight help prevent misuse of data and maintain public confidence in AI-driven reputation management initiatives.

P2: Greater use of AI tools positively influences stakeholder engagement.

Stakeholder Engagement

This section will incorporate Stakeholder Theory and Relationship Management Theory to analyze the consequences of AI tools on organizational reputation.

Stakeholder Engagement and Organizational Reputation

Engagement that leads stakeholders to believe the university is competent, responsive and caring will translate into favorable reputational judgments. For instance, a student who repeatedly receives helpful and empathetic responses from an AI tool's help system may develop a stronger sense of trust and commitment toward the institution, contributing to a favorable reputation. However, effective stakeholder engagement further requires transparency, ethical accountability, and culturally competent communication. Adopting these practices has been presented as a way to improve trust and openness, particularly among stakeholders from underrepresented groups who might otherwise feel marginalized (Welch, 2025; Park & Yoon, 2025). As a result, emphasizing ethical and inclusive engagement ensures that stakeholder relationships are built on trust and that communication strategies resonate across diverse cultural contexts. Nonetheless, the data analysis also indicates that AI use is associated with several negative implications, including diminished human decision-making, concerns about privacy and security, and increased human laziness. Among these, human laziness appears to be the most affected dimension (Ahmad et al., 2023).

Moreover, AI also plays an essential role in addressing three main components of crisis communication: monitoring, response tactics and response management (Nuortimo et al., 2024). Universities should inform stakeholders when they are interacting with AI and explain why and how it is used, to ensure transparency in communication about AI use. Simple disclosures (“I am a virtual assistant”) and concise privacy notices build trust and signal respect. When AI tools provide convenient, always-available channels (e.g., 24/7 chatbots, adaptive FAQ systems), stakeholders are more likely to interact with the institution. This may result in more frequent contacts, higher response rates, and broader participation, particularly for stakeholders who might not engage through traditional channels. In the digital era, real-time engagement and transparency have become crucial components of reputation management. Concurrently, organizations now use digital platforms to communicate openly with the public, address concerns promptly, and maintain greater control over the narrative during crises (Krstić, 2025; Harriott, 2025). In essence, prompt and transparent communication

via social media and other online channels is essential for managing crises and rebuilding public trust after reputational damage.

P3: A higher level of stakeholder engagement positively influences organizational reputation.

Mediating Role of Stakeholder Engagement

Stakeholder engagement is central to how an organization is perceived, especially when it is thoughtfully combined with AI-driven communication strategies. A notable trend in reputation management is the shift toward stakeholder-driven approaches. Involving stakeholders more directly in reputation processes moves away from purely internal management efforts. It reduces irrational, defensive behaviors sometimes exhibited by management and staff (Derevianko, 2018). Thus, by giving stakeholders a voice in reputation management, organizations can cultivate a more mature and effective Reputation Management System (RMS) while also enhancing transparency and trust.

AI initiatives should start with stakeholder needs, rather than technology. What problems are students, staff, or alumni struggling with? How can AI reduce friction and improve its experience? Designing AI around such questions increases the likelihood that it will genuinely enhance engagement. Following this, effective stakeholder engagement is fundamental to building trust and transparency, both of which are critical to sustaining a positive organizational reputation. Furthermore, transparency helps ensure that the information shared with stakeholders is accurate, comprehensive, and accessible, enabling them to form informed judgments about the organization's actions and commitments (Bondi & Poppi, 2025). In addition, trust develops through consistent, honest, and reliable interactions, thereby strengthening stakeholders' confidence in and support for the organization.

Despite this, AI tools do not automatically improve reputation. Their influence is realized through their impact on stakeholder engagement and relationship quality. If AI-mediated interactions make stakeholders feel informed, respected, and supported, they will likely hold the institution in higher regard. If interactions are frustrating or feel manipulative, reputation may suffer. Equally important is that stakeholder engagement is practiced inclusively and ethically. This entails the early and continuous involvement of diverse stakeholder groups and careful attention to the ethical soundness and social acceptability of AI tools used in organizational processes (Camacho et al., 2024). Inclusive engagement strategies that prioritize transparency, ethical accountability, and culturally competent communication have been demonstrated to significantly improve employee receptivity to AI. This is particularly evident among marginalized or underrepresented groups (Welch, 2025).

