



Using reputation for corporate sustainability to tackle banks digitalization challenges

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Abstract

The new landscape in the financial sector, characterized by fierce competition and the entrance of new technological players, has forced banks to speed up their digital transformation. However, for banks, digitalization entails challenges that can hinder the potential benefits and compromise their survival. In this context, we argue that the reputation generated by corporate sustainability (RCS) may offset these digitalization drawbacks. In particular, we find that the combination of RCS and digitalization facilitates in transforming the organizational nature of banks by simultaneously narrowing their boundaries and expanding their scope. We empirically confirm our hypotheses by analyzing a panel of 110 multinational banks from developed countries.