In general, by positioning stakeholder engagement as a mediator, the framework clarifies that the reputational value of AI depends on how it reshapes relationships, not just on its novelty or sophistication. This contributes to a more precise understanding of the mechanisms linking technology adoption and reputational outcomes.

P4: Stakeholder engagement mediates the relationship between the use of AI tools and organizational reputation.

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Conclusion

The framework is tailored to the higher education context, where stakeholder structures and expectations are distinctive. Notably, universities are service providers and knowledge institutions with public and national missions. Hence, this context underscores the significance of trust, legitimacy, and long-term relationships, making the reputational implications of AI particularly prominent.

Reputation in higher education is increasingly shaped in digital spaces where stakeholders interact, share experiences, and evaluate institutional behavior. In turn, AI tools are rapidly becoming part of this communicative environment. Correspondingly, this paper has proposed that AI's impact on organizational reputation should be understood through its influence on stakeholder engagement and relationship quality.

By integrating Stakeholder Theory, Relationship Management Theory, and the MAIN Model, we have framed AI not simply as an efficiency-enhancing technology. Rather, it also serves as a potential relational partner that can help universities listen, respond and personalize communication at scale when carefully designed and governed. At the same time, we have highlighted that AI is not neutral: poor design or unethical use can damage trust and undermine reputation. This integration extends beyond treating AI as merely a technical tool and positions it within a relational, stakeholder-oriented framework.

For university leaders, communication managers, and policymakers, the key message is that AI should serve the broader goal of strengthening relationships with stakeholders. When AI is used to make people feel heard, supported, and respected, it can become a powerful asset in reputation management. By contrast, when it ignores or overrides human needs and values, it becomes a liability.

Ultimately, reputation in the AI era remains grounded in familiar principles: transparency, responsiveness, fairness, and genuine care for stakeholders. AI does not replace these principles; it simply offers new ways to ratify them. Thus, the responsibility now lies with higher education institutions to harness AI thoughtfully and ethically, ensuring that technological innovation goes hand in hand with relational and reputational integrity.

Future Research Directions

Based on the proposed framework and the reviewed literature, this study suggests several potential future research directions. Table 1 summarizes these suggestions for future research by identifying key areas and deeper research topics.

Table 1: Suggested Directions for Future Research

Num.	Key Areas	Research Suggestion
1	Testing the Mediation Model	Future studies can use survey or longitudinal designs to assess whether stakeholder engagement mediates the relationship between AI use and organizational reputation. For example, researchers might examine changes in engagement and reputation before and after the introduction of a student services chatbot.

2	Comparing AI Design Features	Experiments could compare AI interfaces with varying levels of modality, agency, interactivity, and navigability to identify which features most strongly influence engagement and relational outcomes.
3	Exploring Stakeholder Segmentation	Different stakeholder groups (e.g., undergraduate students, postgraduate students, staff, alumni) may respond differently to AI tools. Research could examine how age, digital literacy, cultural background, or institutional role shape preferences and responses.
4	Investigating AI in Crisis Communication	Studies could explore how AI is perceived when used in crises or sensitive situations. Does AI support or undermine trust during emergencies or controversial events, and under what conditions?
5	Longitudinal Relationship and Behavioral Outcomes	Longer-term studies could assess whether AI-mediated engagement has lasting effects on loyalty, advocacy, or alumni giving, beyond immediate satisfaction.
6	Cross-Cultural and Cross-Institutional Comparisons	Comparing institutions across countries and sectors could reveal contextual factors that moderate the AI-engagement-reputation link and help generalize or refine the framework.

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